



Prospect towards online advertising of cosmetics in Naga City

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Abstract:

The rapid growth of the internet and digital marketing has transformed advertising, allowing businesses, organizations, and individuals to reach their target audiences in the digital space. This study examines customer perceptions of online advertising, the challenges faced by cosmetic business owners, the most commonly used platforms, and the factors influencing consumer trust and purchasing decisions. Utilizing a mixedmethods approach, the research gathers quantitative data from 120 cosmetic customers through online surveys and qualitative insights from face-to-face interviews with 30 local businesses. Statistical tools such as frequency counts, percentages, weighted means, rankings, Pearson's correlation coefficient, and Chi-square were employed. The results reveal a growing preference for social media advertising, especially on platforms like Facebook, Instagram, and TikTok, due to their interactive features and precise demographic targeting. However, challenges remain, including digital literacy gaps and consumer skepticism regarding product authenticity. The findings of the study suggest that while cosmetic brands in Naga City have significant opportunities to benefit from online advertising, success depends on addressing information gaps and fostering consumer awareness through effective, ethical, and sustainable advertising practices. This research proposes an educational marketing campaign to enhance consumer awareness of cosmetic products.

Keywords:

Online Advertising, Customer Perception, Cosmetics, Digital Literacy, Consumer Awareness.

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INTRODUCTION

Advertising is a key marketing tool used by businesses, organizations, and individuals to communicate the value of their products, services, or ideas to a target audience. It influences consumer perceptions, attitudes, and behavior, shaping both personal and societal views. The expansive rise of the internet and digital marketing has advanced advertising into the digital landscape. Online advertising is a form of promotion that uses the Internet and the World Wide Web to deliver marketing messages to attract, retain and enhance the customers (Mishra & Mahalik, 2017).

According to the International Trade Administration (2024), 72% of the nation's population is on the internet which is the highest in the Asia Pacific region. This makes Filipinos a good market for online advertising. The shift from traditional advertising to digital channels has enabled businesses to adapt to changing consumer behaviors, particularly strong in regions like Naga City in the Bicol area where a study focusing on Camarines Sur e-commerce had 58% of respondents reported to turn to digital platform or online service for marketing their products and receiving orders (Lirag, 2022). While online advertising is widely used across all industries globally, one of the growing markets in the Philippines with a huge pool of consumers is the cosmetic industry which has an annual growth rate of 1.32% (Statistista, 2024). The promotions of this industry have seen a substantial shift from traditional to internet or online advertising. With the rise of widespread information driven by marketing and digital connectivity, the risk of misleading content and deceptive advertising has become increasingly prevalent. While deceptive advertising is a common issue across various industries, it has become particularly alarming in the cosmetics sector (Islam, 2021). In the Philippine cosmetic industry, the growth of digital advertising underscores the importance of understanding consumer perceptions of online ads. For businesses, gaining insight into how customers perceive these advertisements can help refine marketing strategies to effectively communicate product benefits, build trust, and foster stronger customer relationships.

This study aims to analyze customers' perceptions of online advertising practices in the cosmetics industry in Naga City for the year 2024. It focuses on three key factors: customer profiles, their perceptions towards online advertising in terms of content narrative, delivery, and engagement, and challenges faced by cosmetic businesses, such as market saturation, trends, and selling motives. The research highlights digital marketing platforms specifically social media. Data were gathered through an online survey questionnaire from cosmetics customers, and local cosmetics businesses—comprising of business owners or managers, resellers and distributors—in populous barangays of Sta. Cruz, Triangulo, Dayangdang, Sabang, Penafrancia, and Igualdad. The study focuses on the on the makeup sector of the cosmetics industry. This research aims to provide valuable insights into online cosmetic advertising from two perspectives: the businesses creating the advertisements and the customers viewing them. It highlights how these online advertisements influence customer perceptions that ultimately impact their purchasing decisions.

Research Questions

Specifically, the study sought answer to the following objectives:

- 1. What are the profiles of the customers along with age, gender, monthly income, educational background, tenure of employment, amount spent on cosmetics, frequently used social media platform, and preferred brands?
- 2. How do customers perceive online advertising practices of the cosmetics along with content narrative, content delivery, and content engagement?
- 3. What are the challenges of the cosmetics business owners in their online advertising practices along with market saturation, trends, and selling motive?
- 4. Is there a significant relationship between customer profile and their level of perception towards the online advertising practices of the cosmetics businesses?
- 5. Is there a significant difference in the challenges faced among the business owners in the cosmetic industry?
- 6. What educational marketing advertisement campaign could be proposed to promote consumer awareness on cosmetics?

Theoretical Framework

This research is based on three theories as shown in Figure 1, the Theoretical Paradigm

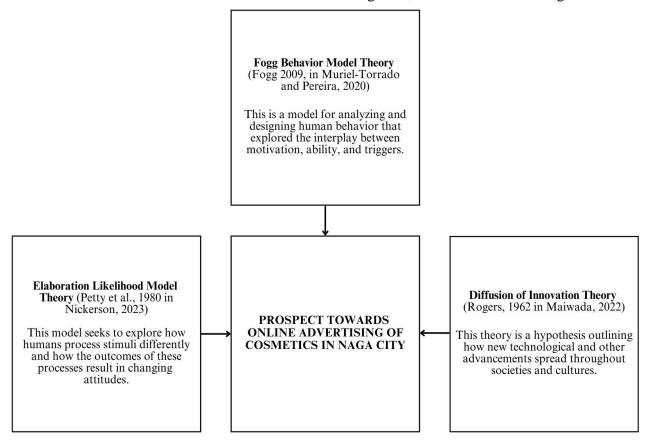


Figure 1. Theoretical Paradigm

The study's theoretical framework integrates the Fogg Behavior Model (FBM), the Elaboration Likelihood Model (ELM), and the Diffusion of Innovation (DOI) Theory to examine customer perceptions of online advertising practices in Naga City's cosmetic industry. Illustrated in Figure 1.1, the framework highlights the interplay between these theories, emphasizing how customer perceptions are shaped by behavioral, cognitive, and innovation-related factors, ultimately influencing their reactions and responses to advertising initiatives.

