A CONCEPTUAL STUDY ON SOCIAL MEDIA EFFECTIVENESS OF ADVERTISING IN COSMETIC INDUSTRY

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Abstract*: In today's world, social media is not just a convenience, it is a lifeline connecting us with loved ones and shaping our choices, even influencing what we buy. While online shopping brings ease, it also sparks skepticism. Shockingly, many companies miss the mark on honesty in their ads, forgetting that not everything on social media is as real as it seems. The study employs a quantitative research design to investigate the impact of social media advertising effectiveness on purchase intentions for beauty and cosmetic products in Malaysia. The research framework is based on the Theory of Planned Behavior (TPB), emphasizing the crucial role of an individual's intention to engage in a particular behavior as the main predictor of whether they will do it. The study aims to gather data from a target population of online cosmetics buyers, utilizing an online survey distributed across various social media platforms. The survey instrument employs a five-point Likert scale to assess respondents' perspectives on relevant constructs. The study will involve a sample of 300 Malaysian individuals who actively use various social media platforms to purchase online cosmetics. Data analysis techniques include descriptive statistics, correlation analysis, and multiple linear regressions using the Statistical Package for Social Science (SPSS) software. The study will test hypotheses by examining the relationships between independent variables such as trust, credibility, attractiveness, and authenticity, and their impact on purchase intention. The findings of this study will provide valuable insights into the evolving landscape of social media and its impact on consumer behavior, particularly in the context of online shopping.*

Keywords*: Purchase Intention, Trust, Credibility, Attractiveness, Authenticity.*

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Introduction

Embarking on a journey through the dynamic landscape of social media, we delve into the transformative power it holds for businesses and consumers alike (Alsaleh et al., 2019). Platforms such as Facebook and Twitter provide new channels for brands and consumers to engage with each other (Binwani et al., 2019). Globally, people utilize various social media sites as a popular means of communication for generating and exchanging information, as indicated by a study conducted by the Pew Research Center. The research revealed a continuous increase in the use of social media in developing countries, contrasting with a plateau in developed ones. In 2017, 53 percent of adults in emerging nations used social networking sites, up from 40 percent in 2015 (Caldwell Bishop and Hanyu Chwe, 2018).

The global social media landscape is booming, with over 4.74 billion active users and ad spending skyrocketing from $173 billion in 2022 to a projected $268 billion in 2023. This rapid growth, fueled by a 12% increase in social ad spending compared to last year, positions social media as the second-largest digital ad market and a dominant force in advertising. While user trust in platforms may have dipped in 2022, the sheer volume of impressions (30% higher than in 2021) and video ad spending growth (20.1%) illustrate the undeniable power of social media in connecting brands with consumers, particularly with a global average click-through rate of 1.2%. The U.S. remains the top dog in this arena, but the global trend is clear: social media is reshaping the advertising landscape, offering unparalleled reach and engagement potential. (McLachlan, S. 2023).

Despite the widespread adoption of social media, the evolution of social commerce in Malaysia and other nations extends beyond mere "instant" buying and selling. It plays a vital role in generating interest in new brands or products and influencing entertainment behaviors. According to the latest available survey, there will be approximately 30.8 million active social media users in Malaysia in 2022, constituting about 91.7% of the addressable demographics. The user base has grown by 8% from 2021 to 2022 (OOSGA, 2023). The inclination toward online shopping is increasing, while real-time shopping is gradually declining. Online advertisements, particularly targeted towards female consumers, have played a transformative role. Cosmetic brands and items, in particular, have become favorites among female consumers who prefer buying online with offers rather than relying on physical stores (Sultana, 2021). In today's era, around sixty-five percent of teenagers rely on social media to explore and select beauty products. Social media has become a prevalent platform for firms to conduct their marketing activities, particularly in terms of communication. Take Indonesia, the largest country in Southeast Asia, for example, boasting an impressive 150 million active social media users, which make up 56% of the total population. Notably, the majority of these users fall within the 18-34 age group (Kemp, 2019).

