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A personal touch:

How personalization is unlocking business growth in APAC

Meta
2026

Deloitte
Access Economics

Executive summary

Businesses are increasingly investing in personalized advertising to reach specific audience segments and efficiently expand their market presence. For small-to-medium-sized enterprises (SMEs), personalized advertising can be a powerful tool to level the playing field against larger competitors.

Personalized advertising is the practice of delivering advertisements that are tailored to an individual's interests, behaviors, or demographics.

This report explores the use, perceptions, and impacts of personalized advertising on SMEs and consumers across Australia, Indonesia, Japan, Malaysia, South Korea, Thailand and Vietnam (collectively referred to as 'APAC'). It also outlines key considerations for businesses and platforms moving forward. This report draws on surveys of 1,426 SMEs and 3,520 consumers across APAC.

To illustrate the potential for growth in personalized advertising use, this report assesses the current proficiency of SMEs through a Maturity Index. The Index scores surveyed SMEs as emerging, intermediate, or advanced, based on their performance across five pillars: artificial intelligence (AI), investment, impact, measurement and future outlook.

Personalized advertising is a strategic growth opportunity for SMEs in APAC

Personalized advertising allows SMEs to tailor messages to individual preferences and deliver them when consumers are most receptive. As a result, surveyed SMEs report a wide range of benefits from personalized advertising use. These include:

- **increased consumer engagement:** Personalization enables SMEs to communicate with more relevance and precision. 80% of surveyed SMEs report that they have experienced an uptick in domestic consumer engagement due to personalized advertising use.

- **revenue growth:** Stronger ad engagement can lead to higher conversion rates and revenue growth. 78% of surveyed SMEs report an increase in revenue after personalized advertising use.
- **time savings:** Personalized campaigns provide data-driven insights about consumers, which are useful for product innovation or campaign optimization. 79% of SMEs report that it has helped them save time due to more streamlined marketing efforts.

SMEs that are more advanced in their personalized advertising maturity are more likely to see these positive changes. For example, advanced SMEs were three times as likely as emerging SMEs to report an improved understanding of consumer wants and needs through personalized advertising.

As one of the most effective forms of digital advertising, personalized advertising drives economic growth by amplifying the broader impact of the advertising industry. Advertising stimulates GDP growth by increasing demand, boosting competition, fostering innovation and job creation.¹ In addition to direct impacts, advertising also supports jobs across its supply chain and other industries that depend on advertising as a key source of revenue.

Perception and regulatory considerations influence adoption

Despite personalized advertising offering clear benefits to SMEs and the broader economy, uptake can be influenced by perceptions and regulatory requirements.

With the roll-out of new data privacy and AI regulations, SMEs are considering how these measures may affect compliance costs and the effectiveness of their campaigns. More than a third (36%) of surveyed SMEs worry that they will have less access to the data needed to reach the right consumers.

SMEs are also mindful of perceived consumer attitudes, with 33% of surveyed SMEs perceiving that personalization could feel invasive, and another 32% noting concerns about ad fatigue.

Consumers want more personalized experiences and respond positively when ads deliver benefits

Consumers value personalization and want more of it. Nearly four out of five (79%) surveyed consumers want to see the same amount or more personalization, and 70% of surveyed consumers prefer personalized over non-personalized ads. These results suggest that SMEs may be underestimating consumer receptiveness and missing opportunities to engage.

Part of the reason consumers engage more with personalized ads is that they offer benefits. A majority (80%) of consumers report experiencing a tangible benefit from seeing or engaging with personalized advertising in the last 12 months. Consumers accessed a greater range of products, discovered new information, and saved time and money. Surveyed consumers that receive tangible benefits are more willing to share their data.

Transparency, clear communication, and user control are key to building consumer confidence in personalized advertising

With AI and automation rapidly evolving, personalized advertising is likely to become more relevant and scalable. It is important that SMEs and platforms tackle key considerations today to lay the groundwork for safe and seamless integration tomorrow.

With 73% of consumers more likely to share data if they had greater awareness of how it is handled, platforms can strengthen trust with more transparency and better communication around data collection and storage.

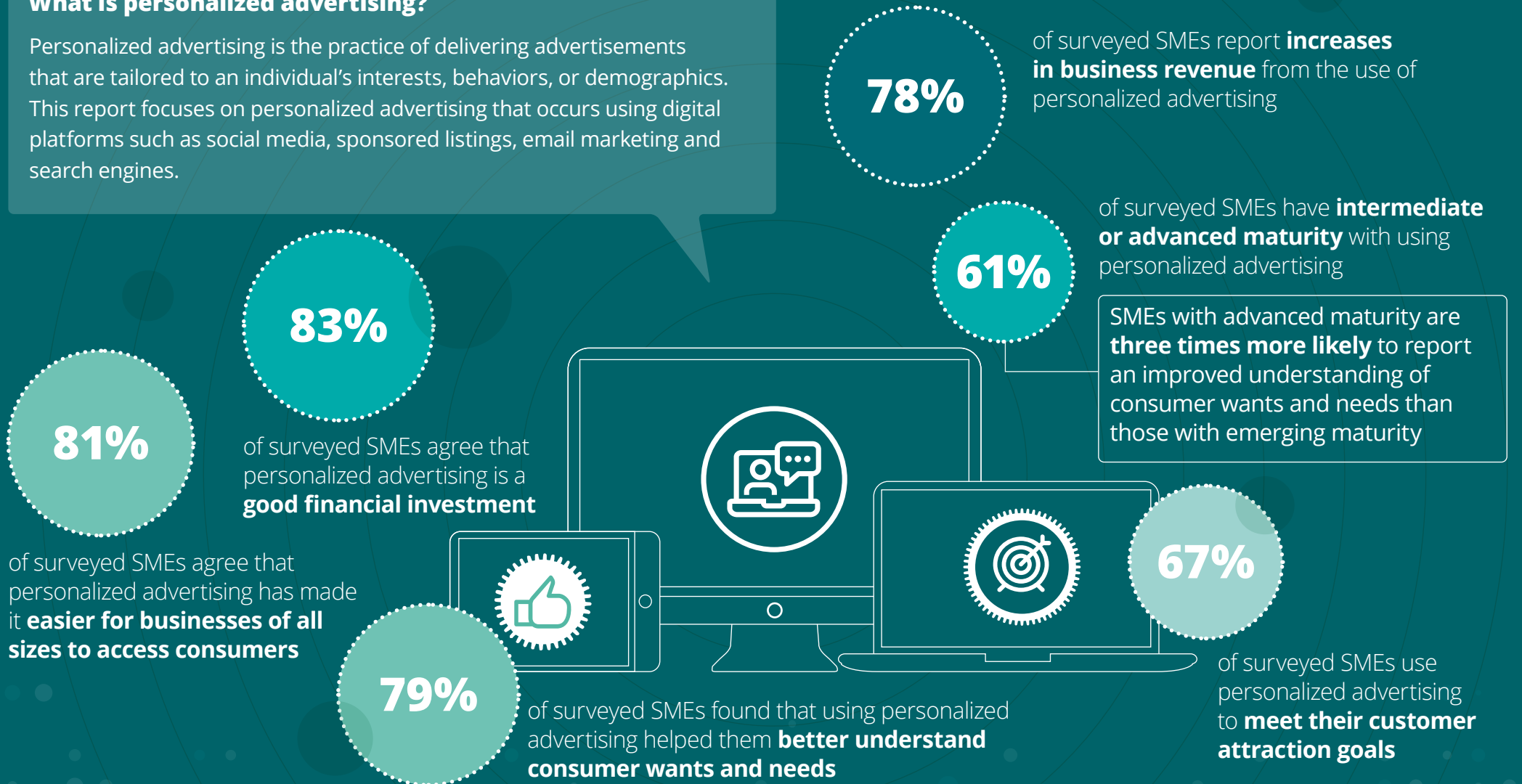
There are four key recommendations for SMEs to enable the full realization of the benefits of personalized advertising.

- 1** Use advertising metrics to enhance strategy and outcomes; SMEs can track how effectively they are reaching specific audience segments and adjust content or targeting to improve engagement and returns.
- 2** Prioritize responsible and ethical use of AI and personalization; Ethical AI refers to the design and use of AI systems in ways that prioritise fairness, transparency, accountability and human-centered values.² SMEs should reflect this and ensure personalization respects privacy and builds trust.
- 3** Understand which platform and method best aligns with target consumers; SMEs should research and select the platform that ensures they reach the most relevant audience segments.
- 4** Leverage innovative AI; as AI continues to grow in capability and use, innovative uses will allow SMEs to distinguish themselves from their peers and improve the overall consumer experience.

Across APAC, SMEs are using personalized advertising to attract and retain consumers and drive revenue growth

What is personalized advertising?

Personalized advertising is the practice of delivering advertisements that are tailored to an individual's interests, behaviors, or demographics. This report focuses on personalized advertising that occurs using digital platforms such as social media, sponsored listings, email marketing and search engines.



Consumers prefer a tailored advertising experience and want to see more personalization in their ads

70% of consumers value personalized ads **more** than ads not tailored to their preferences

79% of consumers report that they want to see the same or **more personalized advertising**

80% of consumers have experienced **benefits** from personalized advertising, including...

 almost half (46%) discovered **new products and services**

 35% **saved time** finding what they needed

 30% **saved money** by finding deals, discounts, & lower cost alternatives



43% of consumers would be **open to sharing more personal data** if it means they would see ads that are relevant to them

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Introduction



Personalized advertising is becoming central to digital strategy, as businesses increasingly recognize the benefits of delivering ads tailored to individuals' interests, behaviors or demographics

While traditional advertising channels, such as billboards and print media, remain important for building brand awareness and reaching broad audiences, personalized advertising offers small-to-medium enterprises (SMEs) the opportunity to harness personalization in their digital strategy and unlock greater value not just for themselves, but also for consumers and the wider economy.

Personalized advertising is the practice of delivering advertisements tailored to an individual's interests, behaviors, or demographics, leveraging the privacy-protected personal data of consumers.

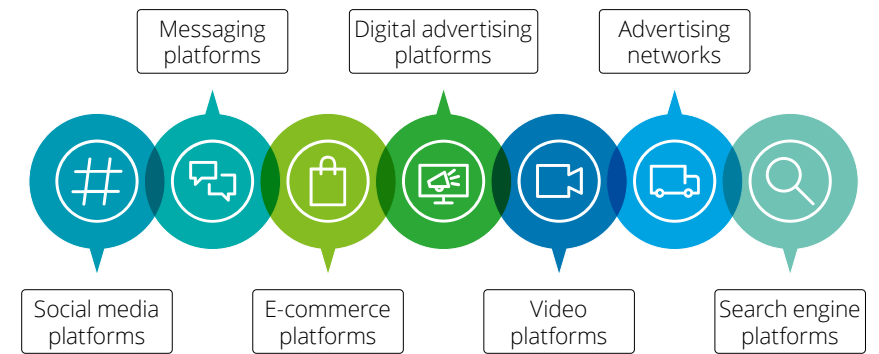
Personalized advertising spans a range of activities, including tailored email campaigns, ads on social media sites, sponsored listings on search engines, and content creation from advertising networks (Figure 1.1). Platforms that support personalization vary in support and cost, with some helping to create ads and others targeting audiences, with pricing options ranging from free to high-cost.

Personalization benefits a diverse range of stakeholders as it brings a fresh approach to how businesses connect with consumers. For consumers, it enhances their experience by delivering relevant, meaningful interactions that align with their needs. It can also improve their welfare through better access to essential services and information, such as healthcare.

For businesses, especially SMEs, personalization helps to build stronger consumer relationships and improve competitiveness. In turn, this supports business growth and innovation, contributing to broader economic development. The success of SMEs is critical for economies in the APAC region, as they significantly contribute to economic output and play a major role in employment (see Figure 1.2). To fully seize the opportunities of personalized advertising, SMEs need the necessary tools to implement personalization effectively and compete with larger players.

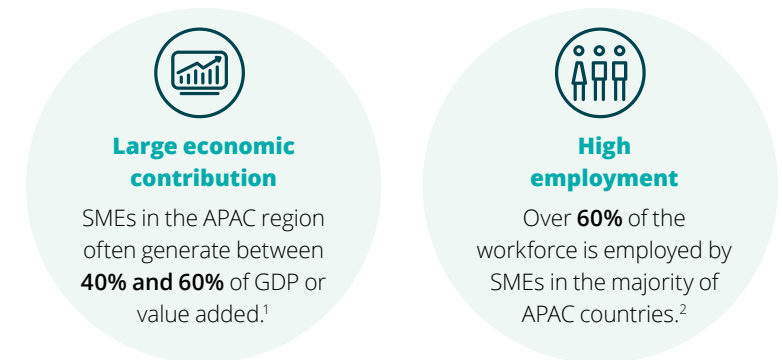
The report focuses on personalized advertising that occurs using digital platforms. The personalization can be facilitated through digital platforms themselves, third parties, or the brand itself.

Figure 1.1: Advertising industry players



Source: Deloitte Access Economics (2026)

Figure 1.2: SME contribution to economic output and employment in APAC



Source: Deloitte Access Economics (2026)

The overarching objective of this report is to highlight the economic and social value of personalized advertising on digital platforms

This report was commissioned by Meta and offers a fresh perspective on the uses, benefits and enablers of personalized advertising.

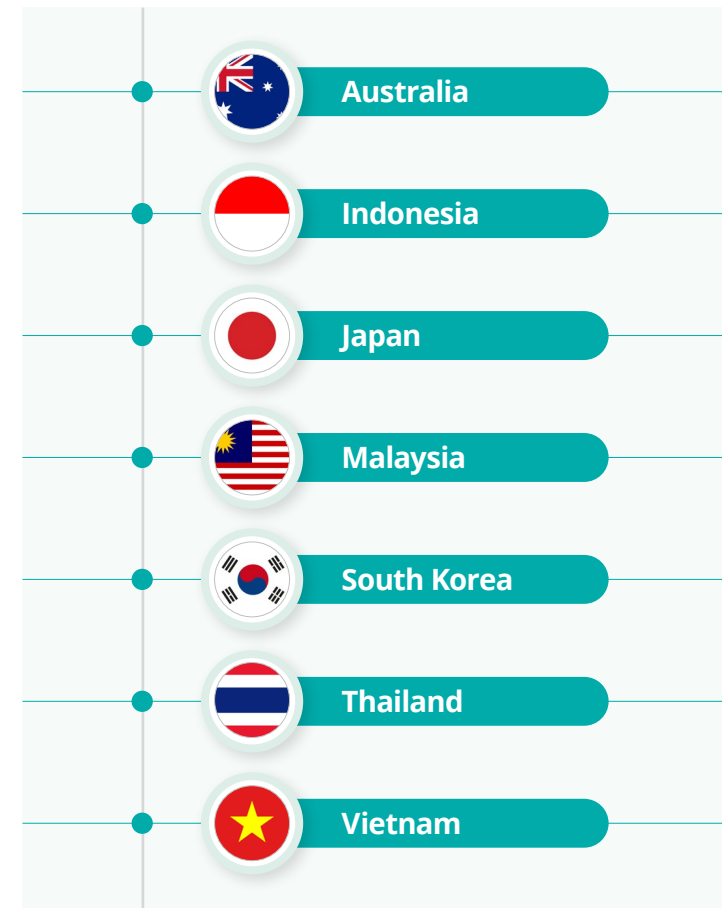
The analysis seeks to understand how personalized advertising supports SME growth, boosts economic activity and contributes to broader social outcomes across APAC markets. The report explores:

- the benefits of personalized advertising to businesses, including driving scalable growth, enhancing market effectiveness, strengthening brand presence, and reaching new consumers
- the benefits of personalized advertising to consumers, including cost and time savings, and positive outcomes
- the wider economic and social benefits of personalized advertising, including its role in building competitive markets, enabling access to information, promoting positive behavioural changes, and empowering consumers
- risks and considerations for SMEs in the selection and implementation of personalized advertising strategies
- consumer expectations, sentiments, and concerns, including preferences for personalization, data privacy considerations, and attitudes toward how their information is used.

The focus of this research is on seven markets, including Australia, Indonesia, Japan, Malaysia, South Korea, Thailand and Vietnam (see Figure 1.3), which are collectively referred to as 'APAC' throughout.

This report builds on existing literature in the space, showcasing the unique use cases across APAC and providing contemporary data on how SMEs across the seven markets are viewing and using personalized advertising.