The Fogg Behavior Model, developed by Brian Jeffrey Fogg in 2009, explains how human behavior is influenced by the interplay of motivation, ability, and prompt, which must align simultaneously for a behavior to occur. This model has been used to explore psychological processes, including the spread and acceptance of misinformation, by examining why individuals are susceptible and how they respond. The study applied the Fogg Behavior Model to analyze customer perceptions of online advertising in Naga City's cosmetic industry, leveraging the framework to understand how these factors shape consumer behavior and improve advertising effectiveness in this context.

The Elaboration Likelihood Model, developed by Richard E. Petty and John Cacioppo in 1980, is a dual- process theory that explains attitude changes through two routes of persuasion: the central route, involving careful evaluation of message content, and the peripheral route, relying on superficial cues. The study applied the elaboration likelihood model theory to examine consumer engagement with online cosmetic advertisements, revealing that consumers use central processing when highly involved or when ads are personally relevant, focusing on product details and brand claims. Key factors such as ad content quality and model attractiveness were found to significantly influence customer perceptions in this context.

The Diffusion of Innovation Theory, introduced by Rogers in 1962, explains how new ideas or technologies spread through society, from their introduction to widespread adoption. It emphasizes the vertical transfer of knowledge, attitudes, and practices from innovators to adopters via mass media. The study utilized this theory to explore the adoption and perception of online advertising practices among consumers in Naga City's cosmetic industry. The research aimed to understand customer engagement with these initiatives and evaluate challenges such as market saturation, emerging trends, and selling motives, offering insights into how innovations in advertising are received by different customer segments.

Conceptual Framework

Figure 2 shows the Conceptual Paradigm of the study, showing the variables of the study along with the concepts to be defined and correlated with one another.

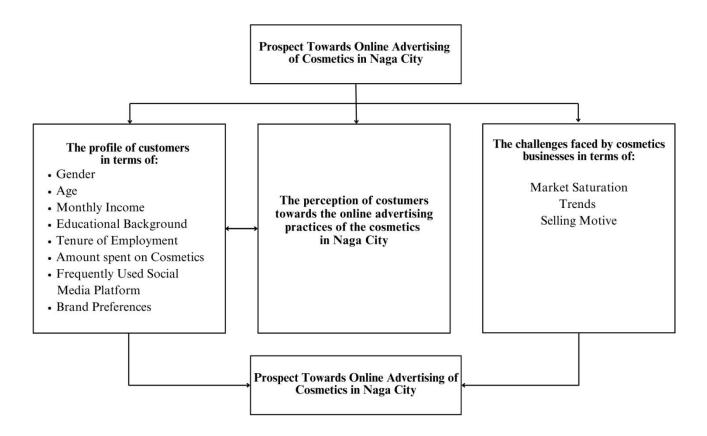


Figure 2. Conceptual Paradigm

The independent variable is the Customer Profile, in terms of gender, age, monthly income, educational background, tenure of employment, amount spent on cosmetics, frequently used social media platforms, and brand preferences. These factors were assumed to influence the dependent variables significantly. The dependent variable is the Challenges faced by Cosmetics Businesses in terms of market saturation, trends, and selling motive. Lastly, the intervening variables are the perceptions of customers towards the online advertising practices.

METHODS

Research Methods

The study used a mixed-method approach employing a descriptive-correlational research design to investigate customers' perceptions towards online advertising practices in the cosmetic industry in Naga City. The quantitative method used an online survey questionnaire with a modified checklist and Five-point Likert Scale. The qualitative method was done through open-ended questions. The researchers quantified and categorized the responses to analyze the profiles and perceptions, as well as to evaluate challenges faced in the cosmetic industry. Data analysis techniques such as frequency and percentage, weighted mean and rank, and Chi-square were employed alongside Thematic Analysis for descriptive data.

Two sets of survey questionnaires were developed for two groups of respondents: customers of cosmetics (Respondent A) and the local business owners (Respondent B) in the cosmetics industry. The questionnaire was divided into three sections: profiling of the respondents, their perceptions towards online advertising in terms (for Respondent A) or challenges related to online advertising including market saturation, trends and selling motives (for Respondent B), and qualitative open-ended questions.

The study employed a mixed-method approach to data collection, utilizing various statistical and qualitative techniques to analyze the gathered information. Frequency count and percentage are applied to identify respondents' demographic profiles. Weighted mean and rank was used to assess customers' perceptions of online advertising practices and identify challenges faced by the cosmetic industry, including trends and market saturation. Pearson Correlation Coefficient measured the relationship between consumer profiles and their perceptions of online advertising, while the Chi-square test determined significant differences in challenges faced by business owners in the cosmetics industry. Lastly, Thematic Analysis was used to analyze qualitative data for developing an educational marketing campaign aimed at improving consumer awareness and digital literacy in cosmetic advertising.

Sampling Procedures

The respondents of the study were cosmetic consumers located in Naga City and local cosmetic business owners in Naga City, Camarines Sur, Philippines particularly in populous barangays of Sta. Cruz, Triangulo, Dayangdang, Sabang, Penafrancia, and Igualdad. They were selected using the Convenient - Purposive Sampling method. The sample size was a total of 150 respondents consisting of 120 cosmetic consumers and 30 individuals from cosmetic businesses including owners or managers, resellers, and distributors who are using online advertisements.

