
**THE IMPACT OF ONLINE ADVERTISING PERSONALIZATION ON CONSUMER
PURCHASE INTENTION IN THE PHILIPPINES**

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Abstract

This research investigates the impact of personalized online advertising on consumer purchase intention, with emphasis on four key dimensions: perceived relevance, hedonic motivation, interactivity, and informativeness. Although extensive studies have been conducted on digital advertising, limited attention has been given to its effects in smaller communities such as Santa Ana, Pampanga. Addressing this gap, the study applied a quantitative approach, surveying 382 residents selected through the Raosoft sample size calculator. Data were collected using structured questionnaires and analyzed through descriptive statistics, Likert scale evaluations, regression analysis, and weighted means. The results revealed that personalized online advertisements significantly influence purchase intentions among consumers in Santa Ana. Specifically, perceived relevance, hedonic motivation, interactivity, and informativeness all demonstrated strong positive effects on consumer decision-making. These findings highlight the importance of tailoring advertising strategies to localized contexts in order to enhance consumer engagement and drive purchasing behavior.

Keywords: Perceived Relevance, Hedonic Motivation, Interactivity, Informativeness, Consumer Purchase Intention

Introduction

1.1 Background of the Study

This research study examines the influence of personalized online advertising on consumer purchase intention, with a specific focus on residents of Sta. Ana, Pampanga. As digital platforms become more prominent, businesses increasingly rely on AI and machine learning to gather consumer data and deliver targeted ads. This data-driven approach aims to enhance the relevance of advertisements and boost engagement by tailoring content to demographic, behavioral, and psychographic profiles. While this strategy has shown effectiveness in broad markets, its impact on smaller, diverse communities remains underexplored. Factors such as cultural mindset, digital familiarity, and the degree of online engagement can significantly affect how consumers respond to personalized ads. The traditional media has been around for so long and it is already known by the consumers of today yet, here in this modern day and time wherein social media advertising is starting to make a name out of it and it beginning to catch the attention of many consumers, it would be best to have better understanding about it. (Montoya et al., 2025)

To address this gap, the study adopts a quantitative descriptive-correlational design involving 382 respondents from various barangays in Sta. Ana. Participants are selected through purposive and random sampling to ensure they have firsthand experience with personalized ads and to maintain a representative sample. The research aims to evaluate the roles of hedonic motivation, interactivity, and informativeness in shaping consumer behavior. Insights from this study will help organizations create more effective and localized digital marketing strategies, strengthen customer relationships, and build brand trust and loyalty within specific communities.

1.2 Objective of the Study / Statement of the Problem

General Objective

The main objective of this study is examine how personalization in online advertising influences consumer purchase intention among residents of Sta. Ana, Pampanga.

Specific Objectives:

A. Determine the assessment of respondents on personalization in online advertising in terms of:

A.1 Hedonic Motivation;

A.2 Perceived Relevance; A.3 Interactivity; and

A.4 Informativeness.

B. Describe the level of consumer purchase intention.

C. Identify the significant influence between personalization in online advertising and consumer purchase intention.

1.3 Significance of the Study

The aim of this study is to better understand the influence of personalization in online advertising on consumer purchase intention. The research will provide insightful information on:

Marketers. This study will help marketers in designing personalized ads which could successfully enhance consumer purchase intention. It emphasizes aspects such as perceived relevance, interactivity, and hedonic motivation, allowing marketers to create or adapt their individual campaigns to suit. (Montoya et al., 2025)

Businesses. For businesses, the findings enable them to find the right balance between personalization and transparency, walking a fine line between generating trust and loyalty and delivering meaningful and relevant experiences without compromising on brand reputation or relationships with consumers — an especially pressing concern in light of increasing scrutiny around data privacy.

Consumers. This study ensures consumers that ads will be related to their interests and secure; thus, improving their shopping experience without placing in jeopardy their data privacy.

Organizations and Ad Agencies Publication. These findings can provide organizations and advertising agencies with strategies for digital marketing that effectively prepare consumers to purchase and influencing their intention to buy.

Future Researchers. This study contributes to the understanding of personalized advertising and provides baseline evidence for future research on the relevance of personalized advertising in different contexts.