Figure 1.3: Focus countries of this report



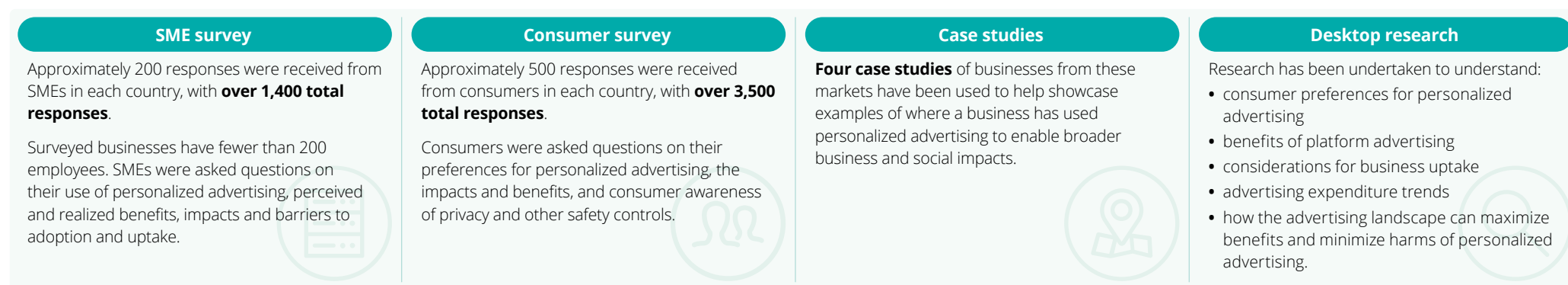
■ Countries analyzed in this report

Source: Deloitte Access Economics (2026)

The focus of this research will be on seven markets and has been informed by a range of data sources, including surveys of SMEs and consumers, case studies and desktop research

This report draws on four key data sources (see Figure 1.4), which are synthesized and used to inform the key report objectives. The structure of the report is outlined in Table 1.1.

Figure 1.4: The four key data sources used in this report



Source: Deloitte Access Economics (2025)

Table 1.1: Report structure

Section	Purpose
Section 2: The current state of personalized advertising	Section 2 draws on SME and consumer surveys and outlines how SMEs are using personalized advertising as part of their business workflows. This section also details how consumers are currently interacting with advertising, both general and personalized.
Section 3: The impacts of personalized advertising	Section 3 includes an analysis of the impacts of personalized advertising on business outcomes and the broader economic environment. This section also discusses the impact of personalization on consumers, including positive behavioural changes experienced.
Section 4: Barriers and considerations for personalized advertising	Section 4 discusses the barriers to use and adoption for SMEs. It also draws upon the consumer survey to outline what consumers are most concerned about with the use of personalization by SMEs.
Section 5: The future state of personalized advertising	Section 5 explores future trends and the outlook of SMEs with regard to personalization and the broader integration of AI into SME workflows. It discusses how AI and personalization will impact the experiences of consumers and what they will expect from SMEs in the future.
Technical Appendices	This section provides further details on the consumer and SME surveys, including the approach to survey fielding and demographics of respondents. This section also includes an explanation of the methodology used for the Maturity Index.

Source: Deloitte Access Economics (2026)

The current state of personalized advertising

Key takeaways

- 1 The top priority for surveyed APAC SMEs is attracting new consumers (**94%**), and two-thirds (**67%**) of SMEs use personalized advertising to reach this goal.
- 2 Over four in five (**82%**) of surveyed SMEs use social media platforms for personalized advertising, with key considerations including positive reputation and large consumer bases.
- 3 A majority of surveyed consumers (**70%**) prefer ads that are tailored to their interests compared to non-tailored ads, and half report that they would like more of their ads personalized.
- 4 On average, SMEs are at an intermediate stage of personalized advertising maturity, with the strongest pillars being the use of digital advertising and the adoption of AI technologies for future growth.

02

Personalized advertising is being embraced as an essential driver of business growth and consumer retention

Businesses are currently facing an environment of intensifying competition, with research indicating that business expansion activity into the APAC region has grown by over 35% since 2019.¹ This expansion activity includes actions or strategies undertaken by businesses to grow into new areas, regions or markets. Therefore, it has become increasingly important for businesses to equip themselves with the right tools to be able to distinguish their unique value proposition and stand out. One such tool is personalized advertising, which allows businesses to develop marketing that is tailored to their target demographic. This is particularly important for SMEs as it represents a powerful tool that enables them to compete with larger businesses and grow their consumer base.

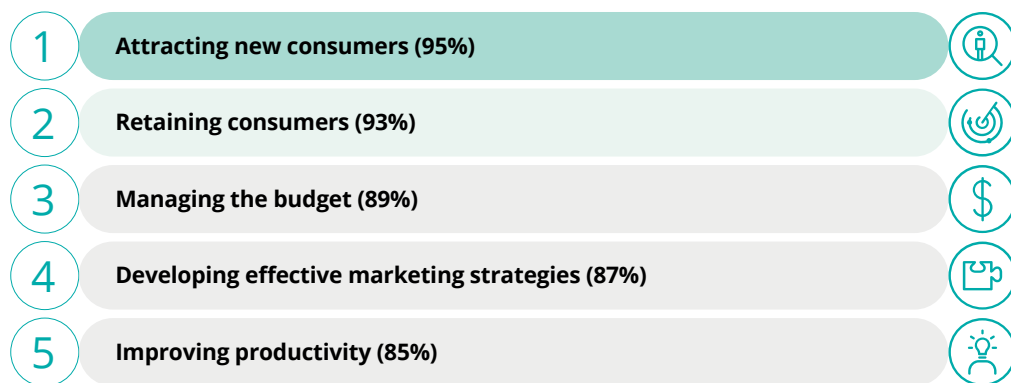
SMEs in APAC have a focused consumer growth agenda. The top business priorities identified by surveyed SMEs were attracting new consumers (95%) and retaining existing consumers (93%) (see Figure 2.1). These business priorities map directly to the reasons why SMEs use personalized advertising, with **two-thirds (67%) of surveyed SMEs using personalized advertising to attract new consumers and one-third (33%) of surveyed SMEs using personalized advertising to retain consumers** (see Figure 2.2). It was also common for

SMEs to be using personalized advertising to strengthen brand loyalty and awareness (34%), increase their sales (27%) and break into a new market (24%). Therefore, SMEs directly link personalized advertising to building and growing their business.

Spending on personalized advertising is also rising, with surveyed SMEs across APAC reporting an average increase of 35% over the past two years.² The surge in investment aligns with broader business trends of rapidly growing global interest in the high return on investment from personalized advertising, and the wider availability of technologies and platforms that enable real-time, scalable personalization across multiple digital platforms.² This rising investment underscores the value SMEs attribute to personalized advertising as a driver of growth and consumer retention in competitive markets.

Moreover, the rising business demand for personalized advertising reflects evolving consumer expectations, with **consumers having come to expect tailored experiences**.³ Section 3 provides further discussion about growing consumer expectations for personalization.

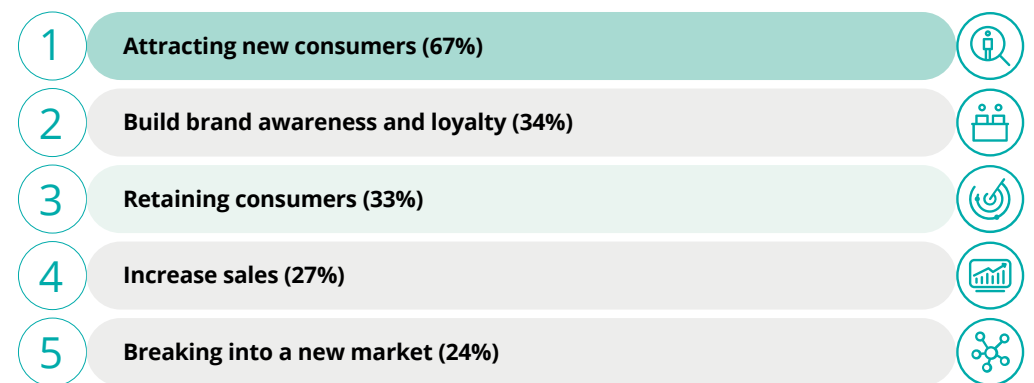
Figure 2.1: Top five important business priorities of surveyed SMEs



Source: SME Survey, Deloitte Access Economics (2026), n=1,416.

Note: This graphic summarizes the combined percentage of responses for 'significantly important' and 'important'.

Figure 2.2: Top five reasons why surveyed SMEs are using personalized advertising



Source: SME Survey, Deloitte Access Economics (2026), n=731.

Note: This graphic summarizes the combined percentage of responses for 'significantly important' and 'important'.

Social media is the primary platform used by APAC SMEs to distribute personalized advertising

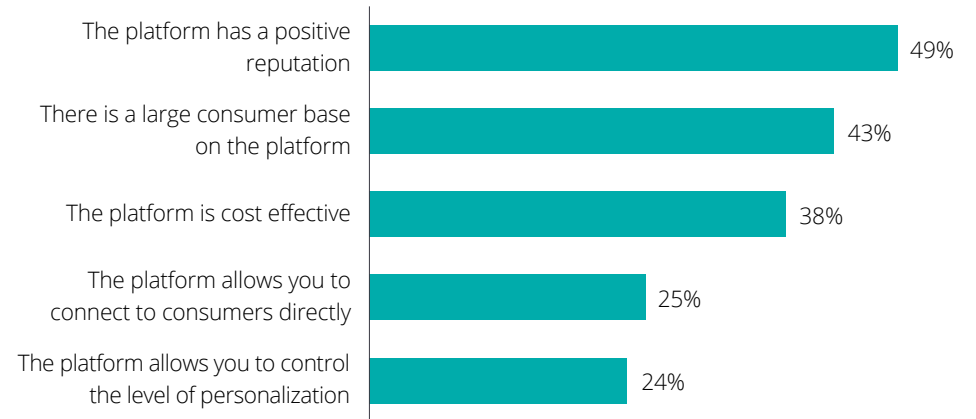
Reputation, audience and cost are just some of the practical priorities considered by SMEs within their marketing strategy. Together, these factors shape which platforms SMEs choose to distribute personalized advertising methods.

Reputation is the most important criterion for SMEs when choosing platforms for personalized advertising, with nearly half (49%) of surveyed SMEs listing it as one of their top considerations (Chart 2.1). Other important considerations are the size of the platform's consumer base (43%) and the cost-effectiveness of the platform (38%). As a result, while audience scale and affordability are important factors, SMEs prioritise trust as a key consideration when selecting an advertising vendor.

When asked what methods are used to distribute personalized advertising, SMEs overwhelmingly turn to social media. **More than four in five surveyed SMEs (82%) report using social media to distribute personalized advertising** (Chart 2.2). This preference aligns with SMEs' emphasis on using platforms that have a large audience base, given that **social media platforms** offer broad reach. Broader research indicates that the world spends 15 billion hours consuming content on social media platforms daily.⁴

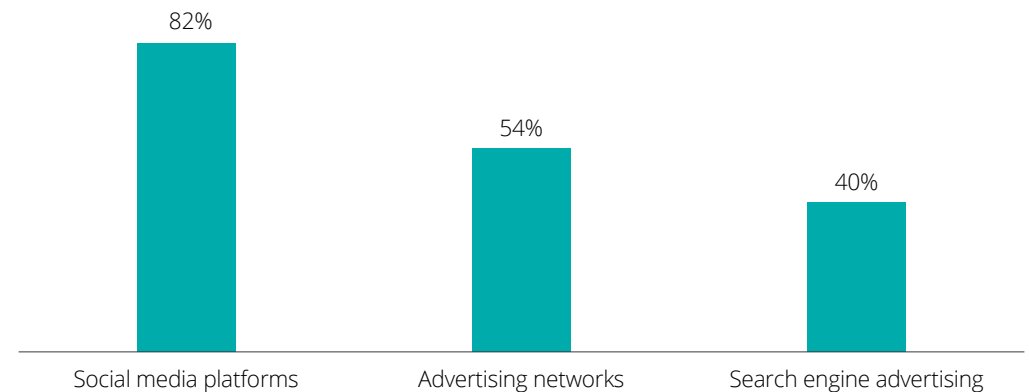
The second highest method of advertising distribution was advertising networks, selected by over half (54%) of surveyed SMEs (Chart 2.2). These networks allow businesses to create, manage and run ads across multiple channels, including social media and search advertising platforms. The primary benefit of these channels is that businesses can have a presence across multiple online platforms (including social media) without having to first build their own following.

Chart 2.1: Top five considerations for SMEs when choosing a platform to advertise on



Source: SME Survey, Deloitte Access Economics (2026), n=731

Chart 2.2: Three most popular platforms SMEs use to distribute personalized advertising



Source: SME Survey, Deloitte Access Economics (2025), n=731

Consumers manage their exposure to advertising yet have a strong preference for a tailored experience

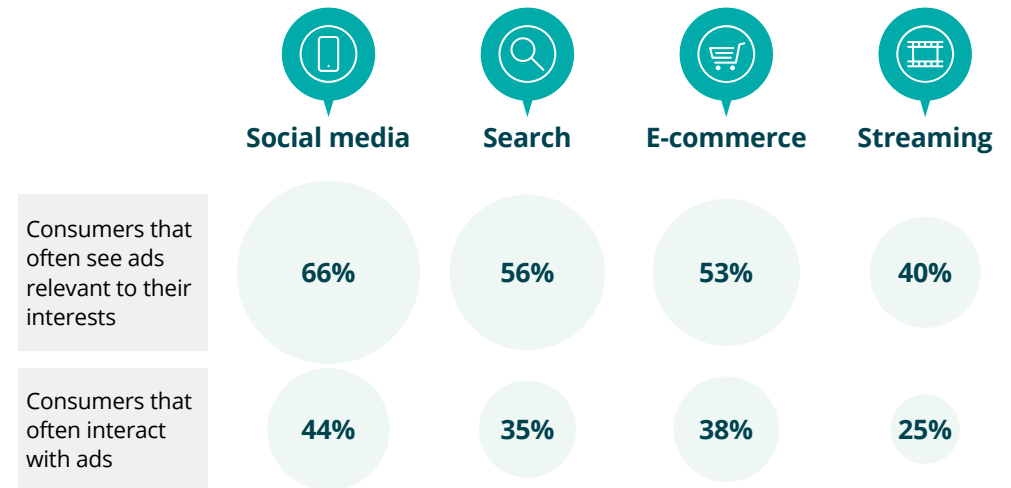
Given high levels of daily internet usage, consumers are presented with a substantial volume of advertising; for example, Australians see an average of 650 online ads per day.⁵ The high volume of ads may be prompting consumers to reduce their exposure to online advertising. In fact, **the majority (65%) of surveyed consumers undertake actions to reduce the number of ads seen on the platforms they use.** Nearly a third (32%) report using an adblocker, while 28% pay for an ad-free service.

Yet **ads with a higher level of relevance are generally perceived more positively.** In fact, **50% of surveyed consumers report that they would like to see more of their ads personalized.** This demand for personalized advertising varies across countries. For example, surveyed consumers in Vietnam (59%) and Indonesia (56%) express stronger preferences for increased personalization. This is despite having a high proportion of consumers reporting that they already often see ads relevant to their interests on social media platforms (79% and 76% respectively). In comparison, fewer surveyed consumers in Australia (38%) and Japan (26%) wanted to see more of their ads personalized. **These trends suggest that preferences for personalization may be highly context-dependent.**

Consumers were more likely to see ads relevant to their interests on social media in comparison to other platforms such as search, e-commerce or streaming platforms (Figure 2.3). Social media platforms provide a distinct environment where ads can be highly personalized to be both contextually relevant (ads that appear alongside content that the user is already viewing) and behaviorally relevant (ads based on past online activity) on their feeds.⁶ Consumers also reported engaging more with ads on social media. **Over two-fifths (44%) of surveyed consumers interact with social media ads by clicking, saving, sharing or making a purchase.**

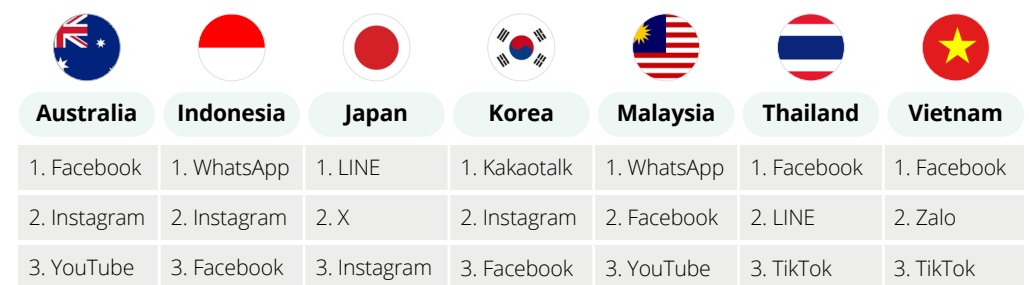
This may reflect the frequency of use across different platforms, with the Consumer Survey finding that **83% of respondents use social media platforms on a daily basis.** In comparison, 74% use search engines, 35% use streaming services, and 23% use e-commerce daily.

Figure 2.3: Relevancy and engagement with ads on each platform



Source: Consumer Survey, Deloitte Access Economics (2026), n=3,520

Figure 2.4: Most used social media platforms by country



Source: DataReportal (2026)

Note: Social media platforms include both messaging and non-OTT video streaming platforms (e.g. Tiktok).