The survey for the cosmetic consumers was conducted online, while the interview for cosmetic businesses was conducted in person. The researchers ensured that all data collected from participants was treated with strict confidentiality, adhering to ethical guidelines to protect their privacy and maintain the integrity of the study.

RESULTS AND DISCUSSION

Profile of the Customers

Table 1 reveals that the majority are aged 18 to 24 comprising 79.17% of respondents with females ranking first at 90%. Most customers earn below ₱10,000 monthly, accounting for 57.50%, and a significant portion of 65.83% has attended college. Students make up the largest group at 54.17%, while only 11.67% are unemployed. In terms of work experience, 13.33% have been employed for one to five years, and nearly

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half, or 49.84%, spend less than ₱500 on cosmetics, with only 1.64% spending over ₱3,000.

The demographic cosmetic customers in the study reveals that young adults aged 18 to 24 are the primary target audience, driven by their high social media usage and responsiveness to marketing. Older individuals, particularly those aged 55 to 64, show less interest in beauty trends. The respondents are mostly female, but there is

Table 1. Profile of the Target Market of Cosmetic Businesses

	Profile	Frequency	Percentage	Rank
Age				
	18-24 years old	95	79.17%	1
	25-34 years old	12	10.00%	2
	35-44 years old	7	5.83%	3
	45-54 years old	5	4.17%	4
	55-64 years old	1	0.83%	5
Total		120	100%	
	Gender			
	Male	7	5.83%	2
	Female	108	90.00%	1
	Non-Binary	5	4.17%	3
Total		120	100%	
	Monthly Income			
	Below ₱10,000	69	57.50%	1
	₱10,000 - ₱20,000	20	16.66%	2
	₱20,001 - ₱30,000	12	10.00%	3
	₱30,001 - ₱40,000	3	2.50%	6
	₱40,001 - ₱50,000	8	6.67%	4.5
	Above ₱50,000	8	6.67%	4.5
Total		120	100%	
	Educational Background			
	No Formal Education	1	0.84%	5
	High School Level	16	13.33%	3
	College Level	79	65.83%	1
	Bachelor's Degree	22	18.33%	2
	Master's Degree	2	1.67%	4
Total		120	100%	
	Employment Status			
	Employ	41	34.16%	2
	ed			
	Unemployed	14	11.67%	3
	Student	65	54.17%	1
Total		120	100%	

Tenure of Employment

Luceña, B. M., Montejo, J., Nacario, A. L., Nieva, C., Ogarte, N., Rempola, M. Z., & Vallenas, J. R. (2024). Prospect towards online advertising of cosmetics in Naga City. GPH-International Journal of Business Management, 7(12), 30-67. https://doi.org/10.5281/zenodo.14548973

Total	120	100%	
Above ₱3,000	2	1.64%	5
₱2,001 - ₱3,000	7	7.67%	4
₱1,001 - ₱2,000	16	13.07%	3
₱500 - ₱1,000	34	27.78%	2
Below ₱500	61	49.84%	1
Amount Spent on Cosmetics			
Total	42	35%	
Above 10 years	6	5.00%	3
years			
years 5-10	5	4.17%	4
1-5	16	13.33%	1
Less than 1 year	15	12.50%	2

an increasing presence of non-binary and male consumers, indicating a trend toward inclusivity. Many customers are students with limited budgets, leading most to spend under ₱500 on cosmetics. In contrast, a small percentage of higher-income individuals spend over ₱3,000, suggesting different financial priorities. Additionally, college- educated respondents tend to be more engaged with beauty trends, emphasizing the role of education in shaping interest in cosmetics.

Customer Perception towards Online Advertising Practices of Cosmetic Businesses

Customer perceptions of online advertising practices by cosmetic businesses are presented in Tables 2.1, 2.2, and 2.3. The data collected from respondents were analyzed using the statistical methods of weighted mean and ranking, offering insights into their views on online cosmetic advertisements.

Content Narrative

Table 2.1 presents the survey results on the effectiveness of content narratives, revealing an overall mean of 4.18, which is interpreted as -Perceived||. The highest rated was -the content narrative is relative to my interests and needs|| with a mean of 4.23, also categorized as -Perceived||. In contrast, -the content narrative feels genuine and trustworthy|| received the lowest, with a mean of 4.08, yet still interpreted as -Perceived||.

Table 2.1

Customers Perception towards Online Advertising Practices of the Cosmetics Businesses along with Content Narrative

Parameters	Mean	Rank	Interpretation
The content narrative is clear and easy to understand	4.21	2	P
The content narrative is relative to my interests and needs	4.23	1	P
The content narrative feels genuine and trustworthy	4.08	5	P
The content narrative is persuasive	4.20	3	P
The content narrative has a huge impact on buying decisions	4.19	4	P
Overall	4.18		P

Customers generally find advertisements that match their needs and preferences relevant, as they clearly communicate the value of products that can enhance their lives. When the content focuses on how a product addresses a specific need, it is seen as interesting and useful, positively influencing purchase decisions. However, ads that appear exaggerated or overly flashy are often viewed as less genuine and lack of trust can lower customer response, highlighting the importance of credibility and reliability in effective advertising.

Previous studies indicate that both types of content and its messaging significantly affect consumer perception, attitudes, and intentions, particularly when tailored to individual interests and needs (Abraham et al., 2022; Hashim et al., 2018). Content narratives are most effective when they align with customer needs, influencing purchasing behavior. However, narratives perceived as genuine and trustworthy are often rated lower, especially if they seem overly personalized or exaggerated. Semerádová & Weinlich (2019) highlight that excessive personalization can lead to negative reactions, making content feel manipulative rather than relatable.