Researchers. This study serves as a foundation for researchers exploring the influence between personalized online advertising and consumer intention to purchase, enhancing knowledge of consumer behavior within the digital advertisement context.

2. Methodology

2.1 Research Design

This study utilized a Descriptive-Correlational method of research. In order to outline and describe the variables, the descriptive research design will address the what, where, when, and how of the research questions (McCombes, 2023). This is the method that will enable those researchers to access the data to figure out how to address the research questions. If there a correlation between personalization in online advertising and purchase intention from consumers, and if it does, which variable influences the other? The survey questionnaires surveyed to the chosen residents of Santa Ana, Pampanga by the researchers. This will improve how businesses can tailor their advertisements to be more relevant while also increasing perceived relevance, hedonic motivation for use, interactivity, and informativeness which subsequently builds trust and loyalty between the business and the customers.

2.2 Population and Sample of the Study

The researchers used both random and purposive sampling techniques in selecting the respondents to ensure a comprehensive and balanced study. The target respondents were residents of Santa Ana, Pampanga who are knowledgeable about online advertising and have engaged with personalized online ads. Using the Raosoft formula based on the 2025 Census population of 63,906, the total sample size was determined to be 382 respondents. Random sampling was applied to provide equal chances for participants and minimize bias, while purposive sampling was used to specifically select individuals with relevant experience in personalized advertising and online shopping. This combination ensures that the study gathers both representative and meaningful data. The respondents were chosen to examine how elements such as perceived relevance, hedonic motivation, interactivity, and informativeness in personalized online advertising influence consumer purchase intention.

2.3 Research Instruments

The researchers used two research instruments for this study. The first instrument was adapted from Khakpour (2021), focusing on personalization in online advertising. The second

instrument was adapted from Hinanay et al. (2022) to assess consumer purchase intentions. The instruments were modified to align with the study's scope, replacing terms like “social media advertising” with “online advertising.” The instruments consisted of two parts:

1. Part I focused on personalization variables such as hedonic motivation, perceived relevance, interactivity, and informativeness, with a total of eighteen (18) items for dependent variable.
2. Part II assessed consumer purchase intentions with eight (8) items for independent variable.

2.4 Data Collection Procedure

The data gathering approach will adhere to a number of systematic processes in order to guarantee the study's accuracy, reliability, and ethical integrity. Getting permission and approval from the relevant authorities—especially the chair of the Bachelor of Science in Business Administration program—will be the first step. This measure guarantees compliance with ethical standards and institutional policies. The study's goals, methods, and possible results will all be included in a written research proposal that will be submitted for approval.

Following approval, the researchers will create a survey questionnaire that is especially suited to the goals of the study. The questionnaire will be subjected to expert validation by professionals in the field to guarantee that it measures the relevant variables appropriately. A pilot test with a limited sample of respondent will then be carried out to determine and address any design problems and verify the accuracy and dependability of the instrument.

Once the questionnaire has been improved, it will be made available online to the chosen respondents along with comprehensive guidelines to ensure accurate and thorough answers. To promote honest feedback, ethical considerations—such as guaranteeing respondent privacy and voluntary participation—will be emphasized. Following data collection, responses will be examined for accuracy and consistency. The data will then be analyzed using appropriate statistical techniques under the direction of a statistician, guaranteeing reliable and significant findings that support the goals of the study. This systematic procedure will guarantee that the information gathered is valid, trustworthy, and useful for answering the research questions of the study.

2.5 Statistical Treatment

Data processing involves collecting raw data and translating it into meaningful information (Duggal, 2023). Research plays a crucial role in changing, collecting, and analyzing data for practical use. Similarly, statistical treatment of data refers to processing raw data in a way that facilitates data interpretation and supports decision-making (Vishak, 2023). This study will adopt statistical treatments for testing hypotheses and comparing data groups concerning how personalization in online advertising influences consumer purchase intention. To analyze the data collected, this research will utilize the Statistical Package for Social Sciences (SPSS).

The weighted mean and Likert scale will be used to analyze how may the respondents assess personalization in online advertising in terms of: hedonic motivation, perceived relevance, interactivity, and informativeness affect consumer purchase intention. Finally, linear regression

will be applied for the final interpretation to explain how personalization in online advertising drives consumer purchase intention.