The personalized advertising maturity index uses five pillars to score each business

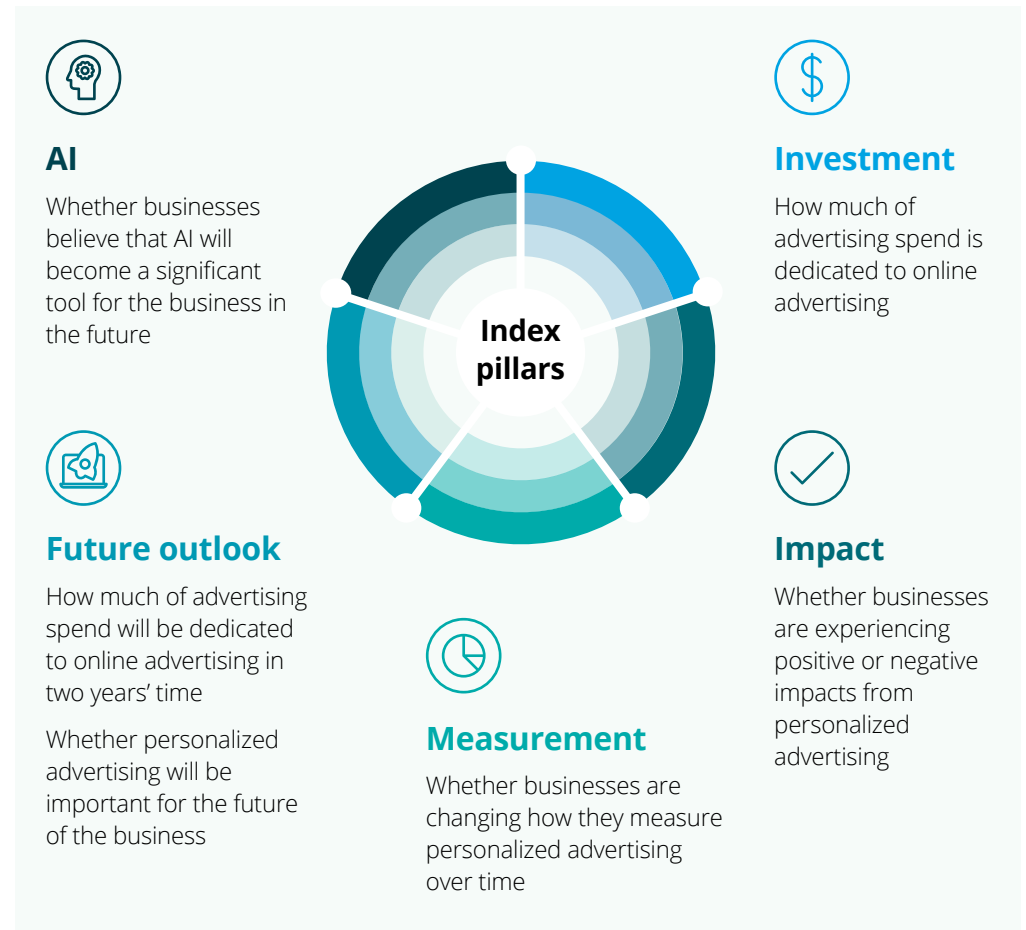
Personalized advertising maturity varies across countries in APAC and is influenced by a range of factors. Using data from the SME survey, businesses from each of the seven countries were scored across five key pillars to assess their personalized advertising maturity: **artificial intelligence (AI), investment, impact, measurement and future outlook** (Figure 2.5). The scores from each pillar were summed together to determine where businesses fall on the maturity scale (Table 2.1). The personalized advertising maturity of each country was determined using the average of the maturity scores of all businesses in the country. Further details on the methodology can be found in the Appendix.

Table 2.1: The maturity scale

	Emerging	Intermediate	Advanced
AI	AI is not expected to be a significant tool for the business	-	AI is expected to be a significant tool for the business
Investment	Primarily traditional advertising	Mixed channel advertising	Dominantly digital advertising
Impact	Personalized ads have a low positive impact	Personalized ads have a moderate positive impact	Personalized ads have a high positive impact
Measurement	No improvement in marketing measurement from personalized ads	Some improvement in marketing measurement from personalized ads	Strong improvement in marketing measurement from personalized ads
Future outlook	Minimal focus on digital or personalized advertising in future	Digital and personalized advertising will play a supportive role in future	Digital and personalized advertising will be central to strategy in future

Source: Adapted from Demystifying Data, Deloitte Access Economics (2022)

Figure 2.5: The five pillars of the personalized advertising maturity index



Source: Deloitte Access Economics (2026)

42% of businesses scored intermediate, and 19% achieved advanced maturity in personalized advertising

Business-level results

On average, SMEs are at an intermediate stage of personalized advertising maturity. This indicates that businesses that use personalized advertising are actively enhancing their capabilities and moving beyond entry-level adoption.

Businesses that are graded as advanced on the personalized advertising maturity index score highly across all five pillars. Advanced businesses demonstrate **significant investment in their online marketing strategy, strong commitment to developing their personalized advertising capabilities in the future, and confidence in their current use of personalized advertising**, as reflected in the positive impacts on their operations. Analysis found that 19% or 140 businesses are advanced.

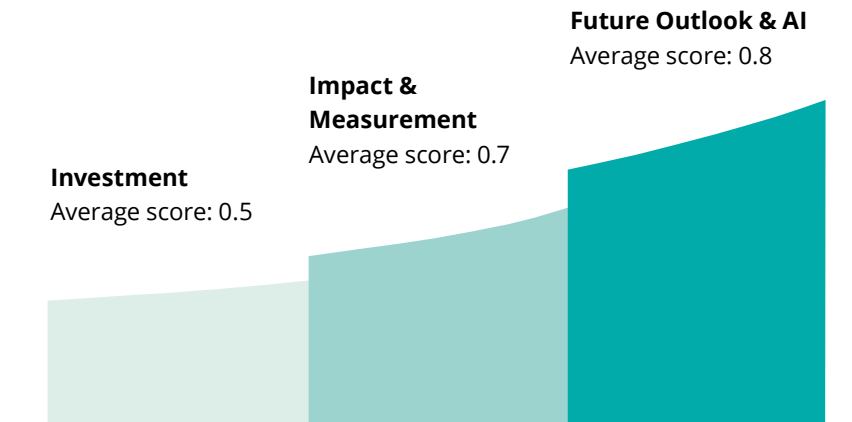
As seen in Figure 2.6, investment ranked as the lowest scoring pillar overall, with an average score of 0.5 out of a maximum of 1. The investment pillar measures the share of budget directed toward online advertising for each business. However, the lower average score for this pillar is not necessarily concerning. Since a mix of advertising strategies is required to maximise effectiveness and reach, businesses naturally vary their budget allocations across channels to optimise return on investment. Businesses that are prioritising online channels are likely to be more aware of and use personalized advertising, and are therefore considered more mature on this scale.

On the flip side, future outlook and AI ranked as the highest scoring pillars overall, indicating that most businesses are prioritising both digital advertising and the adoption of AI technologies for future growth (Figure 2.6). Future-focussed businesses are considered to be more mature in their personalized advertising use, demonstrating greater awareness of emerging trends and developments in the field.

Country-level results

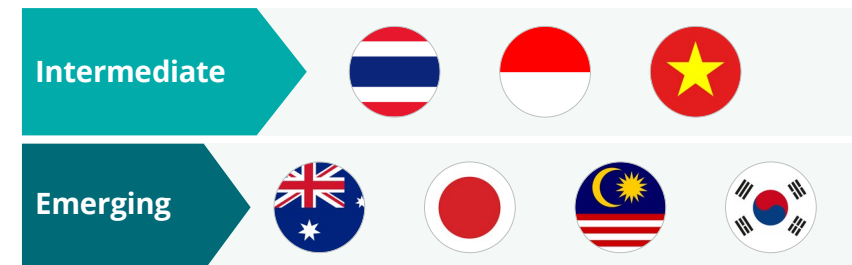
The level of maturity varies across countries, with Australia, Japan, Malaysia and South Korea (emerging) slightly behind the intermediate grouping of Thailand, Indonesia and Vietnam (Figure 2.7). While businesses in emerging countries generally show lower maturity in two particular pillars, digital advertising investment and measurement, this may reflect earlier-stage development rather than a critical gap. The results from this analysis highlight opportunities to build capabilities and potentially optimise future performance at a country level across the board. Detail on the representativeness of the country-level results can be found in Appendix B.

Figure 2.6: Average scores across pillars, max score =1



Source: Deloitte Access Economics (2026)

Figure 2.7: Personalized advertising maturity of target countries



Source: Deloitte Access Economics (2026)

Healthy Go | Indonesian health food company

Healthy Go is an Indonesian health catering business, born from the belief that nutritious food should be accessible and enjoyable for Indonesians.

Founder:
Luvian Wiradharma

Reach:
20,000 subscribers across 20 cities in Indonesia



At the core of Healthy Go's success is its ability to connect with consumers. To do so, Healthy Go has successfully leveraged digital platforms like social media and search platforms, which align with Healthy Go's business model. These channels allow the team to reach potential consumers, offering tailored consultations through messaging apps to make the process as accessible as possible, meeting the consumer where they are.

How does Healthy Go use personalized advertising?

Healthy Go employs personalized advertising as a cornerstone of its strategy. As Indonesia is one of the most linguistically diverse countries in the world, communications are carefully adapted to resonate with regional audiences. Healthy Go incorporates local languages and collaborates with Key Opinion Leaders (KOLs) who embody the values of Healthy Go, including a partnership with renowned chef and author Devina Hermawan. This personalization ensures marketing feels genuine and relevant to specific regions.

This approach has been transformative for Healthy Go, particularly as a small business. Approximately 90% of consumer acquisitions for Healthy Go occur through digital platforms, meaning personalized advertising helps to level the playing field against larger competitors, without the need for infrastructure such as a physical store.

Healthy Go is not just about selling meals; it is about building a community. Beyond delivering healthy food, the company creates spaces to share journeys and connect with other subscribers. This includes online community groups and regular in-person events, creating opportunities for consumers to connect, enjoy a healthy meal and share their journeys.

The impact of Healthy Go resonates with its consumers, with testimonials of how the service has empowered them to sustain healthy habits, from managing weight and building muscle to addressing specific medical conditions like high cholesterol and diabetes. Healthy Go's tailored programmes ensure consumers have solutions that align with their unique needs.



Healthy Go pairs personalized advertising with **education-first content** and **AI integration** to keep consumers engaged.

As Healthy Go grows, it also faces challenges in an increasingly competitive market. These include rising acquisition costs and keeping consumers engaged, particularly given approximately half of Healthy Go's orders come from repeat consumers. In the face of these challenges, Luvian emphasises the importance of continuing to create high-quality and engaging content that inspires consumers. This is evident in Healthy Go's content strategy, prioritising education first to ensure advertisements create real value and engagement.

These challenges have encouraged the Healthy Go team to innovate, with advanced technologies like AI now being integrated to enhance consumer relationship management and refine advertising strategies. Additionally, the team is developing a comprehensive healthy ecosystem app, which will provide personalized recommendations and leverage partnerships with others in the fitness sector, offering additional value to their growing community.



"We create our content to bring value in our ads, so it feels like people are not seeing an ad. What makes our ads valuable is to start with education so consumers can learn, rather than starting with selling."

The impacts of personalized advertising

Key takeaways

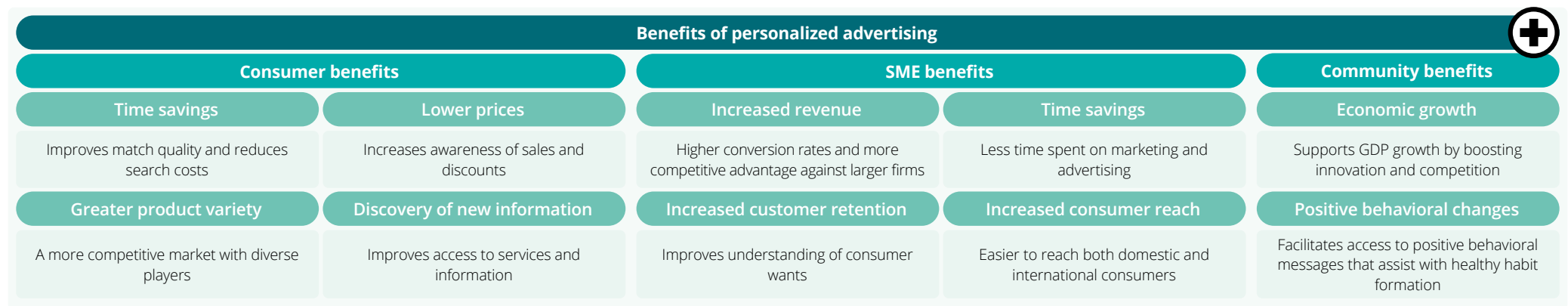
- 1 Personalization has allowed SMEs to compete with big businesses, with **81%** of surveyed SMEs agreeing that personalized advertising has made it easier for businesses of all sizes to access consumers.
- 2 Personalized advertising is an enabler of business growth, with **78%** of surveyed SMEs reporting increases in business revenue from the use of personalized advertising.
- 3 Surveyed consumers found that personalized advertising has led to savings in time and spend, as well as a greater ability to access a larger range of products.
- 4 As a result of interaction with personalized advertising, nearly half of surveyed consumers have picked up a positive habit in the last two years.



Personalized advertising delivers significant value for consumers, SMEs, and the wider economy

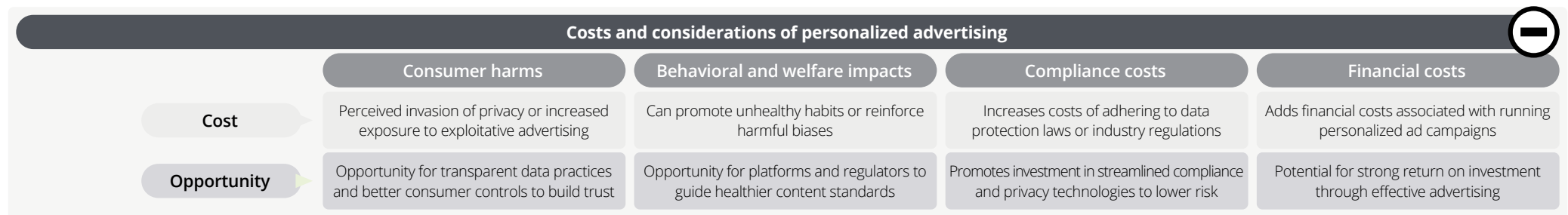
Personalized advertising is linked to benefits for consumers, SMEs and the broader community. As seen in Figure 3.1, personalized advertising delivers substantial economic value by creating a more competitive and innovative market that provides consumers with cheaper options and more diversity in choice. SMEs benefit from using these tools to increase engagement with consumers and expand their domestic and international reach. Although personalized advertising also carries potential risks like perceived consumer harms, proactive and responsible management can turn these into opportunities to build consumer confidence and loyalty (Figure 3.2).

Figure 3.1: Benefits



Source: Adapted from AdPays, Deloitte Access Economics (2023)

Figure 3.2: Costs and considerations



Source: Deloitte Access Economics (2025)

Personalization has enabled businesses of all sizes to reach wider and more targeted audiences

Personalized advertising is reshaping how businesses connect with consumers, enabling SMEs to reach and retain consumers more effectively and gain deeper insights into their preferences.

Academic literature has found that **consumers become more engaged with personalized advertising** because they perceive that it offers greater value to them than non-personalized advertising.¹ Subsequently, consumers are not only more likely to watch and click on the ad, but also to further explore the business's page and develop a relationship with it. Due to the convenience of this format, external research indicates that **71% of consumers now expect a personalized experience from brands** and businesses they interact with, and **78% of consumers are more likely to make repeat purchases from companies that personalize** subsequent interactions, including advertisements.²

A key benefit for surveyed SMEs is that personalized advertising lowers barriers to reaching and engaging with a wider range of consumers, levelling the playing field for smaller businesses. **Surveyed SMEs reported that personalized advertising has made it easier to reach both domestic (83%) and international consumers (69%).** This ability to reach consumers arises from the collection and analysis of consumer data, such as browsing history and purchase patterns, which allows SMEs to more precisely target relevant audiences with an established interest in similar products.

Consequently, 79% of surveyed SMEs either strongly agreed (33%) or agreed (46%) that **personalized advertising has improved their understanding of consumer wants and needs.** This enhanced insight supports the creation of tailored marketing campaigns as well as targeted product enhancements and innovation, fostering stronger and more responsive relationships with consumers.