A unique aspect of social media marketing involves the use of virtual influencers who, despite being purely digital creations, lead fully developed fictional lives with intricate personalities. They express human emotions, such as heartbreak and affection, on social media platforms. However, consumers often find it challenging to discern whether the content is crafted by humans or machine intelligence (Coeckelbergh, M, 2020). An intriguing question arises: Why do well-established brands opt for virtual influencers over real human endorsers? Some argue that virtual influencers offer the advantage of being meticulously tailored to align perfectly with a brands personality (Moustakas, E., Lamba, N., Mahmoud, D., & Ranganathan, C. 2020, June). Despite this, there is a noticeable dearth of research on how consumers perceive virtual influencers compared to their human counterparts.

his study seeks to address this gap and respond to calls from the marketing and advertising literature. Our research takes a two-fold approach. First, we delve into how consumers evaluate virtual influencers in comparison to human influencers, considering factors such as attitude towards the ad and perceived ad novelty. Subsequently, we explore whether the use of virtual influencers has the power to influence brand perception, a topic that has garnered increased attention from researchers urging a closer examination of the differences between virtual and real endorsers in their impact on consumers and brands (Thomas & Fowler, 2021; Franke et al., 2023). Understanding how social media ads sway Malaysians' online buying habits, particularly within the vibrant health and beauty realm, remains a significant knowledge gap. This study will bridge this gap by examining the impact of social media advertising effectiveness on purchase intentions for cosmetics products, offering valuable insights for both consumers and industry professionals (Manan et al., 2020).

Literature Review

Purchase Intention (PI)

Purchase intention refers to customers' inclination to buy a specific product or service that appeals to them, typically when the product or brand is within their consideration set. From a philosophical standpoint, it represents the likelihood of customers deciding to make a purchase. Customers often require cues or stimuli to prompt their purchasing decisions, and social media serves as a platform through which they can initiate their buying behavior (Manan et al., 2020). Furthermore, online purchase intention pertains to consumers' willingness and intent to purchase a specific product through online transaction platforms. It is observed that consumer attitudes towards a blog have a notably positive influence on their purchase intention. Additionally, effective communication quality can foster a more positive attitude towards the blog, subsequently impacting consumer willingness to buy products. This study suggests that consumers who are inclined to trust the content of a sponsored recommendation post are more likely to develop purchase intentions for the products endorsed by the blogger (Tran & Nguyen, 2020).

Previous studies have indicated that an increase in purchase intention correlates with a higher likelihood of making a purchase. When consumers harbor a positive intention to buy products or services, positive brand engagement can further encourage their purchase. Purchase intention reflects consumers determination to make a purchase, as they seek relevant information based on their own experiences and the external environment. After gathering sufficient data, consumers engage in evaluation, consideration, and comparison before ultimately making a purchase. Given that purchase intention represents consumers subjective preference for a specific product, it is commonly utilized to gauge their behavioral intention. Furthermore, consumer reviews play a pivotal role in the decision-making process regarding product purchases and significantly influence purchasing intention behavior (Choedon & Lee, 2020).

Trust (T)

Trust is characterized as a belief, feeling, or expectation, or as a "psychological state involving the willingness to accept vulnerability and positive expectations of anothers intentions or behaviors". It serves as a predictor that can impact purchasing behavior. Social media platforms such as Twitter, Facebook, and Instagram have emerged as channels connecting individuals who place significant trust in social media for seeking products or services. On these platforms, users share their opinions about various products, services, and brands. The exchange of information among current users can attract potential customers, although these individuals

may still harbor reservations about trusting the information. Trust towards bloggers occurs when customers perceive others reviews or opinions as relevant, honest, and trustworthy (Manan et al., 2020). Trustworthiness encompasses a multi-dimensional, task-specific belief held by the trustor, which includes the trustees expected: (1) capability to carry out the task; (2) integrity in managing relationship asymmetry; and (3) benevolence in promoting positive outcomes. Within the blogosphere, trust can be defined as the degree to which readers willingly depend on a blog creators statements to guide their decisions and actions in a specific topic area, while also influencing others to do the same voluntarily (Tran & Nguyen, 2020).

In the realm of social media, trust-related issues have become significant consumer concerns, impacting the overall satisfaction derived from using various social networking tools and applications. Social media platforms feature a public roster of individuals identified as friends or followers within the network, underscoring the critical role of trust in determining outcomes within social network groups. Trust denotes users readiness to depend on others whom they trust, and it is observed that when group members share similarities, the influence of reference groups becomes potent due to frequent interactions and the formation of strong connections. Consequently, the information exchanged and shared is likely to be perceived as more credible and trustworthy. Trust tends to grow substantially through shared experiences, mutual connections, and interactions among individuals over time (Alsaleh et al., 2019).

Components of trust are crucial in the concept of credibility, which has been proven effective in persuading consumers. The trustworthiness of the source affects consumers purchase intentions and contributes to the positive outcome of endorsement effectiveness. Moreover, a strong belief in the source can significantly impact clients perceived value and further influence their purchasing decisions. A positive correlation exists among trust, appeal, and product-related quality of the argument. Therefore, influencers should be individuals with whom consumers can relate and who are recognized as genuine, impartial, and trustworthy (Chekima et al., 2020). In recent times, retailers have been incorporating technological advancements, such as avatars and virtual agents, to enhance the online shopping experience for customers. This aims to boost interaction and reduce impersonality, factors that could potentially impact product satisfaction and purchasing intention (Tran & Nguyen, 2020b).