A weighted mean is an average that assigns more importance to certain data points based on assigned weights. According to Taylor (2023), it helps calculate an average value when different outcomes have varying levels of importance. In this study, the weighted mean will describe how personalization in online advertising influences consumer purchase intention.

The Likert scale allows respondents to indicate their level of agreement or disagreement with certain statements, ranging from “strongly disagree” to “strongly agree.” This scale quantifies perceptions and provides measurable data on hedonic motivation, perceived relevance, interactivity and informativeness, all of which contribute to the analysis of consumer purchase intention.

The following four-point Likert scale will be used:

Table 1: Likert Scale

Scale Value	Range Interval	Descriptive Interpretation
4	3.26-4.00	Strongly Agree
3	2.51-3.25	Agree
2	1.76-2.50	Disagree
1	1.00-1.75	Strongly Disagree

3. Results and Discussion

This portion of the study shows the analysis and interpretation of the gathered data from the group of respondents.

A. The Respondents' Assessment of Personalization in Online Advertising

Hedonic Motivation

Table 2 shows the level of hedonic motivation of respondents toward personalized online advertising. Based on the responses, results indicated that respondents emphatically concurred that custom-fit online advertisement enhance their Internet experience in a refreshing and lively manner. The most hedonic motivation item with the highest mean score, "I find personalized online advertising fun" (Item 1), has a weighted mean of 3.66 and a standard deviation of 0.55, meaning most respondents find personal ads to be an enjoyable element of browsing. Also, "I like experiencing personalized online ads" (Item 2) has a weighted mean of 3.54 with a standard deviation of 0.64 and supports the idea that users find these ads enjoyable. And "Personalized online advertising makes my browsing more fun" (Item 3) carries a weighted mean of 3.52 with a standard deviation of 0.70 and supports further the idea that these ads enhance user experience. The hedonic motivation grand mean of 3.57, with a standard deviation of 0.50, indicates that personalized ads are able to capture attention well through entertainment value.

Perceived Relevance

It shows the level of perceived relevance of respondents toward personalized online advertising. Based on the responses, respondents highly agreed that the online advertisements on their personal interests, likes, and requirements are relevant and agreeable. The most scored item for perceived relevance, "Personalized online advertising feels meaningful to me" (Item 2), has a weighted mean of 3.54 and a standard deviation of 0.64, indicating that users regard the said ads as meaningful in their online experience. Similarly, "I find personalized online advertising relevant to me" (Item 1) has a weighted mean of 3.49 and a standard deviation of 0.65, showing that the respondents find these ads personally relevant. In contrast, "Overall, I believe personalized online advertising suits me" (Item 5) has a weighted mean of 3.49 and a standard deviation of 0.64, supporting the significance of customized content. Other measures, like "I believe personalized online ads align with my interests" (Item 3) with a weighted mean of 3.44 and a standard deviation of 0.70, and "I believe personalized online ads suit my tastes" (Item 4) with a weighted mean of 3.48 and a standard deviation of 0.65, indicate that users tend to enjoy personalized content but that there can be differences in the targeting accuracy of advertisements. The grand mean for perceived relevance of 3.49 with a standard deviation of 0.49 highlights the power of personalization to boost consumer participation.

Interactivity

It shows the level of interactivity as perceived by the respondents toward personalized online advertising. In terms of interactivity, most respondents agreed that tailored online ads create engagement and provide opportunities for consumer input. The highest mean score for interactivity is that of "Personalized online advertising effectively gets customer feedback" (Item 1), with a weighted mean of 3.58 and standard deviation of 0.63, showing that most respondents understand that such advertisements are beneficial for bridging communication between businesses and consumers. Similarly, "Personalized online advertising enables two-way communication between customers and companies" (Item 5) has a weighted mean of 3.53 and a standard deviation of 0.66, highlighting the importance of interactivity in enhancing consumer-brand relationships. Moreover, "Personalized online advertising gives customer's chances to reply" (Item 4) has a weighted mean of 3.51 and a standard deviation of 0.62, indicating that these advertisements invite the participation of users. Other measures, like "Personalized online ads make me believe my opinions are heard" (Item 2) with weighted mean 3.48 and standard deviation 0.68, and "Personalized online ads make me want to offer feedback" (Item 3) with weighted mean 3.46 and standard deviation 0.75, point toward the way engaging capabilities enable people to voice their tastes. The interactivity grand mean of 3.51, and standard deviation of 0.50, supports the significance of consumer engagement in online marketing campaigns.