Content Delivery

Table 2.2 presents the survey results on the effectiveness of content delivery, showing an overall mean score of 4.13, categorized as -Perceived\(\! \). The highest-ranking statement was -The content delivered is appropriately to target customers\(\! \) which received a mean score of 4.26, indicating a strong positive perception. Meanwhile, the statement -The format of the content suits my preferences\(\! \) ranked the lowest with a mean score of 4.05, although it still falls as -Perceived\(\! \).

Table 2.2

Customers Perception towards Online Advertising Practices of the Cosmetic Businesses along with Content Delivery

Parameters	Mean	Rank	Interpretation
The content delivered is appropriately to target customers	4.26	1	P
The content delivered had a great impact on my purchase decision	4.19	2	P
The format of the content suits my preferences	4.05	5	P
The content delivery is consistent across platforms	4.08	3	P
The content delivery is enticing	4.07	4	P
Overall	4.13	-	P

When ads are correctly targeted, customers are more likely to engage with them because they address their specific concern, making the ads more noticeable and memorable. Hiever, the format of the content is less important to consumers than the message itself, as they prioritize how well the ad meets their needs over where it is presented. This indicates that while effective targeting is essential, the content format should be adaptable and engaging to appeal to the target audience.

The findings from Van Reijmersdal et al.(2022) indicate that ads tailored to individual needs are received more positively. However, Chuah et al.(2023) that while engaging formats on social media can influence purchase intentions, this study shows that the content format is perceived as less important than the content itself. Customers prioritize the relevance of the message over its presentation. Ebrahim et al. (2019) support this by emphasizing that brand knowledge and experience are crucial for preference, reinforcing that aligning the message with customer needs is more vital than its visual appeal. Therefore, while effective targeting is essential, improving the adaptability and engagement of content formats can better cater to diverse preferences and enhance overall ad effectiveness.

Content Engagement

The survey results show that -The content of online reviews drives more engagements received the highest mean score of 4.30, indicating it is the most effective aspect of online advertising for engaging consumers. -The influencer relates and engages with the audience in promoting the product ranked the lowest with a mean score of 4.03, though it is still considered as -Perceived. The overall mean score for Content Engagement is 4.17, suggesting that online advertisements in the cosmetics industry are generally viewed as effective in engaging their audience.

Table 2.3

Customers Perception towards Online Advertising Practices of the Cosmetic Businesses along with Content Engagement

Parameters	Mean	Rank	Interpretation
The advertisement is seen to have a lot of engagements	4.17	3	P
The products are advertised with pricing, promos, and discounts	4.21	2	P
The influencer relates and engages with the audience in promoting the product	4.03	5	P
The advertisements are easy to interact with	4.16	4	P
The content of online reviews drives more engagements	4.30	1	P
Overall	4.17		P

Online reviews are the most influential factor in driving engagement in cosmetics advertisements because they provide genuine, user-generated content that potential buyers find personal and trustworthy. By incorporating real feedback from customers, advertisers can connect better with their audience and improve ad effectiveness. In comparison, the effectiveness of influencer engagement is perceived as lower; when influencer promotions are exaggerated or irrelevant, they lack credibility. This perceived lack of authenticity, combined with the knowledge that influencers are paid for promotions, diminishes the ad's impact.

The findings support Robert Cialdini's theory of social proof, which suggests that people look to others for guidance in uncertain situations, such as buying cosmetics. Hoder (2021) shows that online reviews are more influential on purchasing decisions than influencer marketing, as reviews from regular customers are seen as more credible and authentic. Customers trust these genuine experiences over paid influencer opinions, which can seem exaggerated and less trustworthy. This creates a sense of social proof that reassures buyers before making a purchase. However, the study contradicts Delbaere et al., (2020), which emphasized the importance of perceived similarity between influencers and their followers in driving engagement.

Summary of the Perceptions of Customers towards Online Advertising

The summary of customer perceptions towards online advertising practices of cosmetic businesses can be seen in Table 2.4. The survey results indicate that Content Narrative ranked highest with a mean score of 4.18, interpreted as -Perceived||. However, the Content Delivery ranked lowest with a mean score of 4.13, also categorized as -Perceived||. The overall mean score was 4.16.

Table 2.4
Summary of the Perceptions of Customers towards Online Advertising

Parameters	Mean	Rank	Interpretation
Content Narrative	4.18	1	P
Content Delivery	4.13	3	P
Content Engagements	4.17	2	P
Overall	4.16	_	P

Content Narrative ranked first, indicating that respondents likely value the storytelling aspect of advertisements, which can create a deeper emotional connection and more relatable content. Content Engagements on the other hand ranked second reflecting the importance of interactive elements in online advertising. This implies that audiences in Naga City appreciate advertisements that encourage participation and interaction which can lead to higher retention and brand loyalty. Lastly, Content Delivery highlights the significance of how information is presented. While still important, it appears that the manner of delivery is slightly less critical than the narrative and engagement aspects.

The theory of consumer behavior towards mobile and social media advertising, as discussed by Hashim et al. (2018) and Chuah et al. (2023), confirm that the effectiveness of online advertising depends on both content narrative and delivery. Hashim et al. (2018) highlights the importance of well-structured content in influencing consumer attitudes, which matches the survey results that ranked content narrative as the most important factor. Chuah et al. (2023) also emphasize the role of content delivery, especially on platforms like Facebook and Instagram, which strongly affects purchase decisions. This shows that while content narrative is more valued, effective delivery, though ranked slightly lower, is still important in improving the overall impact of the content.

Challenges in the Online Advertising Practices of Cosmetic Businesses

Tables 3.1, 3.2, and 3.3 present the challenges cosmetic businesses face in online advertising. Statistical methods, including weighted mean and rank, were applied to analyze the data, gaining perspective on their struggles with market saturation, evolving trends, and selling strategies.