Figure 3.3: How personalized advertising is helping SMEs reach consumers



Source: SME Survey, Deloitte Access Economics (2026), n=731

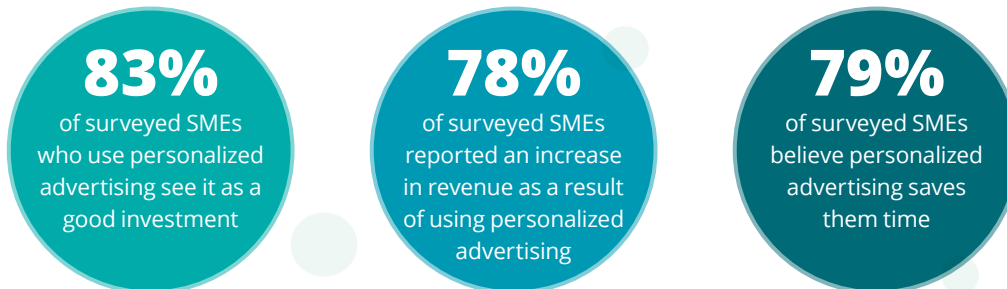
Personalized advertising is driving business growth and delivering increases in business revenue

Surveyed SMEs report that personalized advertising has helped them to achieve material revenue and efficiency gains by driving stronger consumer engagement. As a result, these SMEs view this form of marketing as being value for money, with **83% agreeing that personalized advertising is a good investment (Figure 3.4)**. This is reflected in changes experienced by businesses from the use of personalized advertising, with **78% of surveyed SMEs reporting an increase in their revenue as a result of using personalized advertising (Chart 3.1)**.

These findings align with other research in the area, with literature showing that businesses utilizing personalization often see revenue uplifts of 10 to 15%.² Further, the more skilful a company becomes in applying data to grow consumer knowledge and intimacy, the greater the returns.³ Another recent study found that 86% of SMEs attribute their revenue growth to the personalization of their digital marketing.⁴ For smaller businesses with comparatively limited resources, this additional revenue can lead to meaningful improvements in liquidity, investment capacity and long-term viability.

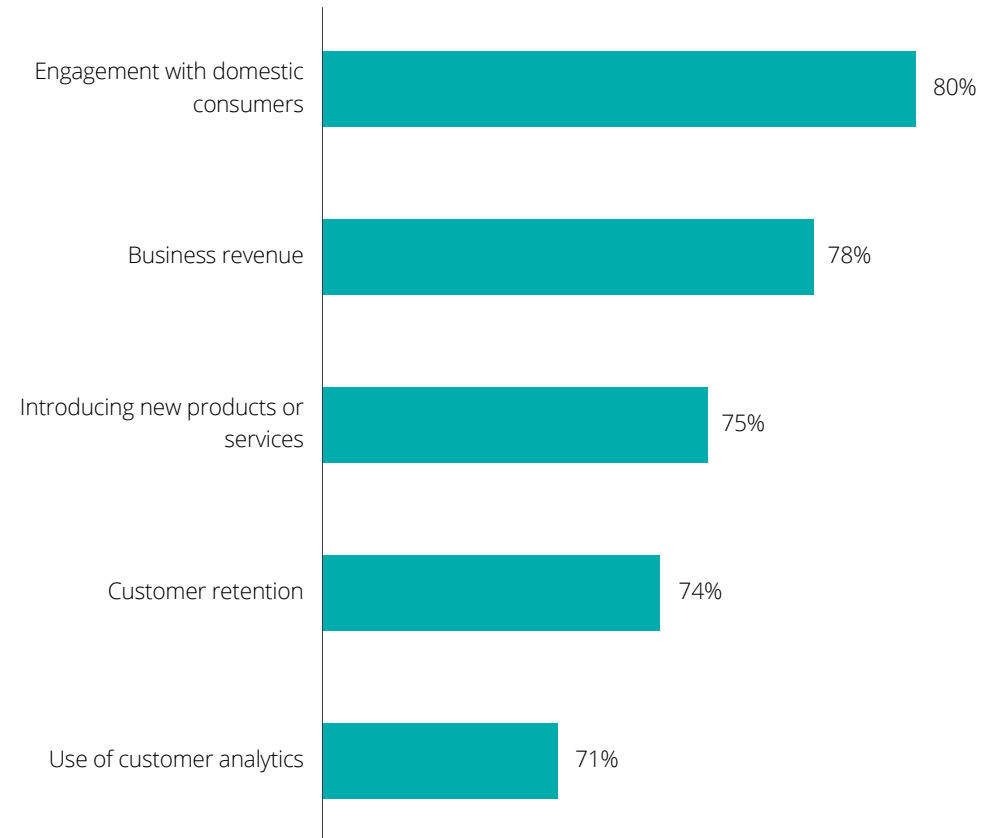
Personalization also promotes efficiency gains in the form of time savings. In fact, **79% of surveyed SMEs agreed that using personalized advertising has helped reduce their time spent on marketing and advertising efforts**. These observations reflect evidence that indicates that personalization allows businesses to identify and engage their target demographics faster and more accurately.⁵

Figure 3.4: Benefits for SMEs



Source: SME Survey, Deloitte Access Economics (2026), n=731

Chart 3.1: The five most common gains (or increases) that surveyed SMEs experienced due to personalized advertising over the past two years



Source: SME Survey, Deloitte Access Economics (2026), n=731

Note: This graphic summarizes the combined percentage of responses for 'strongly increased' and 'increased'.

Advanced SMEs are significantly more likely than emerging SMEs to agree that personalized advertising delivers meaningful benefits

Surveyed SMEs with advanced personalized advertising maturity are more likely to agree that the use of personalized advertising has resulted in positive changes for their business. Higher maturity is likely reflected in the more effective use of targeting and measurement tools, investment in the right channels, and better data. As a result, these SMEs may be experiencing clearer, more tangible benefits than SMEs that are less mature in their personalized advertising use.

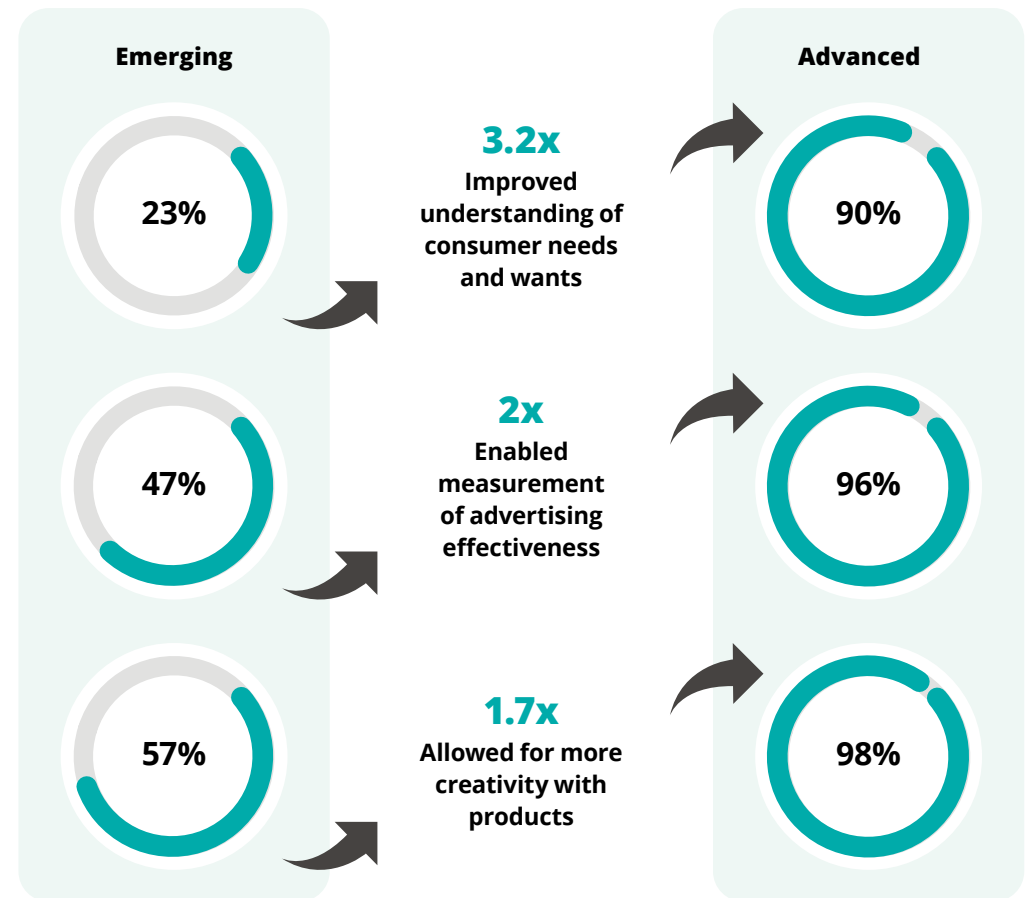
As shown in Figure 3.5, advanced SMEs were three times as likely as emerging SMEs to report an improved understanding of consumer wants and needs through personalized advertising use. SMEs with advanced maturity were also twice as likely to agree that personalized advertising has enabled them to evaluate their campaign performance, and 1.7 times as likely to agree that it has allowed them to be more creative with their offerings. There have been clear improvements in outcomes for advanced SMEs, at least 1.5 times higher, reported across other key performance areas, including:

- Consumer reach
- Reduction of advertising budget
- Time savings in marketing efforts
- Expansion of the marketing team.

The largest improvements in outcomes are observed when moving from emerging to intermediate maturity, while gains from intermediate to advanced are more incremental. One possible reason for this trend is that emerging businesses may have minimal processes in place, and adopting basic targeting, measurement and data practices can produce large, immediate improvements.

Overall, these results suggest that increasing the adoption and effective use of personalized advertising and digital marketing tools can help drive stronger business outcomes and enable SMEs to focus more on strategic growth initiatives.

Figure 3.5: SME maturity levels and business outcomes



Source: SME Survey, Deloitte Access Economics (2026), n=731

Consumers who engage with personalized ads report discovering new information and accessing a more diverse marketplace as perks; 80% have experienced a benefit

The personalization of ads delivers a range of benefits for consumers, including access to a greater range of products, learning opportunities, time savings, and lower prices. **Four in five (80%) surveyed consumers report experiencing a tangible benefit from seeing or engaging with personalized advertising in the last 12 months.** Beyond individual benefits, personalized advertising can also deliver broader societal benefits, such as stimulating local economies and promoting positive social behaviours.⁶

Greater range of products

The majority (60%) of surveyed consumers perceive that personalized advertising drives more product variety and enables a more diverse and dynamic marketplace.

When consumers view the marketplace as diverse, it indicates that smaller local businesses are effectively extending their reach to engage a broader target audience than they could through traditional advertising.

Discovery of new information

An additional benefit of a diverse marketplace is the increased likelihood that consumers will discover new information and resources that are useful and relevant. Personalized advertising plays a key role in improving access to services and information by delivering content that is relevant to individual needs, interests, and circumstances. Rather than showing general ads, platforms use data to connect users with local services, job opportunities, public health campaigns, educational resources, and more.

This personalized approach helps people discover useful information they may not have actively searched for. Two in three (66%) surveyed consumers acknowledge that personalized advertising helps people to discover new services, opportunities or resources. In the past twelve months, 46% have discovered a new product/service and over a third (35%) of consumers have learnt something new through personalized ads (Figure 3.6).

Time savings

In the past twelve months, over a third (35%) of consumers report that they have saved time searching for what they need because of personalized ads (Figure 3.6).

More than half (55%) of consumers agree that they enjoy receiving these ads as it leads to time savings. Personalized ads can reduce search costs and improve match quality, particularly as consumers have imperfect information.⁷ Consumers will find personalized ads to be more relevant and spend less time searching for other products, experiencing reduced search costs as a result. Research also finds that a higher quality match generates a greater increase in the consumer's utility when a better-matched product is consumed.⁸

Lower prices

In the past twelve months, 30% of consumers report that they have saved money by finding discounts, deals or lower prices through personalized ads.

Personalized advertising can stimulate competition in the market by matching consumers with products that closely align with their interests, and in turn help to drive down prices. Consumers are also more likely to have an increased awareness of sales, discounts, and more affordable product options tailored to their preferences and needs. By delivering relevant offers directly to interested shoppers, personalized ads can also reduce the time and effort consumers spend searching for deals, making it easier to find competitively priced products. This heightened visibility of promotions encourages competition among sellers, which can drive prices down across the market.

Figure 3.6: Benefits of personalized advertising engagement



Source: Consumer Survey, Deloitte Access Economics (2026), n=3,520

As a result of interactions with personalized advertising, consumers are reporting positive behavioral changes

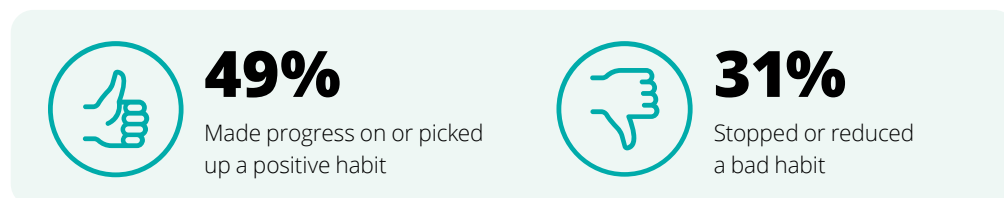
Positive behavioral changes

In the past two years, 65% of surveyed consumers have picked up a positive habit or reduced a negative habit as a result of engaging with personalized ads (Figure 3.7).

In comparison with non-tailored ads, personalized advertising can be more effective at influencing consumer behavior, partially due to self-referencing. Self-referencing occurs when consumers develop stronger emotional connections to a message because they can relate it to their own experiences or self-image.⁹ Ads that are tailored to a consumer's interests or that specifically reference personal details, such as age, can trigger self-referencing, increase engagement, and encourage positive habit formation.

Personalized advertising's ability to shape behavior makes it a valuable tool beyond the private sector. Governments and non-profits can leverage it to promote public awareness, encourage healthier choices, or drive social impact. In a health promotion context, research has found that increasing the relatability of an ad can strengthen message processing,¹⁰ increase the perceived reliability of information or improve favorability towards the message.¹¹ An increased persuasion effect on consumers is likely to be amplified if similar ads with the same message are consistently shown to a consumer (e.g. multiple weight loss ads leading to increased exercise).¹² One study found that personalized advertising can trigger a 50% increase in search results for how to improve one's health.¹³ Together, these findings highlight that personalized advertising can support broader public goals and deliver community benefits.

Figure 3.7: Consumers experiencing behavioral changes in the past two years



Source: Consumer Survey, Deloitte Access Economics (2026), n=3,520

Personalized advertising costs

In the same way personalized advertising can amplify benefits, it can also be associated with costs, including promoting harmful behavior, creating a perceived invasion of privacy (as discussed on page 35), reinforcing negative stereotypes, and increasing compliance costs for SMEs (as discussed on page 33). Consumer harm can arise from the intentional use of personalized advertising to target consumers, or from implicit biases in the machine learning models that drive personalization. Some of the potential costs from personalized advertising are:

- **Behavioral and welfare impacts:** As personalized advertising relies on machine-learning models to infer user preferences, **algorithmic bias may lead to unequal or unfair distribution of content across user groups.** In doing so, some users may be excluded from receiving valuable information, leading to discrimination or reinforcement of negative stereotypes. For example, research has found that women are shown fewer high-paying job ads and STEM-related job ads compared to men, despite typically engaging more with these types of ads.¹⁴
- **Promotion of harmful behavior: Advertising can encourage harmful behaviors, such as smoking, overconsumption, or gambling, and when personalized, it may amplify these impacts on consumers.**¹⁵ Further, personalization can become an avenue for targeted exploitation. Vulnerable consumers, such as older people, can be disproportionately targeted (both by advertisers and algorithmic bias), making them more likely to encounter deceptive or clickbait ads.¹⁶

Personalized advertising costs can be transformed into a competitive advantage when SMEs adopt transparent, ethical, and well-monitored practices, fostering consumer confidence (see page 42). While a mixed regulatory method is largely used across APAC, adopting a self-regulation approach could be advantageous, as it allows for industry flexibility and balances efficiency with consumer protection.¹⁷

Personalized advertising contributes to economic growth and job creation

Digital advertising delivers substantial economic benefits for the broader economy.

It plays an important role in shaping market dynamics, driving job creation, and promoting innovation. As one of the most effective forms of digital advertising, personalized advertising can amplify these economic impacts.

GDP growth

Advertising can stimulate GDP growth by increasing demand, stimulating competition and fostering innovation. A 2023 report on the economic impact of advertising found that a 1% increase in advertising per capita could increase GDP per capita growth by around 0.328%.¹⁸

Advertising can increase consumer spending by boosting awareness of products and services, encouraging business investment by growing consumer demand and lowering market entry barriers for SMEs, and driving export growth by helping brands expand globally.

Advertising also acts as a catalyst for innovation and technological advancement.