Informativeness

It presents the level of informativeness of personalized online advertising as perceived by the respondents. The informativeness of personalized online advertising was rated very high, with strong agreement that such ads provide useful and relevant product information. The item with the highest mean, "Personalized online advertising provides relevant and useful product

information" (Item 1), had a weighted mean of 3.56 and a standard deviation of 0.59, indicating its strong role in informing consumers. Similarly, "Personalized online advertising provides timely information on products" (Item 2) had a weighted mean of 3.53 and a standard deviation of 0.62. Other notable responses include "Personalized online advertising makes it easy to locate product information" (Item 4) with a mean of 3.51, and "Personalized online advertising provides complete and detailed product information" (Item 5) with a mean of 3.49. The informativeness grand mean of 3.51 and standard deviation of 0.47 reflects the significance of personalized ads in helping consumers stay updated with relevant product details.

B. Consumer Purchase Intention

It shows that respondents strongly agree that online advertisements influence their purchase intentions, with a grand mean of 3.42 and a standard deviation of 0.51. The highest-rated item, "I am likely to purchase a product because of its online advertisement" (Item 1), had a weighted mean of 3.59, followed by "I will make an effort to buy a product that has a great advertisement" (Item 3) with a mean of 3.47. Other items like "If an online ad catches my attention, I'm more likely to buy the product" (Item 4) and "I buy products that are promoted online" (Item 7) also reflect the strong impact of online advertising. Interestingly, even negatively phrased statements received high mean scores, which may suggest confusion in interpretation. Overall, the data indicates that well-crafted online advertisements significantly drive consumer purchase behavior.

Recommendations

4.1 Summary of Findings

A. Assessment of Personalization in Online Ads

Respondents strongly agree that personalized online ads are fun (hedonic motivation), relevant, interactive, and informative, with all factors scoring high mean values (3.49– 3.57). Among these, perceived relevance stood out as most impactful, followed by informativeness, interactivity, and hedonic motivation. This indicates that consumers appreciate ads tailored to their preferences and find them engaging, trustworthy, and helpful.

B. Consumer Purchase Intention

Online ads significantly influence purchase behavior, with a grand mean of 3.42. Consumers are more likely to buy products that are attractively and effectively advertised online. Statements reflecting intent to buy due to engaging ads received consistently high mean scores, highlighting the strong impact of well-designed ads on buying decisions.

C. Relationship Between Personalization and Purchase Intention

A strong positive correlation ($r = 0.745$, $R^2 = 0.555$, $p = 0.000$) confirms that as personalization increases, so does purchase intention. All personalization sub-factors—perceived relevance, informativeness, hedonic motivation, and interactivity—have significant positive effects, with perceived relevance being the most influential in motivating purchases.

4.2 Conclusions

A. Respondents find personalized online ads engaging, relevant, interactive, and informative, with perceived relevance having the strongest impact on their engagement.

B. Consumers are more likely to purchase products seen in well-designed, attractive online ads, showing the effectiveness of electronic marketing in influencing buying decisions.

C. A strong positive correlation ($r = 0.745$) shows that higher ad personalization leads to increased purchase intention, with perceived relevance as the top influencing factor, followed by informativeness, hedonic motivation, and interactivity.

4.3 Recommendations

The recommendations on the study:

1. Among all personalization factors, perceived relevance has the strongest impact on consumer purchase decisions. When ads match consumer interests, they are more likely to engage and convert. Businesses should leverage consumer data to deliver highly targeted and relevant ads.

2. Interactivity through elements like quizzes, polls, or clickable content encourages consumer participation and strengthens brand relationships. Responding to consumer feedback also builds trust and improves brand loyalty.

3. Clear, accurate, and transparent information in advertisements fosters consumer trust. Providing honest product details, pricing, and benefits helps consumers make informed decisions and encourages repeat purchases.

4. For investors, interactive and relevant ads increase sales and brand visibility. For consumers, they offer satisfying and engaging experiences. Stakeholders must balance personalization with privacy to maintain trust. Future studies should explore other influences on buying behavior, such as brand loyalty, social influence, and demographic differences.

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