Market Saturation

Table 3.1 presents survey results on the challenges businesses face due to market saturations with an overall mean score of 3.71, categorized as -Fairly Challenging||. -Attracting and retaining customers in a competitive market|| ranked the highest rating

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with a mean score of 4.03. In contrast, -Identifying what online marketing channels are the most effective to overcome market saturation had the lowest mean score of 3.27, categorized as challenging.

Table 3.1
Challenges in the Online Advertising Practices of Cosmetic Businesses along with Market Saturation

Parameters	Mean	Rank	Interpretation
Prioritizing quality over sales	3.03	5	С
Offering new cosmetic products at a low price	3.63	2	FC
Using online advertising to increase market share	3.17	3	C
Identifying the different online marketing channels that are most effective in increasing sales	3.13	4	C
Leveraging influencer marketing to reach target audiences	4.10	1	FC
Overall	3.41	-	C

Notes: 4.51-5.00 - Very challenging (VC); 3.51-4.50 - Fairly challenging (FC); 2.51-3.50 - Challenging (C); 1.51-2.50 - Somewhat challenging (SC); 1.00-1.50

Attracting and retaining customers is crucial for stability and growth, but it is particularly challenging for local cosmetic businesses in a saturated market. A steady flow of customers is essential for sustainability, requiring continuous effort and innovation. However, identifying effective online marketing channels is less difficult, as one piece of content can be shared across multiple social media platforms, increasing audience reach with minimal effort. This flexibility allows businesses to experiment with different channels without needing to create new content for each platform.

Shen (2023) explains attracting and retaining customers is particularly challenging for advertisers in saturated markets, where competition necessitates effective marketing strategies to meet shifting consumer preferences. Locket (2018) supports this by noting that identifying online marketing channels ranked the lowest in the challenges, indicating the small business effectively leverages these channels to combat market saturation. Utilizing multiple online platforms allows local businesses to reach customers efficiently and maintain consistent brand message without the need for unique content for each channel, thereby minimizing content creation burdens.

Trends

Table 3.2 indicate that -Promoting cosmetic products using the popularity of celebrities to customers purchase intention | ranked highest with a mean score of 3.93 interpreted as -Fairly Challenging ||, while the -Promoting cosmetic products using the popularity of celebrities to customers purchase intention || ranked least with a mean score of 3.57

interpreted as -Fairly Challenging. The overall mean score is 3.81 meaning -Fairly Challenging.

Promoting cosmetic products through celebrity endorsements is effective due to the strong influence celebrities have on consumer behavior, as they are often viewed as trendsetters. However, this strategy is challenging for small businesses due to financial constraints and communication difficulties when collaborating with influencers. On the other hand, such promotions can rank low if consumers perceive them as overly commercialized and lacking genuine connection, leading to distrust in the endorsements.

Awasthi and Choraria (2015) noted that celebrity advertisements can significantly influence customer purchase intentions. This is supported by Tanpoco et al., (2023), who identified key factors such as influencer attractiveness, unique content, and self-congruency that affect these intentions. However, if these expectations are not met, it can negatively impact customer perception of the brand (Bhandari et al., 2021). Collaborating with influencers poses challenges for small cosmetic businesses due to financial and communication issues. In contrast, selecting appropriate social media platforms for advertising is less challenging, as businesses can easily identify popular platforms among Filipino consumers.

Table 3.2

Challenges in the Online Advertising Practices of Cosmetic Businesses along with Trends

Parameters	Mean	Rank	Interpretation
Creating trendy content that is applicable to the target market	3.87	3	FC
Promoting cosmetic products using the popularity of celebrities/influencers to customers purchase intention	3.93	1	FC
Promoting diverse beauty over conventional beauty standard in the Philippines	3.77	4	FC
Advertising cosmetic products on popular social media platforms to attract customers	3.57	5	FC
Promoting trending cosmetic products to attract and retain customers	3.90	2	FC
Overall	3.81	_	FC

Notes: 4.51-5.00 - Very challenging (VC); 3.51-4.50 - Fairly challenging (FC); 2.51-3.50 - Challenging (C); 1.51-2.50 - Somewhat challenging (SC); 1.00-1.50

Selling Motive

Table 3.3 presents survey results on the challenges businesses face regarding Selling Motive, with an overall mean score of 3.41, categorized as -Challenging||. The highest-ranking challenge was -Leveraging influencer marketing to reach target audiences||, with a mean score of 4.10, classified as -Fairly Challenging||. On the other hand, -Prioritizing quality over sales|| received the lowest mean score of 3.03. also categorized as Challenging||.

Table 3.3

Challenges in the Online Advertising Practices of Cosmetic Businesses along with Selling Motive

Parameters	Mean	Rank	Interpretation
Prioritizing quality over sales	3.03	5	С
Offering new cosmetic products at a low price	3.63	2	FC
Using online advertising to increase market share	3.17	3	C
Identifying the different online marketing channels that are most effective in increasing sales	3.13	4	C
Leveraging influencer marketing to reach target audiences	4.10	1	FC
Overall	3.41		С

Notes: 4.51-5.00 - Very challenging (VC); 3.51-4.50 - Fairly challenging (FC); 2.51-3.50 - Challenging (C); 1.51-2.50 - Somewhat challenging (SC); 1.00-1.50

-Leveraging influencer marketing | ranks highly because influencers significantly shape consumer behavior through their trusted recommendations and large followings. In contrast, prioritizing quality over sales is less emphasized since customers expect both quality and competitive pricing. celebrities and influencers have on consumer behavior. Celebrities or influencers hold significant social influence and are often seen as trendsetters, which makes them effective in promoting products. While quality is important, it often does not stand out in advertising strategies focused on engagement and visibility, which influencers can provide more effectively.