By providing firms with new tools and insights to engage with consumers, it encourages the adoption of emerging technologies, the development of creative solutions, and greater collaboration across industries. These innovations extend beyond marketing and can drive broader digital transformation within organizations and across complementary sectors, such as data analytics, ad-tech, and AI model development. Together, these mechanisms make advertising an important driver of economic activity and productivity growth.

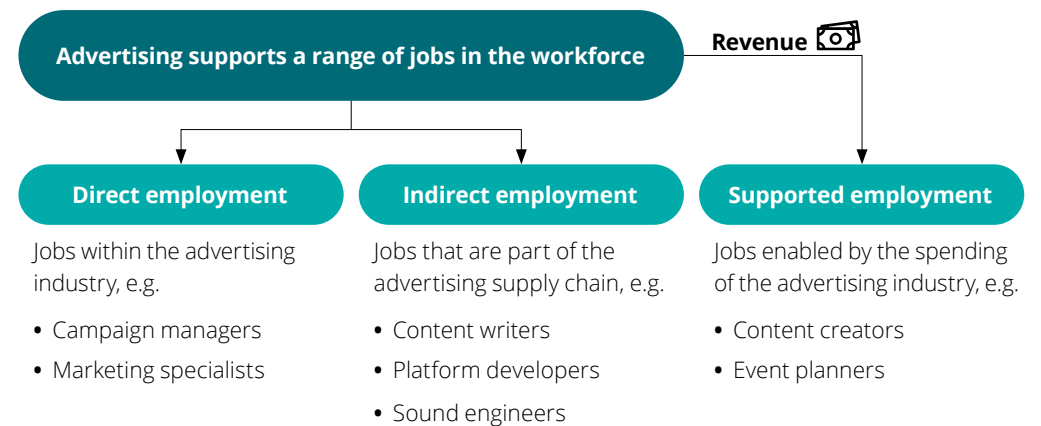
Market dynamics

Digital advertising has become a central mechanism for transforming market behavior, and can influence how value is created and allocated across the economy. As a result, the scale and effectiveness of advertising have substantial implications for market structure, productivity, and long-term competitiveness. Research has found that **a reduction of advertising effectiveness can lead to reductions in advertising by consumer-facing firms, trigger exits or increases in product market prices for consumers.**¹⁹ As discussed earlier in this section, businesses report experiencing cost and time savings through personalized advertising. These efficiency gains can translate into lower prices, improved promotions, and more relevant product offerings for consumers, leading to enhanced consumer welfare.

Job creation

The advertising industry is an employment multiplier, creating indirect employment opportunities for every direct job in the industry.²⁰ As shown in Figure 3.7, indirect employment refers to jobs in industries and sectors that contribute to advertising through the supply chain. In Australia, research has found that the advertising services industry employed 86,900 people directly, and 67,465 people indirectly in 2021.²¹ Further, in 2021, advertising revenue supported jobs for 90,000 people in media and content development industries.²² An accelerated focus on digital growth has led to increased demand in the market for digital marketing talent across APAC in the last few years, particularly for junior roles (3-5 years of experience).²³

Figure 3.8: Job creation through advertising



Source: Adapted from AdPays, Deloitte Access Economics (2023)

LSKD | Australian activewear company

LSKD is an Australian activewear brand, which emerged from founder Jason Daniels' passion for motocross and functional fitness.

Representative:
Jason Daniels

Reach:
29 retail stores in Australia, New Zealand and the USA



What began as a streetwear brand during Jason's high school years has evolved into a global brand, with a pivotal rebrand in 2018 seeing LSKD shift its focus towards the creation of functional fitness apparel.

How does LSKD use personalized advertising?

From its inception, LSKD's marketing strategy has been targeted at fostering genuine relationships and community building. Personalized advertising has been integral in this outreach and LSKD's ability to target audiences effectively. It has allowed the brand to strengthen its connection with customers by delivering messages that feel relevant and authentic to each community. As a global brand, one key consideration for LSKD in designing these campaigns is ensuring that they reflect cultural nuances across global markets, and personalization enables this adaptability.

LSKD's success also lies in its ability to integrate its digital and physical presence with community-driven initiatives. Personalized advertising helps to drive participation and ensure that campaigns and events reach the right people. Beyond its e-commerce platform and physical stores, LSKD manages a Facebook group with over 105,000 members and hosts in-person events that offer tangible spaces for the community to gather and connect. Initiatives help to foster engagement and inspiration. LSKD is about to launch its upcoming 26 for 26 campaign, inviting participants to run 26km on January 1st and slowly increase their distance until they reach a full marathon.



Personalized advertising allows LSKD to tailor each campaign to cultural nuances, so it **reaches and resonates with the right consumers in every market.**

A personal touch: How personalization is unlocking business growth in APAC

Consumer testimonials through Instagram and Facebook highlight the importance of being part of the LSKD community and how the brand has supported them through their health journey.

LSKD leverages personalized advertising to stay agile and communicate its purpose with clarity. *"Our campaigns like 'Don't Wait', 'Unapologetically Me' and our most recent Movember campaign are all about inspiring our community and creating conversations. Our Movember video alone reached more than 36 million people and sparked countless messages from people telling us that these videos have helped them or someone they love to open up. That's why we do this."*



"Every decision we make as a brand is guided by how we can genuinely support and inspire our community to be 1% better."

The success of the brand is underpinned by the team, with a culture of continuous improvement and team development. Over time, the marketing team has expanded with the brand. An in-house studio for creative control, along with a full-time team member engaging with online communities, ensures that campaigns are executed thoughtfully and that interactions resonate with the customers.

The expansion of the brand has not been without challenges. Jason notes a key lesson starting was finding their mission, requiring a reframing from scaling an e-commerce brand to building a brand and a community. As LSKD continues to scale, the main challenge is staying focused on the community and remaining unwavering in its mission. Alongside this, the brand works to keep its marketing agile and responsive, using strategies such as personalized advertising to ensure that its purpose and values are clearly communicated to every member of its community.

"All these struggles helped us to find our why. We realised that it wasn't about scaling an e-commerce brand. In fact, the company was losing money. It was about building a brand that is anchored in our mission and values rather than those of the retailers. The question became - how do we create something bigger than ourselves?"



Barriers and considerations

Key takeaways

- 1 SME users report that the largest initial barriers to using personalized advertising were the high cost of use (**44%**), data privacy concerns (**39%**) and businesses' perceptions of consumer attitudes towards data use (**34%**).
- 2 According to SMEs, the two most likely impacts of regulation on their use of personalised advertising are restrictions on the type or granularity of data available for targeting consumers (**38%**) and increased compliance costs (**36%**).
- 3 **73%** of surveyed consumers would like to see the platforms they use be more transparent about their data collection practices.
- 4 Only **16%** of consumers have not taken any steps to manage the amount of personal data collected by the platforms they use.

04

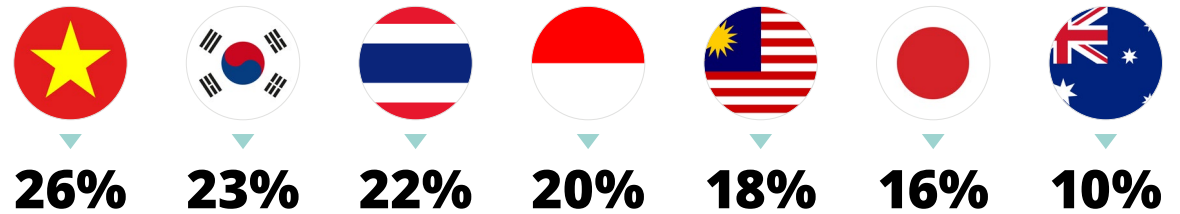
SMEs are concerned about the perceived impacts of regulation on their use of personalized advertising

The regulatory environment in APAC is complex. Countries differ widely in their data privacy laws and enforcement. Examples such as Australia's Privacy Act,¹ Japan's APPI,² and South Korea's PIPA,³ all require, to differing extents, businesses to secure user consent, limit data use to stated purposes, and implement robust data protection measures. Compliance with these regulations can be costly and resource-intensive, demanding continuous monitoring of legislative changes, implementation of consent management tools, and regular audits.⁴ Additionally, if an SME operates across more than one jurisdiction, it must **ensure that its business is compliant with every country's regulations**.

When asked about the impact of regulation on their use of personalized advertising, SMEs ranked highest that **regulations will impose restrictions on the types or granularity of data that will be available to deliver ads to the right consumers (38%)** and lead to **increased compliance costs (36%)** (see Chart 4.1). This aligns with global trends regarding increased government action towards data safeguarding amongst growing concerns about privacy.⁵ However, perceptions do vary between countries, with Figure 4.1 showing that surveyed SMEs in Vietnam (26%) and South Korea (23%) report the most difficulty with complying with data regulations while using personalized advertising. SMEs in Japan (16%) and Australia (10%) had less difficulty with navigating these regulations.

AI regulations add an additional layer of complexity, as countries continue to roll out new laws and policies around the use of the technology. Personalized advertising often relies on AI to process and analyze large amounts of information to create precise consumer profiles and optimize ad placement.⁶ As AI capabilities expand, countries will need to balance responsible regulation with support for innovation to ensure that businesses can fully realize these benefits.

Figure 4.1: The proportion of surveyed SMEs who reported that they found it difficult to comply with data protection regulations



Source: SME Survey, Deloitte Access Economics (2026), n=731

Chart 4.1: Top five perceived impacts of regulation on SME use of personalized advertising



Source: SME Survey, Deloitte Access Economics (2026), n=731

Addressing concerns around cost and data privacy can help boost SME uptake of personalized advertising

Surveyed SMEs report positive impacts from the use of personalized advertising, highlighting the potential to expand adoption among non-users. **Offering clearer guidance on performance outcomes, return on investment, and data practices could help address cost and data privacy concerns cited by non-users.**

Greater visibility into the potential costs of personalized advertising can support SMEs in assessing its suitability for adoption. While social media provides an accessible, low-cost way to reach targeted audiences, personalized advertising through other channels can involve higher investment and greater complexity, making it harder for SMEs to evaluate the potential return on investment. Consistent with this, cost was the most commonly identified barrier to adoption of personalized advertising for both users (44%) and non-users (43%). Additional financial barriers included being unclear about the potential return on investment (25%) and a lack of internal expertise or resources to manage campaigns (25%). **Non-users of personalized advertising also identified increased cost-effectiveness to achieve business goals as the most common enabler to potential uptake of personalized advertising (Chart 4.2).**

Strengthening data privacy and security practices can encourage wider adoption among SMEs. Almost two in five (39%) surveyed users reported that data privacy concerns (such as losing consumer trust or internal data protection practices) were an initial barrier to using personalized advertising. For non-users, 20% cited data privacy and security as a factor limiting their adoption of personalized advertising. This is consistent with global trends, with broader consumer research finding that privacy practices are increasingly impacting buying decisions.⁷

Despite consumers preferring personalization over other forms of advertising, SME concerns about consumers' negative perceptions of personalized advertising are inhibiting adoption. Among surveyed users, 33% of SMEs felt that consumers find the personalization of advertising invasive, and 32% reported that consumers feel fatigued by the content, leading to reduced engagement. Similarly, 34% of these SMEs agreed that perceived consumer concerns were a barrier to their ongoing use of personalized advertising. As explored overleaf, addressing consumer concerns through strategies such as increased transparency around data collection practices would not only increase consumer confidence but also alleviate SME concerns.

Chart 4.2: Top five enablers for uptake of personalized advertising for SMEs not using personalized advertising



Source: SME Survey, Deloitte Access Economics (2026), n=731

Consumers like to be aware of data collection practices; only 16% of consumers are not taking steps to minimize the amount of their data that is collected

Data privacy concerns among consumers highlight an opportunity to build greater trust. Improving transparency around data collection practices can help users feel more empowered and in control over their personal information, increasing their confidence in personalized advertising.

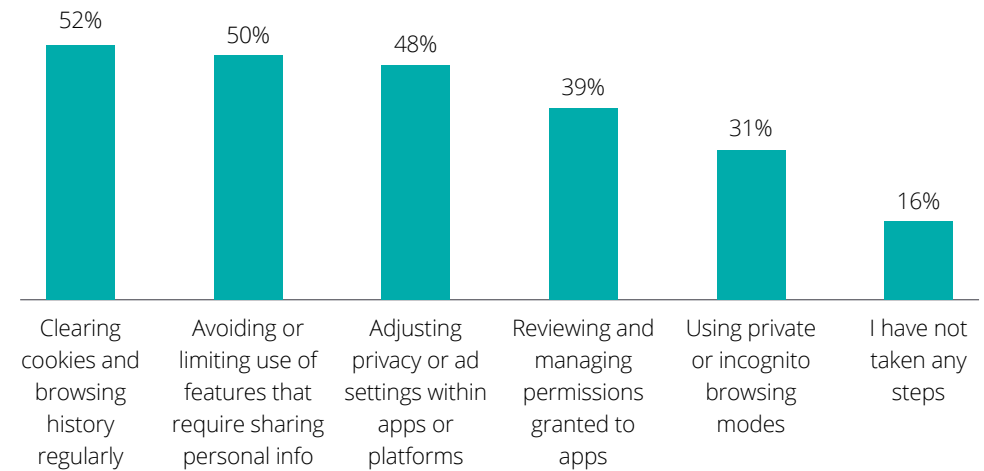
Most consumers are taking active steps to manage how their personal data is collected and used. More than half (52%) of surveyed consumers clear cookies and browsing history regularly, and half (50%) avoid or limit the use of features that require sharing personal information (Chart 4.3). **Only 16% of surveyed consumers have not taken any steps to manage the amount of personal data collected**, indicating that most users are increasingly proactive about protecting their online privacy. This does not necessarily mean consumers reject data use altogether. As discussed in the previous section, many also report benefits from personalised advertising. Instead, the results suggest consumers are actively managing when and how their data is shared. Surveyed consumers in some countries, such as Indonesia and Malaysia, tend to be more proactive than those in countries like Japan and Australia. In Indonesia, 94% of surveyed consumers in Indonesia reported taking data privacy actions, compared with 66% in Japan.

Despite this growing awareness, only half of surveyed consumers are confident that they can easily manage the privacy settings on the platforms they use. Given that data privacy is most effective when all available tools and settings designed to protect personal information are used, this finding highlights a critical gap between awareness and capability. Users recognise the importance of protecting their data but may struggle to navigate more complex interfaces or local relevant privacy controls. In fact, **44% of surveyed consumers perceive that they do not have enough control over the data that is collected by the platforms they use.**

As shown in Figure 4.2, the Consumer Survey found that consumers are most comfortable with sharing data on their interests (e.g. pages they follow) (58%), followed by online search history (53%), and purchase history. Demographic information and location rank the lowest in data that consumers would be most comfortable sharing.

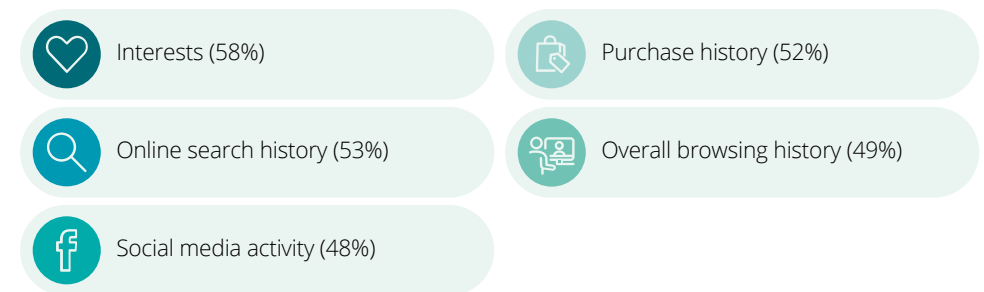
Consumer sentiment suggests that platforms can strengthen trust with better communication around how data is used for personalized advertising and by increasing transparency or visibility in how personal data is collected, stored, and applied.