H1: Trust in online buyers will positively influence consumer's purchase intention.

Credibility (C)

Advertising credibility denotes the perceived honesty, believability, and truthfulness of advertising content as assessed by customers, reflecting their expectations regarding the fairness and accuracy of advertising. As highlighted by Manan et al. (2020), the assessment of credibility by online users on digital platforms plays a pivotal role. This credibility ultimately shapes the degree of acceptance and trust that readers place in online reviews. Previous research has also indicated that higher content credibility is associated with greater purchase intention for a product. Notably, credibility exerts a notable positive influence on purchasing behavior (Manan et al., 2020). Additionally, Tran and Nguyen (2020) define credibility as the extent to which people trust advertising content, reflecting its trustworthiness or perceived usefulness. They further propose a direct link between credibility and both the value of advertising and audience attitudes towards it (Tran & Nguyen, 2020).

Credibility in a product recommendation post significantly influences customers' purchase intentions. The credibility of online product recommendations is established when customers,

intrigued by others' opinions and experiences with the product, perceive the post as genuine. Interestingly, social media advertising through product recommendations has evolved into somewhat of an adventure for the recommender, given the extensive audience interested in learning about real-life product encounters (Manan et al., 2020). Source credibility, in essence, refers to an individual's perception of information sources as unbiased, believable, true, or factual. The positive attributes of messages serve to augment the source's value, thereby increasing acceptance among readers. This disclosure, in turn, can shape consumer beliefs regarding the credibility of the source information. When blog readers encounter a specific sponsored recommendation post within a defined timeframe and find its claims truthful, their attitudes toward the post's credibility will be positive. (Tran & Nguyen, 2020b). The study will center on examining the credibility of social media posts or advertisements (Manan et al., 2020).

H2: Credibility will positively influence consumer's purchase intention.

Attractiveness (AT)

Attractiveness, as defined by the sources physical traits and perceived beauty, can influence the effectiveness of an advertisement (Urbatsch, R. 2019). Defining influencer attractiveness as the "degree to which their facial eatures are pleasing to observe", research has shown that Instagram users perception of an influencers elegance, class, attractiveness, beauty, or sexiness directly influences their impact. Evidence suggests that physically attractive influencers tend to be more credible, likable, and preferred by consumers, leading to a more positive outcome for product endorsements compared to their less attractive counterparts (Martensen, A., Brockenhuus-Schack, S., & Zahid, A. L., 2018).

Attractiveness is associated with how sources are perceived and connected to social values. In the realm of effective advertising, the appeal of a source is largely influenced by its similarity, familiarity, and likability to the audience. The physical attractiveness of online media influencers appears to have a significant impact on the acceptance rate of advertising, especially when they share many similarities with their audience. According to Bardia et al., the physical attractiveness of a source is closely tied to the initial judgment formed by individuals, influenced by attributes such as facial beauty, height, and weight of the endorser. It is also established that endorsers deemed attractive are more likely to stimulate consumer purchase intentions. Consequently, leveraging the physical appeal of the source can be utilized to enhance the effectiveness of advertisements (Chekima et al., 2020).

H3: Attractiveness will positively influence consumer's purchase intention.

Authenticity (AU)

Regarding content, most interviewees emphasized authenticity as a pivotal trust factor, emphasizing the genuine nature of content aligned with the blogs purpose. The attribute of authenticity in ads measures the importance consumers place on believability and realism when assessing blog quality. The bloggers motivations play a crucial role in establishing authenticity, credibility, and trustworthiness with consumers. Traditionally associated with reassuring consumers about a product, the term "authenticity" in brand-related advertising has evolved. Today, it signifies the values that distinguish a product from competing brands. Moreover, Karl further demonstrated that, in line with iconic authenticity, products are considered authentic when they closely resemble historical references, aligning with consumers mental images of how things should be (Tran & Nguyen, 2020).

Authenticity gauges the significance consumers place on credibility and realism when assessing a blog's quality. The blogger's motivations play a crucial role in establishing authenticity, credibility, and trustworthiness with consumers. The intersection of authentic consumer perspectives and the commercial interests of marketers can occasionally lead to tension. Bloggers serve as intermediaries, facilitating consumers to simultaneously act as both agents and targets in the communication of brands and the purchasing of products. (Tran & Nguyen, 2020b). Furthermore, authenticity can contribute to a rise in customers' intent to make a purchase. As such, this study employs authenticity to ascertain the extent to which advertisement content can impact purchase intention (Manan et al., 2020).