The study explores how customer imitation behavior mediates the effectiveness of celebrity endorsements in shaping purchase intentions (Awasthi & Choraria, 2015). Companies are increasingly prioritizing influencer marketing, allocating substantial budgets to it due to perceived value (Cho et al., 2022). However, leveraging influencer marketing is challenging due to high costs and incentive demands. In comparison, Yang and Liu (2014) highlight the importance of brand image in fostering customer loyalty within the cosmetics sector by enhancing perceptions of product quality.

Summary of the Challenges of Businesses in Online Advertising

The survey results illustrated in Table 3.4 show that —Trends received the highest score of 3.71, indicating it is —Fairly Challenging. While —Selling Motive ranked lowest with a mean score of 3.41. The overall average score was 3.64, also interpreted as —Fairly Challenging.

Table 3.4

Summary of the Challenges of Businesses in Online Advertising

Parameters	Mean	Rank	Interpretation
Market Saturation	3.71	2	FC
Trends	3.81	1	FC

Selling Motive	3.41	3	С
Overall	3.64		FC

Notes: 4.51-5.00 - Very challenging (VC); 3.51-4.50 - Fairly challenging (FC); 2.51-3.50 - Challenging (C); 1.51- Somewhat challenging (SC); 1.00-1.50

The survey results indicate that businesses in Naga City are aware of and engaged with current digital marketing trends, which ranked highest at 3.81. Market Saturation shows a competitive online advertising environment, while the Selling Motive, though lower at 3.41, still reflects a strong motivation to utilize online advertising. These rankings highlight Naga City's competitive business landscape and the local businesses' commitment to leveraging digital marketing.

The report by Statista (2024) and the study by Sim and Jaimon (2022) emphasize that younger generations, particularly Millennials and Generation Z, significantly drive the cosmetics market's growth. Most survey respondents belong to these generations, making trends particularly influential on their purchasing decisions, which are heavily shaped by social media. In contrast, Adelakun's study highlights a link between marketing expenses and profitability; however, profit-driven advertising is not the main focus for local businesses, which find it less challenging.

Relationship between Customer Profile and their Level of Perception

The analysis of customer profiles and their perceptions of online advertising in the cosmetics sector reveals that "Frequently used social media platforms" have the strongest correlations with content aspects, achieving perfect correlations with content narrative and delivery (p = 1) and a very strong correlation with content engagement (p = 0.98). In contrast, "Education Background" showed a very weak correlation with content narrative (p = 0.05), while "Gender" had no correlation with content delivery (p = 0.00) and a very weak correlation with content engagement (p = 0.02). These results indicate that social media usage significantly influences customer engagement with online advertising, whereas demographic factors like education and gender have little effect.

Social media plays a significant role in online advertising due to its effectiveness in delivering engaging and interactive content for marketing products. Its ability to provide visually appealing experiences and personalized ads, driven by algorithms that track user preferences, enhances content narrative, delivery, and customer engagement. Features like real-time feedback, comments, and reactions further boost trust and interaction with advertisements. However, gender and educational background show weaker correlations with customer perceptions of online cosmetic ads. This is because cosmetic advertising prioritizes visual appeal and practical demonstrations over technical knowledge, while social media's inclusivity and diverse user base reduce the impact of gender, as consumers of all genders engage equally with ads, influencers, and promotions.

The significant relationship between frequently used social media platforms and content narrative is supported by Sakalauskas and Krikščiūnienė (2024), who emphasize that personalized advertising enhances customer satisfaction and loyalty. Similarly, Sriram

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et al. (2021) highlight that creative elements, emotional appeal, and celebrity endorsements in social media ads effectively capture attention and increase purchase intentions, Additionally, Hofer (2021) notes that online reviews have a greater influence on buying behavior than influencer marketing, underscoring the importance of social proof in shaping consumer decisions.

Table 4

Relationship between Customer Profile and their Level of Perception towards Online Advertising

Profile		Content Narrative C		Content Delivery		nt Engagement
	р	Remarks	p	Remarks	p	Remarks
Age	0.70	Strong	0.70	Strong	0.70	Strong
Gender	0.30	Weak	0.00	No Rel.	0.02	Very Weak
Monthly Income	0.45	Moderate	0.95	Very Strong	0.90	Very Strong
Educational Background	0.05	Very Weak	0.46	Moderate	0.25	Weak
Employment Status	0.11	Very Weak	0.08	Very Weak	0.31	Weak
Tenure of Employment	0.63	Strong	0.36	Weak	0.95	Very Strong
Amount Spent on Cosmetics Monthly	0.18	Very Weak	0.66	Strong	0.90	Very Strong
Frequently Used Social Media Platforms	1.00	Perfect	1.00	Perfect	0.98	Very Strong
Preferred Brands	0.94	Very Strong	0.97	Very Strong	0.45	Moderate

Notes. 1.00 = Perfect; 0.80 to 0.99 = Very Strong; 0.60 to 0.79 = Strong; 0.40 to 0.59 = Moderate; 0.20 to 0.39 = Weak; 0.01 to 0.19 = Very Weak; 0.00 = No Relationship (No Rel.)

Significant Difference between the Challenges of Cosmetics Businesses

The table indicates strong correlations among market saturation, trends, and selling motives in the online advertising practices of cosmetics business owners, with all parameters showing significant values of p <.001. Specifically, market saturation and trends have a strong correlation with an r-value of 0.772, while the correlation between market saturation and selling motive is strong, with an r-value of 0.668. The lowest correlation is observed between trends and selling motives.

Table 5
Significant Difference between the Challenges of Cosmetics Businesses Owners in their Online Advertising
Practices

Challenges	Market Saturation	Trends	Selling Motive
Market Saturation	N/A	0.772 -Strong∥	0.67 -Strong∥
Trends	N/A	N/A	0.653 -Strong∥

Selling Motive N/A N/A N/A

r(degress of freedom) = the r statistic, p = p value.