Chart 4.3: Methods used to manage personal data collection



Source: Consumer Survey, Deloitte Access Economics (2026), n=3,520

Figure 4.2: Data consumers are most comfortable with sharing



Source: Consumer Survey, Deloitte Access Economics (2026), n=3,520

Consumers want to see more transparency and clarity in privacy policies, and tangible benefits in exchange for data

There are several steps that could be taken to mitigate data privacy concerns for consumers and increase their satisfaction with the platforms they use, acknowledging some digital platforms have already made moves to address these concerns and increase transparency for consumers. These steps include:

- **Increasing transparency:** Increasing transparency or visibility around data collection can empower users to exercise greater control over their information and alleviate concerns about data sharing. Consumers prefer customized experiences, despite these experiences requiring more access to their personal data. This 'personalization paradox' can be mitigated through trust.⁸ **The majority of surveyed consumers (73%) would like more transparency around data collection from the platforms they use.** In addition, transparent, easy to understand privacy policies were identified as the most effective for encouraging consumers to share personal data. A tenth (10%) of surveyed consumers ranked regular updates about data use as their most preferred initiative.
- **Improving awareness of benefits:** Consumers are more willing to share personal data if clear benefits are offered. Supporting this, 43% of surveyed consumers indicated that they were open to sharing more personal data in exchange for increased relevance in the ads they receive, and **17% reported that receiving tangible benefits would make them feel the most comfortable with sharing personal data with platforms.** Research shows that the more people value the data that they are required to share, the more they expect companies to provide in return for it.⁹ Transparent value exchanges enhance overall trust.
- **Simplifying privacy management tools:** Complex or hidden settings on platforms can create confusion and reduce users' confidence in managing their data, leading to potential reluctance to share information. With **11% of surveyed consumers rating easy-to-use controls for data collection as a top priority for their data protection,** platforms should consider streamlining privacy controls, offering clear guidance and providing intuitive interfaces to users.
- **Stronger security measures:** A key concern of social media platform users is the misuse of data once it has been collected; **21% of surveyed consumers nominated strong security measures as a data protection priority.** Users worry that their personal information could be shared without consent, accessed by third parties, and leaked through data breaches. Personalized content should be supported by robust verification systems and ongoing monitoring to mitigate risks such as scams, misinformation, and data misuse. Balancing personalization with strong safeguards ensures trust and protects both businesses and consumers.



Enzo Herbs | Malaysian traditional Chinese herbal wellness company



Enzo Herbs was founded in Kuala Lumpur to bring traditional Chinese herbal wellness into the modern consumer's life.

Representative:
Adam Teoh, Marketing Manager

Reach:
5,000 followers on Instagram

With a grounding in traditional cultural practices, Enzo Herbs aims to increase accessibility to Chinese herbal wellness. They sell traditional wellness products to consumers across Malaysia who might struggle to otherwise access them. They aim to ensure that traditional herbal practices are continued and that anyone can access them at any time.

For generations, preparing traditional herbal treatments was an act of care, but one that consumed many hours. Extensive time was spent sourcing, measuring, boiling, and crafting remedies from a diverse palette of herbs. However, many consumers seek quicker ways to access traditional cultural wellness. Enzo Herbs saw the need within their community in Malaysia and began working to meet that need. Their approach combined traditional practice with modern-day consumer expectations around product choice and accessibility.

How does Enzo Herbs use personalized advertising?

Enzo Herbs does not have a traditional storefront and sells its product entirely online, through its website and Instagram page.

Adam Teoh, the marketing manager for Enzo Herbs, noted that the priority for them is continuous engagement with their consumers, which allows them to build brand loyalty and brand recall. Social media is the main channel they use to promote their products, and Enzo Herbs frequently engages influencers who share their experiences with Enzo Herbs' products to build consumer trust and solidify their reputation.

Enzo Herbs' primary strategy is to personalize the consumer's experience from their first interaction. Adam notes that "personalized advertising gets consumers to come in and get to know the brand". Adam reports that they use AI-powered segmentation to understand what their consumers might need and when they need it. Their ads become recommendations tailored to their consumers. Additionally, an AI-powered, yet human-managed chatbot is available to answer any consumer questions. Enzo Herbs has seen success with this strategy, reporting that consumers continue to engage with them, even when they might not make a purchase in the first interaction.

Adam also noted that the use of predictive analytics allows Enzo Herbs to anticipate what a loyal customer might want next. Therefore, repeat purchases rise because customers feel seen, understood, and valued.

As they move forward, Enzo Herbs believes that the integration of tech and AI will continue to be a key practice for them. Leveraging AI and personalization will allow them to continue to build relationships with their consumers and grow their business and market share.

"Each person has different needs and resonates with different content. Our approach to marketing is as accurate as a human with the speed and efficiency of a computer."

The future state of personalized advertising

Key takeaways

- 1 AI will play a key role in business operations into the future, with **79%** of surveyed SMEs agreeing that AI will allow their business to grow quicker.
- 2 On average, surveyed SMEs expect to be spending **62%** of their total marketing spend on online advertising in 2027.
- 3 **72%** of consumers expect ad personalization to become more accurate and relevant. Over three in five (**62%**) feel positive about the greater use of AI to improve ad personalization in the future.
- 4 **62%** of surveyed consumers have positive sentiments toward AI and machine learning in general, indicating that they are more likely to be positive about the continual integration of AI into mainstream society.

05

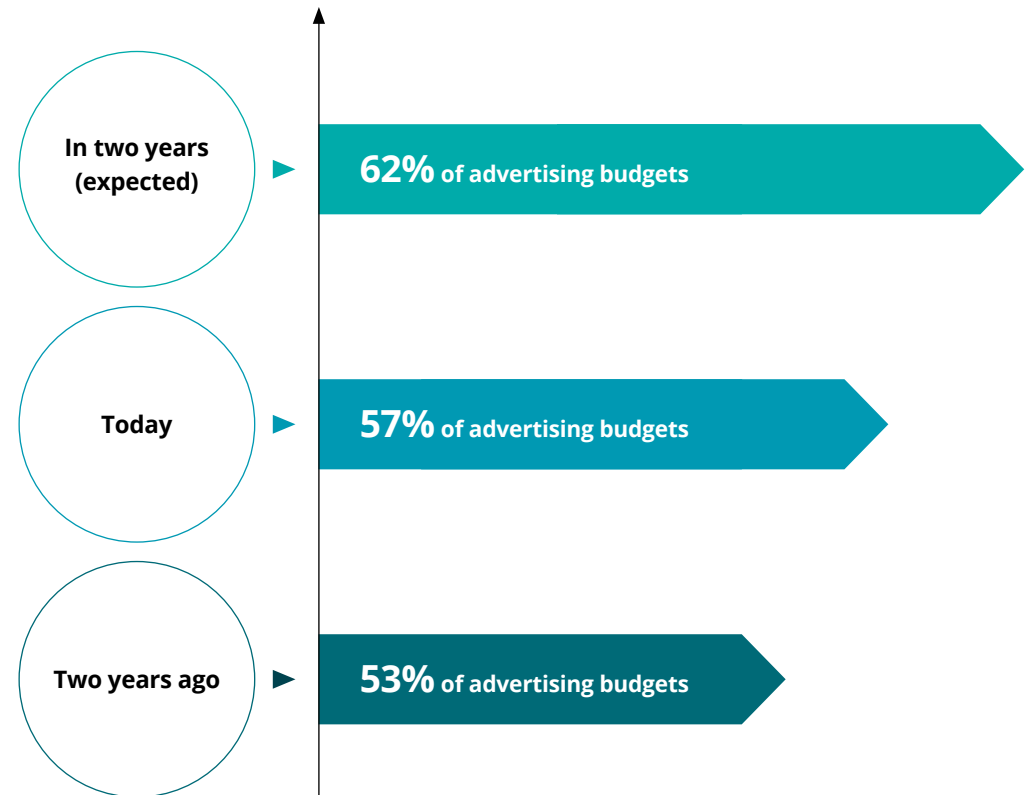
Online and personalized advertising continue to play a key role for SMEs into the future

Overall ad spending in the APAC region is growing at an accelerated pace. With digital platforms dominating the attention of consumers, SMEs are increasingly turning towards online advertising tools as part of their marketing strategy. **On average, surveyed SMEs expect to be spending 62% of their total marketing spend on online advertising in 2027**, an increase of five percentage points compared to current spend.

SMEs in APAC see personalized advertising being shaped by AI innovation, behavior shifts, and changes to regulation and local policy. With **46% of surveyed SMEs across APAC viewing AI and automation as the largest factor in shaping the future of advertising**, this signals a shift from manual, intuition-led campaigns to data-driven, scalable execution. This is closely followed by a range of other factors, including:

- **Changes in consumer behaviour and expectations (44% of surveyed SMEs):** Consumer consumption behaviours are a key consideration for SMEs as they look to the future. SMEs rely on consumer trends to understand where to invest their limited resources. If consumer preferences change, the behaviours and strategies of SMEs need to change with it, or they risk being left behind.¹
- **Changes in regulation and privacy rules (36%):** Across APAC, governments are considering tightening regulations on privacy and data sovereignty.² A stricter regulatory environment could limit the access of SMEs to consume data, reducing personalization and attribution accuracy and increasing confusion for multi-national operators.
- **Advertising measurement (33%):** Marketing and advertising teams are increasingly engaging with data analytics and consumer metrics.³ Advertisers are increasingly reliant on granular data breakdowns such as media metrics, attribution metrics and surveys. The 2025 Nielsen Global Annual Marketing Survey found that 62% of brands are using real-time data analytics to track advertising performance.⁴
- **Short-form content (27%):** With digital platforms dominating the attention of consumers, advertising has become a game of attention. Short-form content allows brands to engage quickly and succinctly with consumers.⁵

Figure 5.1: Average share of total advertising spend dedicated to online advertising



Source: SME Survey, Deloitte Access Economics (2026), n=731

Emerging trends in advertising are AI-centric and focus on enhancing the experience of the consumer

AI will increasingly play a role in content generation, data and metric tracking and analysis and consumer engagement. Personalized advertising is predicted to improve in efficiency and effectiveness, and businesses are likely to be increasingly dependent in the future.

As AI continues to grow and become increasingly accessible, there is potential for AI to be further integrated into business practices. This will be particularly beneficial for SMEs as it will allow them to compete with larger companies that have more resources. **Nearly four out of five (79%) surveyed SMEs agree that AI will allow their business to grow quicker (Figure 5.2).** To this end, 77% of surveyed SMEs are excited about the current trends of innovation in AI.

Trends in AI-driven advertising will also see consumers benefit by reducing the number of unwanted and irrelevant ads seen. The Consumer Survey has found that the majority (62%) of consumers feel positively towards the increased use of AI-powered personalized advertising. Positive attitudes toward AI integration may be partially driven by consumer expectations about the future of advertising, with **72% of surveyed consumers expecting that ads will increase in relevance in the next five years.** Further, 61% of surveyed consumers expect that they will have more control over their personal data in the next five years. Some key trends in AI-driven advertising include:

- **Hyper-personalization:** Hyper-personalization will no longer be a novelty but the default: real-time models will fuse data and contextual signals to deliver creative advertisements tailored to each consumer, lifting engagement and conversion.⁶ This level of personal relevance will let brands cut through saturation and build distinct, emotionally resonant relationships at scale.⁷
- **Predictive analytics and advanced forecasting:** Predictive analytics and advanced forecasting will strengthen strategic decision-making, while machine learning will pull together trends to predict demand, spend advertising money more effectively, and schedule creative content with precise timing.⁸ Brands will use ongoing feedback to constantly improve predictions and boost returns as market conditions change.⁹

- **Virtual Reality (VR):** The convergence of AI with AR and VR will create immersive, commerce-enabled storytelling that transforms discovery into action. AI will personalize virtual environments in real time.¹⁰ This will allow brands to engage in real-time interactions without needing to expend their human resources; recommending products, customizing demonstrations and adapting narratives to user responses instantly. IKEA's "Place" app is one example that allows consumers to decorate a VR space using IKEA furniture, giving consumers the image of what the space will look like if they purchase IKEA products.¹¹

All this capability demands a parallel commitment to transparency and ethical AI referring to the design and use of AI systems in ways that prioritise fairness, transparency, and accountability. Innovation and integration need to include explainable models, bias audits and clear data sovereignty. These are essential to sustain trust with consumers.

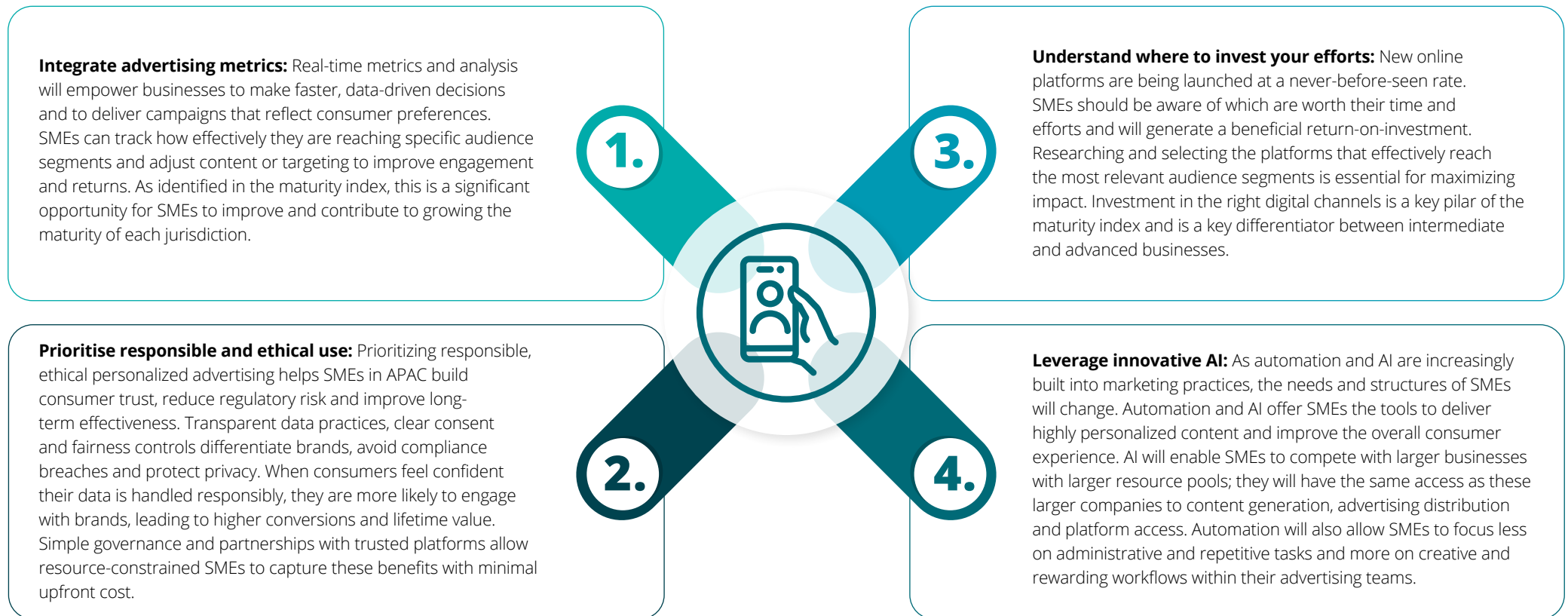
Figure 5.2: SME attitudes towards the future of AI and personalized advertising



Source: SME Survey, Deloitte Access Economics (2026), n=731

Four actions to leverage the opportunity of personalized advertising in the future

The future outlook is positive for SMEs adopting online, AI-driven and personalised advertising; however, success will hinge on a cautious yet innovative approach that balances growth with privacy and compliance. As AI-reliant techniques and methods become standard practice, SMEs will need to be proactive and informed in their investments and upskilling. SMEs that treat measurement, consent and data governance as strategic assets will be better positioned to convert spend into predictable revenue. Key steps and considerations for SMEs are:



Co Mem Home Lab | Vietnamese skincare and cosmetics company

Co Mem Home Lab is a Vietnamese skincare, cosmetics, and home care brand, built on a brand value of “pure product – true quality”.

Representative:

Ms. Trinh Dang Thuan Thao, CEO and Founder

Reach:

80 physical stores across Vietnam



Since being founded in 2015, Co Mem Home Lab has set its commercial strategy to evolve around owned channels, the 80 physical stores across Vietnam and a strong Facebook presence. It nurtures long-term loyalty with young customers through segment-specific messages and product choices.

This strategy helps to keep the brand close to its consumers, which in turn unlocks richer behavioral insights and enables warm, trust-based personalization.

How does Co Mem Home Lab use personalized advertising?

Personalization at Co Mem Home Lab begins with understanding consumer insights through its own touchpoints, followed by a synthesis of data to form actionable marketing campaigns. Co Mem Home Lab has an in-house digitalization team to support in translating data into insights of consumer behaviors, through the use of AI tools. These insights include what consumers buy, how often they return, which products they repeat, and when they begin to lapse, serving as valuable inputs for shaping their marketing strategy and consumer outreach.

With these consumer insights, Co Mem Home Lab activates measurable personalized advertisements through tailored messages and individualized recommendations. This helps to drive retention, boost repeat visits, and maximize average order value.

"Co Mem Home Lab excels in delivering personalized advertising by marketing campaigns that resonate with consumers' most meaningful moments. This is a strategic choice, not only to enhance brand affinity but also to drive more physical engagement and loyalty."

Looking ahead, Co Mem is open-minded about adopting either in-house or third-party-enabled personalized advertising initiatives. This is as long as they fit the brand values, and come with clear, actionable guidance on how targeting works, what drives ad delivery, and how to deliver better sales outcomes and measurable impacts.

98% in-store conversion rate for gift recipients of personalized advertising, outperforming traditional/ generic discounting. Repeat visits and order values continue to climb.