H4: Authenticity will positively influence consumer's purchase intention.

The Underpinning Theory/Theories

The theoretical framework employed in this study is based on the Theory of Planned Behavior (TPB). The Theory of Planned Behavior emphasizes the crucial role of an individual's intention to engage in a particular behavior as the main predictor of whether they will do it. The theory of Planned Behavior (TPB) proposes that a person's behavior is driven by their intention to do it, and this intention is shaped by their personal feelings about the behavior and their perception of social expectations (Ringim & Reni, 2019). This framework guides the analysis of how the independent variables trust (T), credibility (C), attractiveness (AT), and authenticity (AU) influence consumer attractiveness and ultimately translate into purchase intention.

Research Methodology

A quantitative research design is employed in this study, utilizing an online survey to gather data from a target population of online cosmetics buyers. The target population comprised consumers who purchase cosmetics through websites like Shopee, Instagram, Lazada, and Facebook. An intercept technique was used to collect responses directly on these platforms. The online survey instrument employed modified measurement items adapted from existing research. A five-point Likert scale (1 = strongly disagree, 5 = strongly agree) was used to assess respondents perspectives on relevant constructs. G-Power version 3.1 software was used to analyze the collected data, ensuring sufficient statistical power for the chosen research design and sample size. In general, a population refers to a well-defined group of individuals or objects sharing specific characteristics relevant to a researchers investigation. Its scope can range from broad to narrow. For this study, the population comprises individuals in Malaysia who currently purchase cosmetics in various forms of social media platforms such as Shoppee, Facebook, and Lazada.

This study will employ convenience sampling, a readily implementable method, to recruit participants. Non-probability sampling will be omitted, as it is deemed unsuitable for the study and demands expertise that the researchers lack. Data will be gathered from readily available members of the population using these sampling techniques. The primary rationale for utilizing this approach is the difficulty in accessing specific industries without the necessary connections to conduct a more targeted study. To determine an adequate sample size for this study, a G-power analysis was conducted considering four predictor variables, a 95% confidence level, and a 0.05 probability error. The initial analysis suggested a sample size of 129 cosmetic consumers. However, to account for potential sampling error and ensure robust results, the final sample size was increased to 258 cosmetics consumers recruited from Malaysia. The study will involve a sample of 300 Malaysian individuals who actively use various social media platforms to purchase cosmetics.

The sample size was determined through a G-power analysis, ensuring sufficient statistical power to analyze the relationships between the variables of interest. A questionnaire, a set of written or printed forms, was used to gather information from respondents based on the research topic. The questionnaire, included in the Appendix section of this report, consists of three main sections. Section A focuses on demographic information such as gender and household income. This information helps us understand the characteristics of the sample chosen. Section B delves into the dependent variable: purchase intentions. Through targeted questions, we aim to assess the extent and level of purchase intentions and their relationship to the independent variables. Finally, Section C gathers data on the independent variables, trust, credibility, attractiveness, and authenticity. This information will be crucial in analyzing how these factors influence purchase intentions. This study will utilize Google Forms as the primary platform for designing and administering the online questionnaire. Respondents will participate in the survey by completing it online. To measure their responses, a 5-point Likert scale will be employed. This scale offers five response options ranging from "strongly disagree" to "strongly agree," allowing respondents to indicate their level of agreement or disagreement with each statement presented in the questionnaire.

Collecting data for this research will be done through online questionnaires distributed across various social media platforms. This approach ensures a diverse range of participants, as respondents from all demographic backgrounds, regardless of age or gender, have their unique perspectives and experiences with purchasing cosmetics through social media platforms. The primary data gathered in this study will be analyzed using Statistical Package for Social Science (SPSS) software, employing descriptive statistics, correlation analysis, and multiple linear regressions. To ensure an accurate and in-depth analysis of the collected questionnaire data, Statistical Package for the Social Sciences (SPSS) version 26 was used. This comprehensive software, renowned for its data analysis capabilities, is widely used to explore relationships between variables and produce informative visualizations such as graphs and tables. Its intuitive Windows interface enables efficient data entry and analysis, making it an ideal choice for this study.

Conclusion

This study provides a comprehensive exploration of the transformative power of social media in the context of social commerce in Malaysia, focusing on the increasing trend of online shopping and the impact of social media advertising, particularly for beauty products. It delves into the use of virtual influencers and their influence on consumer perception, as well as the key factors that affect consumer trust and credibility towards social media influencers. The study employs the Theory of Planned Behavior to analyze the relationships between trust, credibility, attractiveness, authenticity, and purchase intention for beauty products in Malaysia. Thus, offers valuable insights into the dynamic landscape of social media and its implications for businesses and consumers.

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