Notes: 1.00 = Perfect; 0.80 to 0.99 = Very Strong; 0.60 to 0.79 = Strong; 0.40 to 0.59 = Moderate; 0.20 to 0.39 = Weak; 0.01 to 0.19 = Very Weak; 0.00 = No Relationship (No Rel.)

Market saturation significantly affects cosmetics businesses' ability to align with current trends, as indicated by the highest value. This suggests that businesses need to adapt quickly to trends in a competitive market. Additionally, the strong relationship between market saturation and selling motives indicates that a crowd market compels businesses to refine their advertising strategies to maintain visibility. The Fogg Behavior Model (Fogg, 2009) supports the findings on market saturation, trends, and selling motives by highlighting the importance of motivation, ability, and triggers in influencing consumer behavior. In a saturated market, businesses need to create effective triggers, such as advertisements or promotions, to motivate customers to act while maintaining a strong online presence to keep up with trends. The model also emphasizes that the relationship between market saturation and selling motives requires businesses to strategically design their advertising to prompt customer action and remain competitive in a crowded marketplace.

Educational Marketing Advertisement Campaign

This segment details the proposed marketing advertisement campaign designed by the researchers. It includes the inputs obtained, process executed, and output of the marketing campaign along with visual examples of the content related to consumer awareness, education, and digital literacy in the online advertising of the cosmetic industry.

Input

- a Primary resources. The researchers developed the marketing campaign through data from survey forms collected from 120 consumers and 30 businesses of the local Cosmetic Businesses, as well as interviews.
- b. Secondary resources. To create the survey and interview questions, the researchers reviewed online advertisements of cosmetic products publicly posted by local cosmetic businesses, as well as utilized related literature derived from online research websites such as researchgate.com, scispace.com, researchrabbit.com, and doi.org.

Process

Below outlines the steps taken in the planning of the educational marketing advertisement campaign for consumer awareness and digital literacy.

- **Step 1:** Performed a documentary analysis on factors affecting the perception of customers towards online advertisements of cosmetics to identify factors and indicators to be included in the research questionnaire.
- **Step 2:** Created 2 structured survey questionnaires, one for each of the two respondents, in the form of a research questionnaire which includes open-ended interview questions.
- **Step 3:** Conducted an online and face-to-face interview with 30 business managers and owners through the research. The first part included the general information of the respondents to identify profiles. The second part contained a 5-Point Likert scale to measure the perception of customers (Respondent A) and business owners/managers (Respondent B). The last part included 3 interview questions which were used to develop the marketing campaign.
- **Step 4:** The responses from the survey and interview questions were consolidated, tabulated, analyzed, and interpreted.
- **Step 5:** The results acquired from the interview, correlations with customer profile and perception, and the challenges of cosmetic businesses in their online advertising practices.

Output

This section shows the overview of the proposed educational marketing advertisement campaign for consumer awareness and digital literacy designed by the researchers based on the results obtained from the correlations and interviews. The researchers have entitled the campaign as CosmeCARE which stands for Cosmetic Consumer Awareness, Rights, and Education. Proposed to non-profit organizations or government department advocating for the same causes, it is an advertising campaign that provides consumers awareness and education on their rights and proper online shopping etiquettes with digital literacy through posting advertisements with content and strategy from the results of this research.

The CosmeCare Advertisements is created based on our customer perception parameters. It is structured into two parts: topic and execution which encompasses the content format, platform, and mode of delivery used. The topic equals to the content narrative or message of the advertisement which are sourced from the top three highest ranked data of all quantitative and qualitative results of the study. The execution part points to the content delivery as it describes how the ads with are delivered and positioned along with the format of the content, social media platform used, and method of how the narrative was presented to ultimately gain maximum view and engagements. It should be noted that the last parameter, content engagement, is not an individual part since it cannot be preplanned rather it is one of the ways to effectively measure how well the ads are received. The structure as well as the source for the content can be reflected in the Content Matrix Template in Table 6.

Table 6

Content Matrix Template

Topic	Content Format	Platform	Mode of Delivery	Source	
How to be a wise buyer	Poster	Tiktok/ Instagram	Casual, playful	CN: The content narrative is clear and easy to understand	
Skin type and shade match	Video	Tiktok/ Instagram	With influencer	Thematic B: Skin Type Compatibility and Shade Matching; CN: The content narrative is relative to my interests and needs	
Fun fact about cosmetic ingredients	Poster	Facebook/ Instagram	Creative	Thematic A: Product Safety and Ingredients	
FDA Check: Makeup Safety	Video	Tiktok/ Instagram	Creative	Thematic A: Product Safety and Ingredients	
Fact checking marketing claims	Poster	Tiktok/ Instagram	Creative	Thamatic A: True to the Facts and Accurate Advertisements;	
Reputable review sources	Poster	Facebook/ Instagram	Creative	CE: The content of online reviews drives more engagements	
Product Check before buying	Video	Tiktok/ Instagram	With an influencer	CN: The content narrative is clear and easy to understand	
Too good to be true	Poster	Facebook/ Instagram	Creative	Thematic A: Price value and quality	

Notes: CN = Content Narrative; CE = Content Engagement; Thematic A = Thematic Analysis for Respondents A; Thematic B = Thematic Analysis of Respondents B

CosmeCare Campaign Proposal

The complete CosmeCare campaign proposal is a comprehensive twelve-page document that outlines the campaign's details and technical aspects, provides a detailed six-month content plan, and includes a proposed budget breakdown covering all the anticipated expenses required to execute the campaign effectively throughout its duration.