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Appendix C: Personalized advertising maturity index

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Appendix A:

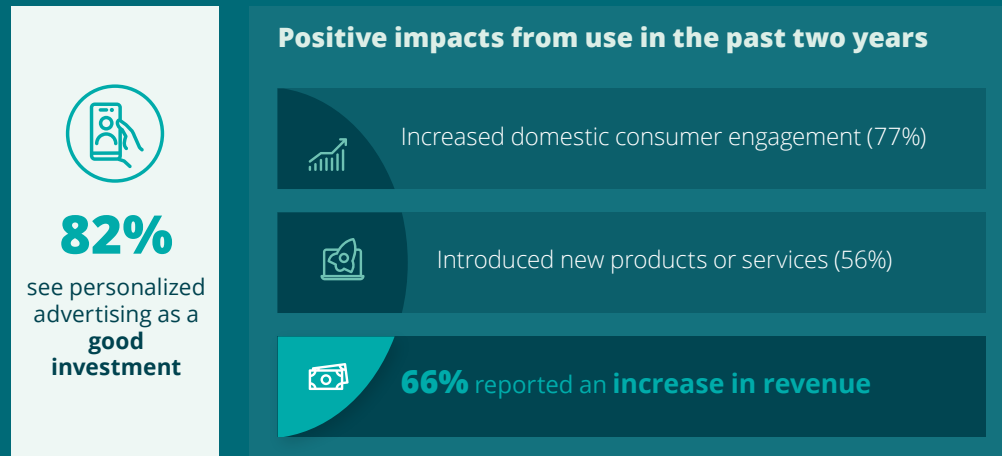
Country profiles

Country snapshot:

Australia



SMEs in Australia are primarily using personalized advertising for **attracting new consumers (90%)**. Use is concentrated on **social media platforms (85%)**, and platforms with the **largest consumer bases (57%)** are prioritized.



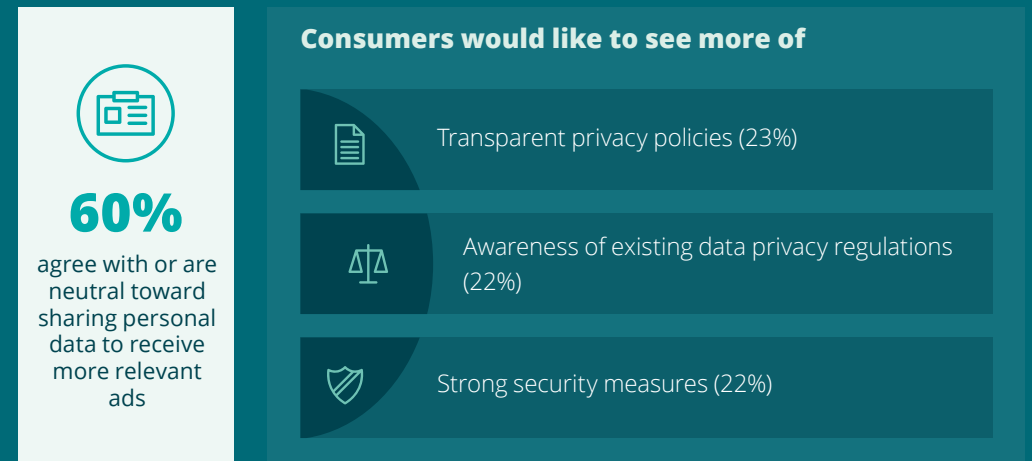
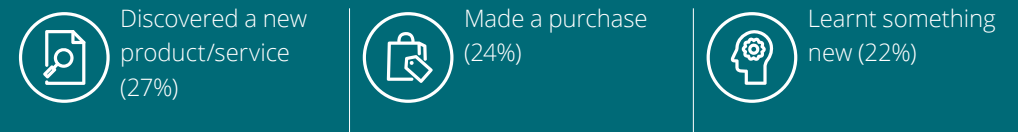
Enablers for non-users



Looking to the future, 86% of SMEs expect personalized ads to be important for the future of their business. **AI and automation** is expected to have the most impact on advertising in the future **(47%)**.

Among Australian social media users, **45%** report often seeing ads they consider relevant, and **26%** report often engaging with those ads. Overall, **67%** of surveyed consumers would like to see the same amount or more personalized ads.

Positive impacts from engaging with personalized ads



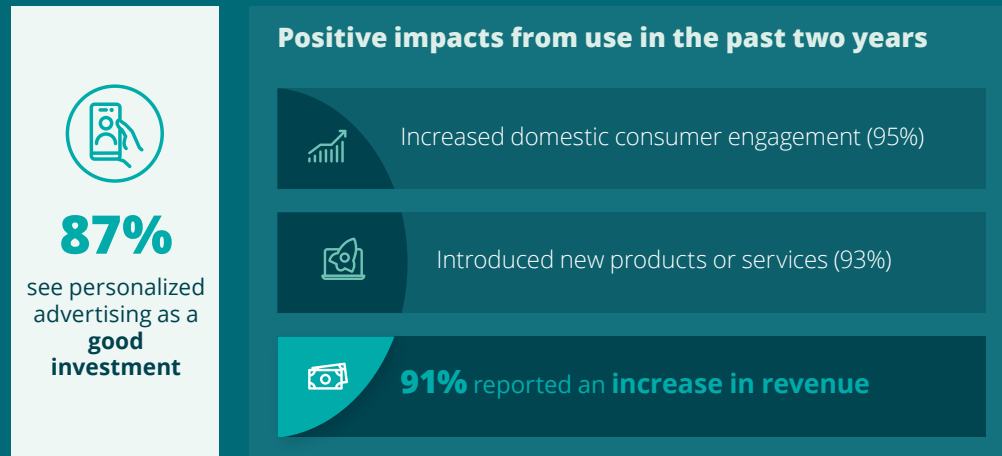
Looking to the future, 68% of surveyed consumers believe that the ads will become more relevant and **44%** believe that they will have more control over their personal data in the next five years.

Country snapshot:

Indonesia



SMEs in Indonesia are primarily using personalized advertising for **attracting new consumers (80%)**. Use is concentrated on **social media platforms (94%)**, and platforms with the **most positive reputations (64%)** are prioritized.



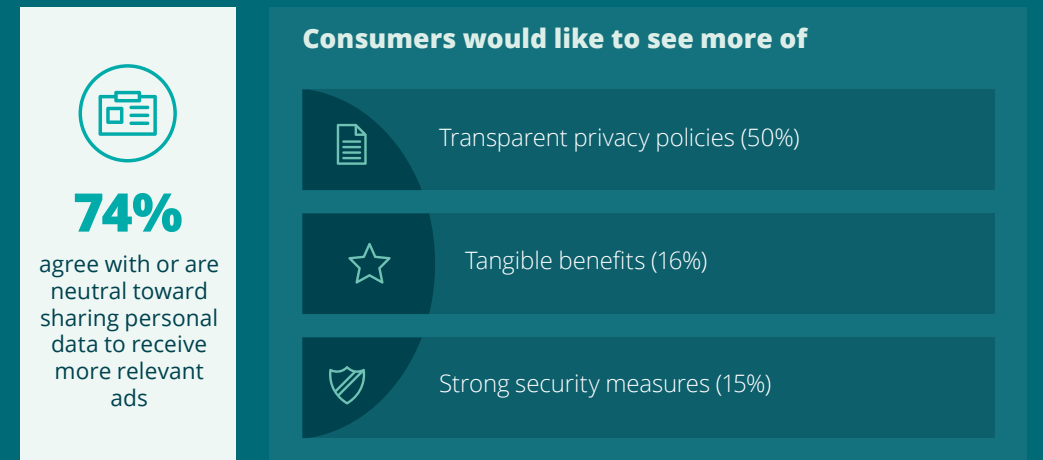
Enablers for non-users



Looking to the future, 93% of SMEs expect personalized ads to be important for the future of their business. **AI and automation** is expected to have the most impact on advertising in the future **(59%)**.

Among Indonesian social media users, **76%** report often seeing ads they consider relevant, and **51%** report often engaging with those ads. Overall, **91%** of surveyed consumers would like to see the same amount or more personalized ads.

Positive impacts from engaging with personalized ads



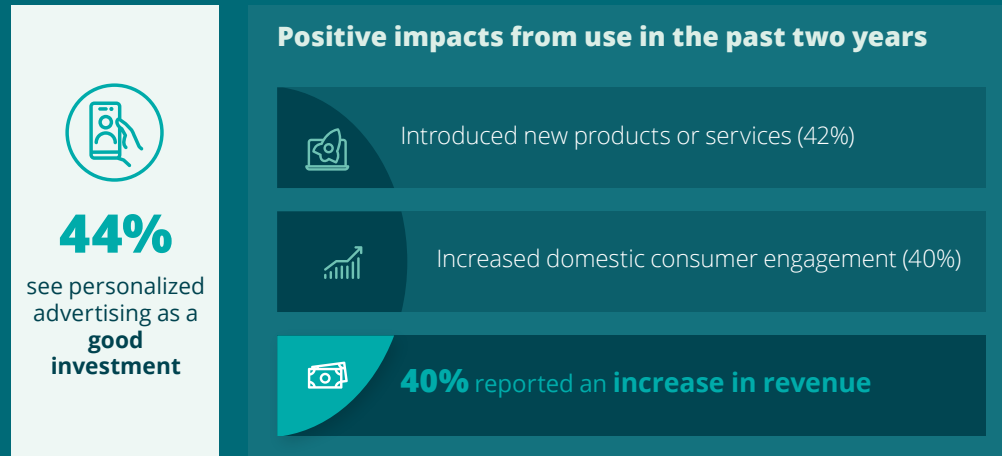
Looking to the future, 88% of surveyed consumers believe that the ads will become more relevant and **74%** believe that they will have more control over their personal data in the next five years.

Country snapshot:

Japan



SMEs in Japan are primarily using personalized advertising for **attracting new consumers (56%)**. Use is concentrated on **social media platforms (53%)**, and platforms with the **most positive reputations (38%)** are prioritized.



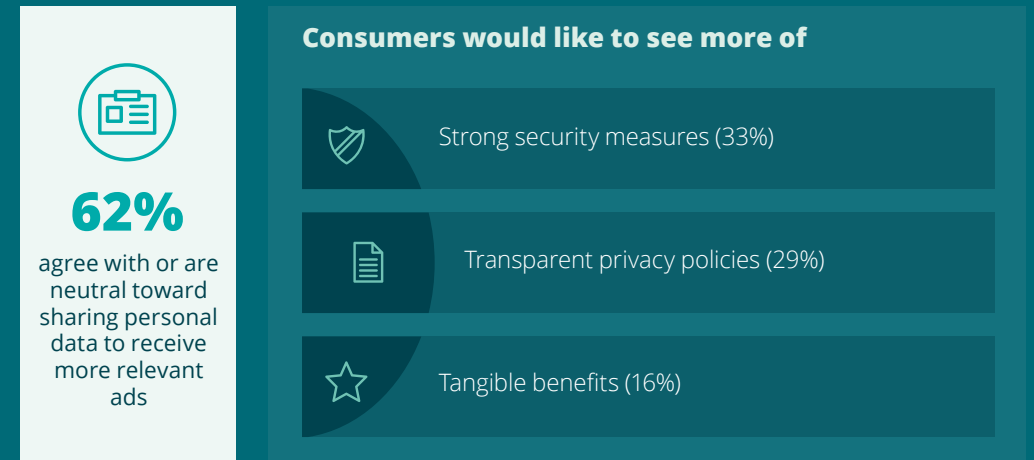
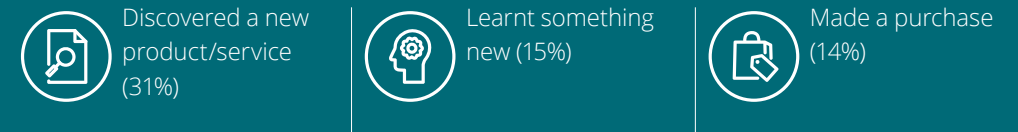
Enablers for non-users



Looking to the future, 56% of SMEs expect personalized ads to be important for the future of their business. **Changing consumer expectations** is expected to have the most impact on advertising in the future **(45%)**.

Among Japanese social media users, **43%** report often seeing ads they consider relevant, and **19%** report often engaging with those ads. Overall, **53%** of surveyed consumers would like to see the same amount or more personalized ads.

Positive impacts from engaging with personalized ads



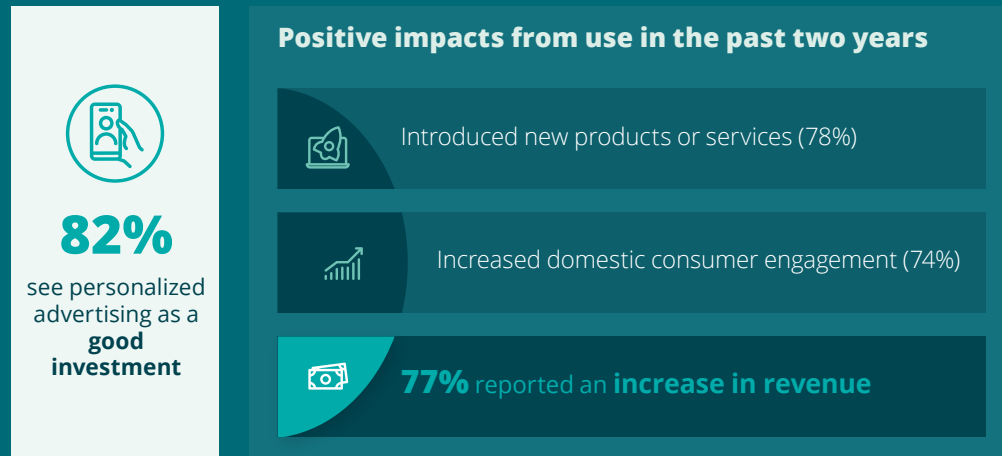
Looking to the future, 57% of surveyed consumers believe that the ads will become more relevant and **48%** believe that they will have more control over their personal data in the next five years.



Country snapshot:

Malaysia

SMEs in Malaysia are primarily using personalized advertising for **attracting new consumers (67%)**. Use is concentrated on **social media platforms (87%)**, and platforms with the **most positive reputations (60%)** are prioritized.



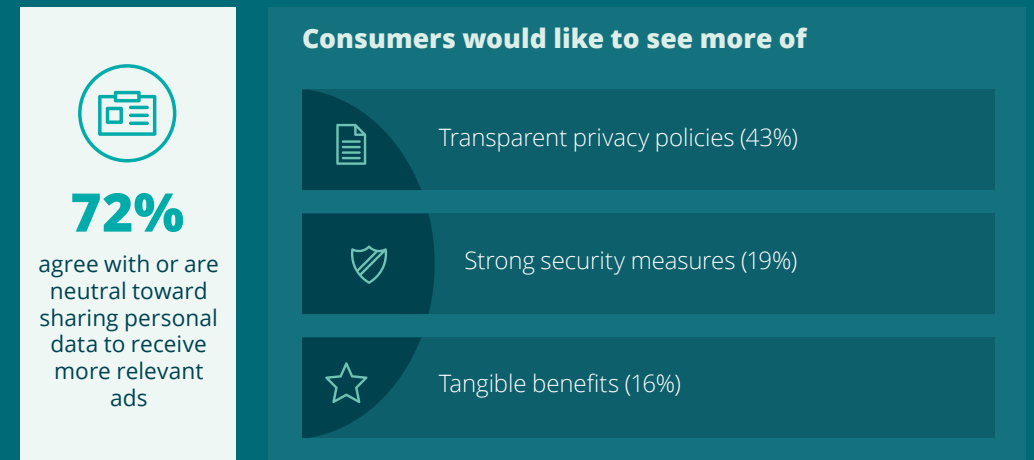
Enablers for non-users



Looking to the future, 78% of SMEs expect personalized ads to be important for the future of their business. **AI and automation** is expected to have the most impact on advertising in the future (**46%**).

Among Malaysian social media users, **73%** report often seeing ads they consider relevant, and **43%** report often engaging with those ads. Overall, **82%** of surveyed consumers would like to see the same amount or more personalized ads.

Positive impacts from engaging with personalized ads



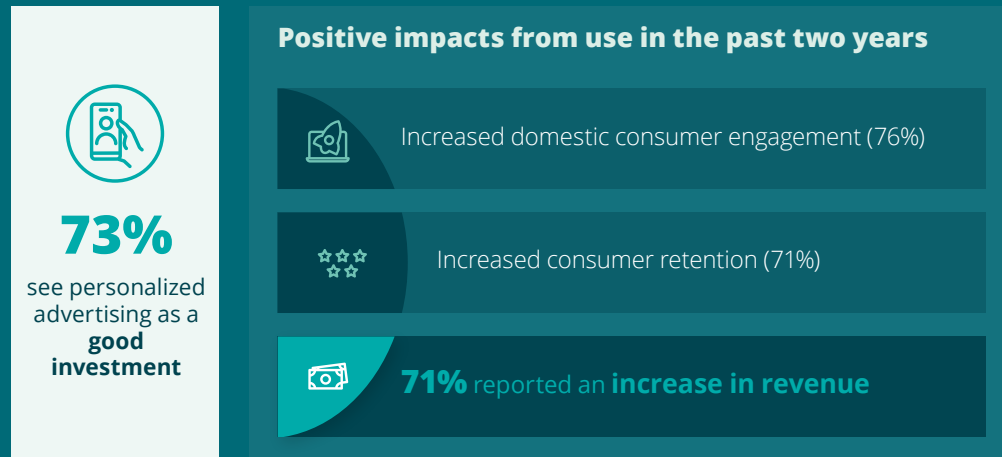
Looking to the future, 73% of surveyed consumers believe that the ads will become more relevant and **65%** believe that they will have more control over their personal data in the next five years.

Country snapshot:

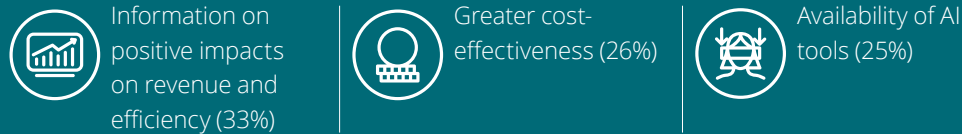
South Korea



SMEs in South Korea are primarily using personalized advertising for **attracting new consumers (56%)**. Use is concentrated on **search engines (61%)**, and platforms with the **most positive reputations (45%)** are prioritized.



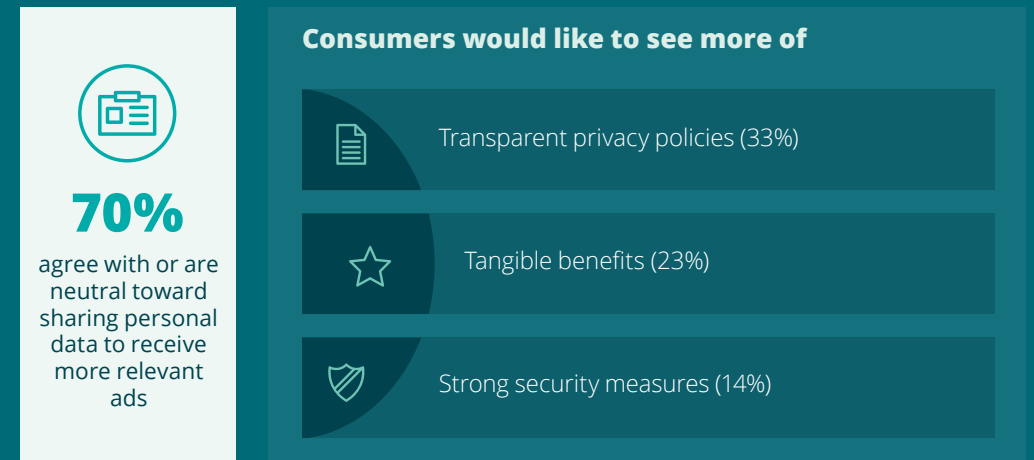
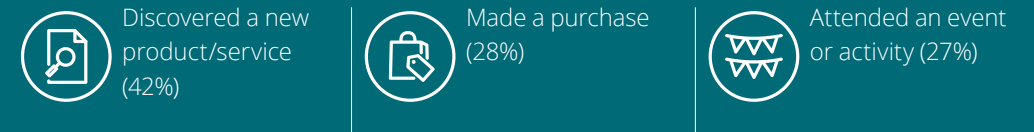
Enablers for non-users



Looking to the future, 68% of SMEs expect personalized ads to be important for the future of their business. **Changing consumer expectations** is expected to have the most impact on advertising in the future **(48%)**.

Among South Korean social media users, **61%** report often seeing ads they consider relevant, and **47%** report often engaging with those ads. Overall, **72%** of surveyed consumers would like to see the same amount or more personalized ads.

Positive impacts from engaging with personalized ads



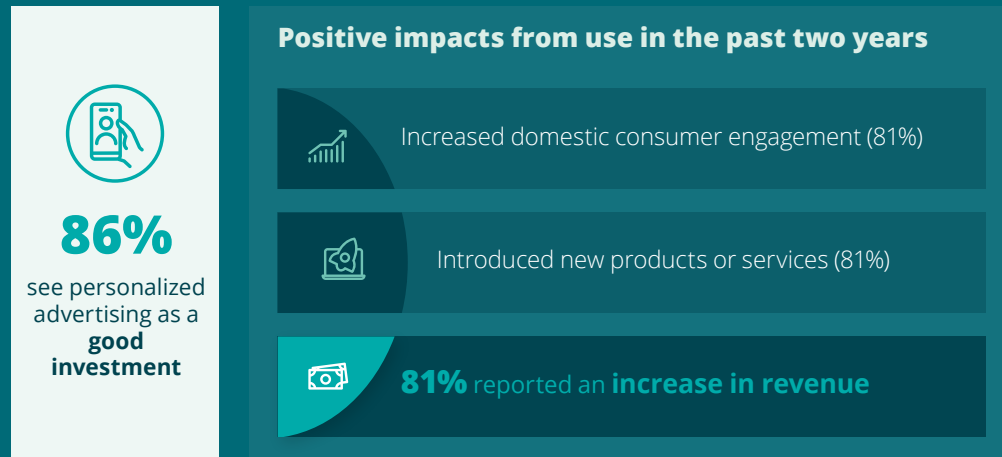
Looking to the future, 70% of surveyed consumers believe that the ads will become more relevant and **49%** believe that they will have more control over their personal data in the next five years.

Country snapshot:

Thailand



SMEs in Thailand are primarily using personalized advertising for **attracting new consumers (64%)**. Use is concentrated on **social media platforms (85%)**, and platforms with the **most positive reputations (44%)** are prioritized.



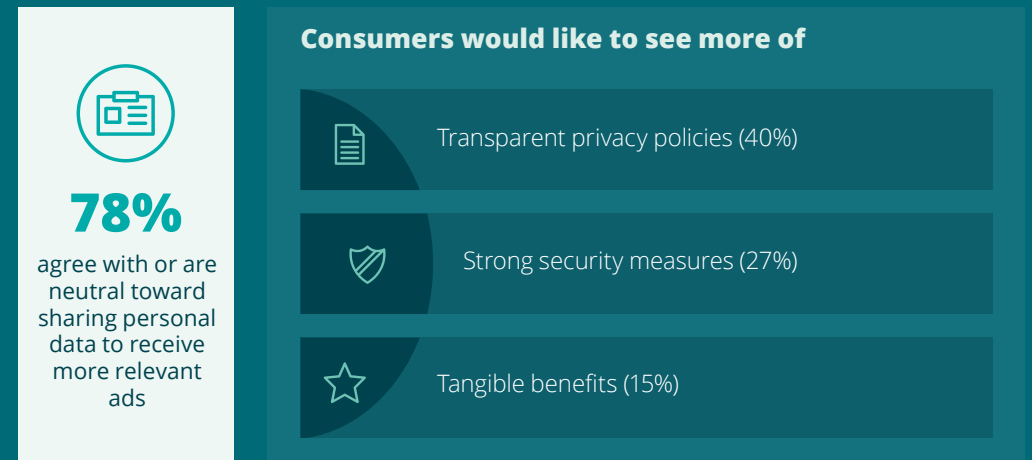
Enablers for non-users



Looking to the future, 93% of SMEs expect personalized ads to be important for the future of their business. **Changing consumer expectations** is expected to have the most impact on advertising in the future **(47%)**.

Among Thai social media users, **87%** report often seeing ads they consider relevant, and **58%** report often engaging with those ads. Overall, **94%** of surveyed consumers would like to see the same amount or more personalized ads.

Positive impacts from engaging with personalized ads



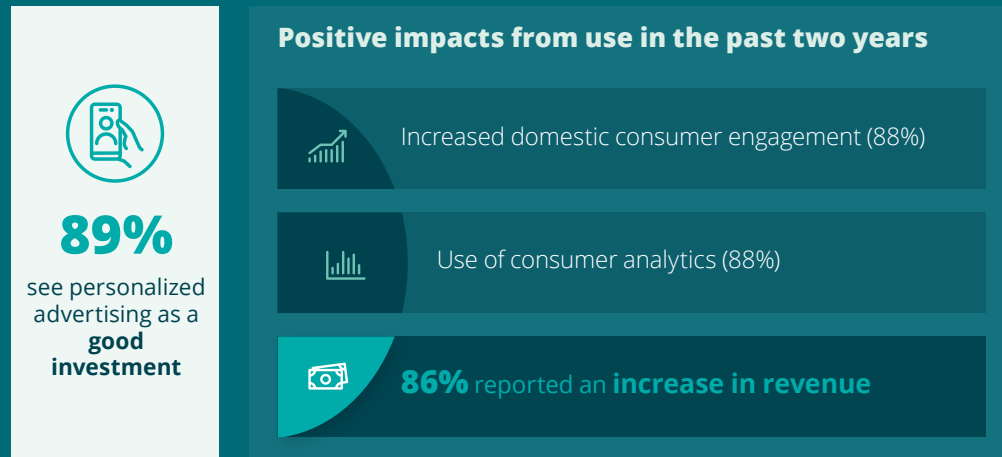
Looking to the future, 76% of surveyed consumers believe that the ads will become more relevant and **78%** believe that they will have more control over their personal data in the next five years.

Country snapshot:

Vietnam



SMEs in Vietnam are primarily using personalized advertising for **attracting new consumers (56%)**. Use is concentrated on **social media platforms (53%)**, and platforms with the **most positive reputations (38%)** are prioritized.



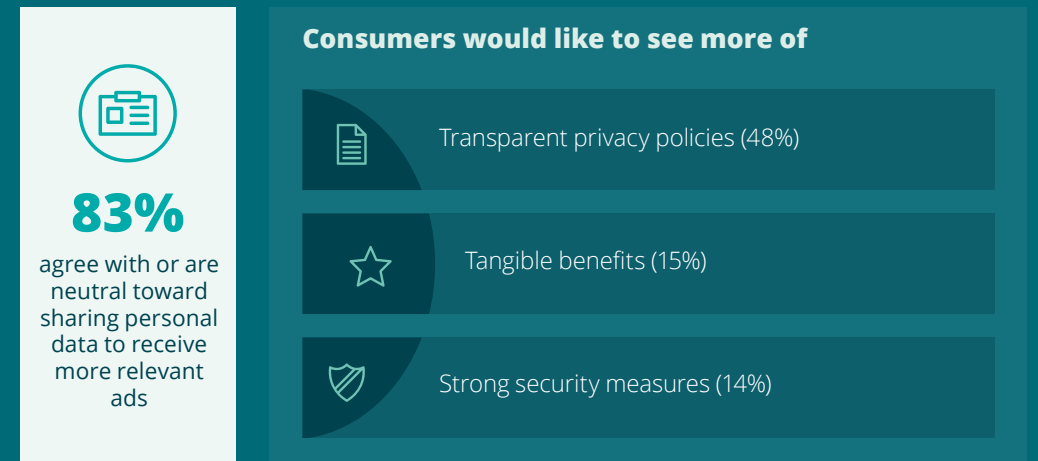
Enablers for non-users



Looking to the future, 95% of SMEs expect personalized ads to be important for the future of their business. **AI and automation** is expected to have the most impact on advertising in the future **(64%)**.

Among Vietnamese social media users, **75%** report often seeing ads they consider relevant, and **64%** report often engaging with those ads. Overall, **90%** of surveyed consumers would like to see the same amount or more personalized ads.

Positive impacts from engaging with personalized ads



Looking to the future, 84% of surveyed consumers believe that the ads will become more relevant and **74%** believe that they will have more control over their personal data in the next five years.

Appendix B:

SME and Consumer Survey

Survey Methodology

Approach

Dynata was used to field both surveys and collect data, which was then analyzed by Deloitte Access Economics. Both surveys were in field from September 2025 to October 2025. Survey analysis findings are included throughout this report. Quotas were used to broadly reflect market characteristics such as industry, business size, and other individual and business traits. This sampling approach helps to improve representativeness of the sample and reduces the risk of bias.

SME Survey

A total of 1,426 SME responses were collected. Businesses were categorized as SMEs if they reported less than 200 full-time employees.

On average, 204 responses were collected for each of the seven countries - Australia, Indonesia, Japan, Malaysia, South Korea, Thailand, and Vietnam (Table B.1).

The survey asked respondents a series of questions about their current business practices, their use of personalized advertising, any perceived benefits, any barriers to use, and their future outlook.

Consumer Survey

A total of 3,520 consumer responses were collected, with an average of 503 per country (Table B.2). All respondents were 18 years or older.

The survey asked respondents questions about their use of digital platforms, preferences for advertising, their perceived benefits of personalized advertising, attitudes towards data use and privacy, and their future outlook.

Table B.1: Sample size by market (SME Survey)

Grouping	Sample size
Australia	200
Indonesia	210
Japan	202
Malaysia	200
South Korea	200
Thailand	207
Vietnam	207

Source: Source: Deloitte Access Economics (2026)

Table B.2: Sample size by market (Consumer Survey)

Grouping	Sample size
Australia	507
Indonesia	502
Japan	504
Malaysia	501
South Korea	502
Thailand	502
Vietnam	502

Source: Source: Deloitte Access Economics (2026)

Appendix C:

Personalized advertising maturity index

Personalized advertising maturity index methodology

A personalized advertising maturity index has been developed to score businesses for this report. This index has been created to consider how businesses are using personalized advertising to achieve their goals, what positive and negative impacts personalized advertising may have on the business and to capture future outlook.

This Appendix outlines the methodology, data and assumptions underpinning these results.

Personalized advertising index methodology

The index approach was employed to capture the effects of multiple variables related to the maturity of personalized advertising use within a country.

The methodology underlying the creation of the personalized advertising maturity index in this report is based on existing frameworks but adjusted to capture the impacts of personalization.^{1,2}

To capture the maturity of personalized advertising within a country, the following five relevant pillars were used:

- **Investment:** to capture the advertising spend dedicated to online advertising
- **Impact:** to capture the positive and negative impacts of personalized advertising on the business
- **Measurement:** to capture the change in personalized advertising measurement over time
- **Future outlook:** to capture the importance of personalized advertising for the future of the business
- **AI:** to capture the importance of AI for the future of the business.

These pillars do not provide a perfect measure of changes in the adoption and use of personalized advertising. However, in the absence of reliable data that could reflect this, these pillars serve as a good starting point to highlight the maturity of personalized advertising in each country. The index is designed to highlight maturity, reveal strengths and weaknesses, and guide the development of tailored opportunities.

Questions from the SME survey were used as the basis for measuring each pillar. Table C.2 provides details of the relevant questions.

Personalized advertising maturity index methodology

Scoring

Businesses were scored between 0 and 1 for each question. For agreement questions, a score of 1 was assigned to responses of strongly agree/agree, while a score of 0 was assigned to neutral/disagree/strongly disagree. For quantitative questions, responses were kept in numerical form.

As some pillars included multiple questions, scores were normalised to ensure that each pillar received equal weighting. Scores from each pillar were then summed to produce the final index score, with a maximum possible value of 5.

Businesses were categorised into their appropriate maturity grouping, based on the scoring ranges shown in Table C1. Calculating the maturity index at the country level involved averaging the scores of all businesses within the country.

Table C.1: Scoring

Maturity	Scoring range	Description
Emerging	0 - 3.5	Limited online marketing investment, low commitment to future personalization, and minimal current benefits.
Intermediate	3.6 - 4.5	Moderate online marketing investment, some commitment to personalization, and moderate current benefits.
Advanced	4.6 - 5	Significant online marketing investment, strong commitment to personalization, and high current benefits.

Source: Source: Deloitte Access Economics (2026)

Table C.2: SME survey questions for each pillar

Pillar	Relevant survey questions
Investment	What percentage of your total advertising spend is dedicated to online advertising currently?
	To the best of your understanding, compared to two years ago, has your business experienced a change in any areas due to personalized advertising? <ul style="list-style-type: none"> • Engagement with consumers from other countries • Employee productivity • Market share
Impact	<ul style="list-style-type: none"> • Customer retention • Introducing new products or services • Business revenue • Engagement with domestic consumers
	To the best of your knowledge, has your business experienced any of the following unintended consequences from using personalized advertising?
Measurement	To the best of your understanding, compared to two years ago, has your business experienced a change in any of the following areas due to personalized advertising? <ul style="list-style-type: none"> • Monitoring campaign performance • Use of customer analytics
Future Outlook	Please indicate the extent to which you agree with the following statements about the future. Personalized advertising is important for the future of your business.
AI	Please indicate the extent to which you agree with the following statements about the future. AI will become a significant tool for your business (i.e., will improve business productivity)

Source: Source: Deloitte Access Economics (2026)

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