CosmeCare's Value Proposition:

The CosmeCare campaign is a social media marketing initiative designed to raise customer awareness about consumer rights, digital literacy, and proper online etiquette for netizens who are also cosmetics consumers exposed to online advertising. It also encourages businesses in the cosmetics industry to adopt ethical yet effective online advertising practices. It offer three unique value proposition that sets it apart from other consumer awareness campaigns:

 Research-Based. The campaign's content is grounded in the quantitative and qualitative findings of this study, which explores customer perceptions and business advertising practices. It delivers consumer- focused educational materials and fact-based strategies to help businesses optimize ad positioning for maximum engagement.

- 2. **Sustainable**. Leveraging the research framework, the campaign can generate a continuous stream of content that remains relevant and appealing to the target market. The outlined strategies ensure sustained interest and engagement over time.
- 3. **Credible**. The campaign is intended for collaboration with non-profit organizations and government agencies that advocate for consumer rights, education, and protection. It is a non-profit initiative driven purely by its advocacy goals, not by commercial interests.
- 4. **Tailored to the Cosmetic Market**. The campaign leverages digital marketing techniques, particularly social media marketing, to effectively reach the online demographic. It employs targeted strategies designed to resonate specifically with cosmetics consumers and align with the preferences of the industry's audience.





Scan to view CosmeCare Campaign Proposal Flipbook



Pre-made samples of CosmeCare Ads:















Visit CosmeCare social media platforms for more samples:

• Facebook: CosmeCare Campaign

Instagram: @cosmecare123

• TikTok: @cosmecare_campaign

CONCLUSIONS AND RECOMMENDATIONS

Profile of the Target Market of Cosmetics Businesses

- 1. Age. The primary target audience for cosmetics is young adults aged 18-24, who are highly influenced by social media and responsive to marketing. While older individuals, particularly those aged 55-64, show less interest in beauty trends, highlighting a generational divide.
- 2. Gender. While the customer base is predominantly female, the presence of non-binary and male customers indicates a shift toward inclusivity in the market.
- 3. Household Income. Most low-income customers are students with limited budgets, and higher education levels correlate with greater awareness and engagement in cosmetics.
- 4. The spending habits of younger consumers reflect budget constraints, with many purchasing cosmetics for under ₱500, while fewer higher-income individuals prioritize cosmetics over other expenses.
- 5. Educational Background. A significant portion of consumers are college graduates, which correlates with greater awareness and engagement with beauty trends.
- 6. Frequently Used Social Media Platform. Social media platforms like Facebook, Instagram and Tiktok are the most frequented by younger consumers, making them effective channels for cosmetic marketing.
- 7. Preferred Cosmetic Brands. The preference for specific cosmetic brands often aligns with those that effectively utilize social media marketing strategies.

Customer Perception towards Online Advertising Practices of Cosmetics Businesses

- Content Narrative. Customers respond positively to advertisements that align with their needs, as these effectively communicate product value and influence purchasing decisions. In contrast, exaggerated content narratives are seen as less genuine, reducing trust and customer response; therefore, credibility is crucial for effective advertising.
- 2. Content Delivery. Correctly targeted ads are more likely to engage customers by addressing their specific concerns, making them more noticeable and memorable. However, while the content's relevance is paramount, the ad's format is less significant to customers, indicating that targeting is essential but the content format should be adaptable to appeal to a broader audience.
- 3. Content Engagement. Online reviews are the most influential factor in driving engagement with cosmetics advertisements, as they provide genuine, user-generated content that potential buyers find personal and trustworthy. Conversely, influencer engagement is perceived as less effective when ads appear exaggerated or irrelevant, leading to a lack of credibility and authenticity due to the awareness of paid promotions.

Challenges Faced by Cosmetics Businesses in their Online Advertising Practices

- Market Saturation. Attracting and retaining customers is crucial for stability and growth in a competitive market, but local cosmetic businesses face significant challenges in a saturated environment. However, identifying effective online marketing channels is easier, as a single piece of content can be shared across multiple social media platforms, allowing for broader audience reach with minimal effort.
- 2 Trends. Promoting cosmetic products through celebrity endorsements is highly effective due to their strong influence on consumer behavior, but it poses challenges for small businesses primarily related to financial and communication issues. Conversely, when customers perceive these promotions as overly commercialized and lacking authenticity, they are less likely to trust or engage with the advertisements.
- 3. Selling Motive. Leveraging influencer marketing is highly effective for reaching target audiences due to the significant impact influencers have on consumer behavior, as they are viewed as trusted sources of recommendations. In contrast, prioritizing quality over sales is less impactful, as customers expect both quality and competitive pricing, making engagement and visibility areas where influencers excel more critical in advertising strategies.

Relationship between Customer Profile and their Perceptions on Online Advertisements

Social media strongly correlates with online advertising content, enhancing narrative and delivery through interactive, visually engaging experiences and personalized content that boosts customer engagement. Its dynamic nature allows brands to create immersive campaigns that resonate with users, especially through video content, live streams, and influencer collaborations. In contrast, gender and educational background show weak correlations with perceptions of cosmetic ads, as the focus on visual appeal and practicality diminishes the relevance of technical knowledge and gender in marketing, leading to equal engagement across all demographics. This suggests that online platforms can effectively reach diverse audiences by prioritizing aesthetic appeal and user-friendly content over targeted demographic traits, levelling the playing field for consumer interaction.

Significant Difference between the Challenges of Cosmetics Businesses

Market saturation significantly influences cosmetics businesses' ability to align with current trends, as evidenced by the highest correlation value, indicating the need for rapid adaptation to competitive pressures. Additionally, the strong relationship between market saturation and selling motive suggests that a crowded market compels businesses to refine their advertising strategies to enhance visibility.

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