Conference Paper

Brand-Generated Content (BGC) and Consumer-Generated Advertising (CGA) on Instagram: The Influence of Perceptions on Purchase Intention

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Abstract

Generation Y individuals start to use social media as their primary tools to obtain information about product and brand. One of the most active social media in Indonesia is Instagram. Broadcasting Brand-Generated Content can be the most common marketing strategy that local fashion brands will use on Instagram. However, the previous study shows that online consumers more likely rely on information generated by other consumers (Consumer-Generated Advertising) than generated directly by marketers (Brand-Generated Content) to assist their purchase decision because they perceive consumers will provide more factual information than the advertiser. Hence, this study objective is to know how does Indonesia consumer perceive Brand-Generated Content and Consumer-Generated Advertising that has been used by a fashion brand on Instagram and which one is the most significant to influence consumer purchase intention. The sample consisted of 165 Instagram active users from Jakarta and Bandung whom voluntary agreed to participate in the online survey of this research. Finding confirmed that consumer perception of BGC and CGA has a positive influence on purchase intention on Instagram. The consumer needed BGC because it consists of important factors that could influence them to have the intention to buy: expertise, relevance, reduce risk, positive valence, usefulness, and credibility. Furthermore, the consumer also needed CGA to support the information of product because CGA has homophily and originality factor.

Keywords: Consumer Perception, Brand-Generated Content, Consumer-Generated Advertising, Purchase Intention, Fashion Brand, Social Media

1. Introduction

The usage of social media has rapidly increased among Millennials. A recent study stated that 75 percent of Millennials use social media as their primary tools to obtain information about product and brand (Cheng & Khan, 2017). One of Millennials favorite social networking sites is Instagram, and it also applies to Indonesia. Many millennials in Indonesia use Instagram as their primary social networking sites. The data indicate

that 17.8% of Indonesia internet users are often open Instagram as their social media (APJII, 2018). Survey also shows that the majority of Indonesian millennials has become a heavy user category in form of internet usage frequency with the average amount of time spent is four until six hours per day (IDN Research Institute, 2019: 57). As become the most active social media in Indonesia, many businesses began to use Instagram as their marketing tools (Miranda, 2017). Indonesia listed as one of the highest five countries with the adoption of business into Instagram and dominated by small business enterprises (SWA, 2017). The usage of Instagram considered being a useful yet inexpensive marketing tool for Indonesian small business enterprises (Santoso, Baihaqi, & Persada, 2017). Mostly business will provide their product information or other content that wrapped nicely by the brand itself as a way of filling their business page, or it is called Brand-Generated Content (BGC). However, the development of discussion forum between consumers on social media makes consumers rely more on the results of these discussions as their source of evaluating brand and product related information on social media (Mangold & Faulds, 2009). Because of that, customers began to seek authenticity on a content shared by the brand (Ertimur & Gilly, 2012).

Instagram has allowed users to upload their User-Generated Content (UGC) every minute and even every second. As UGC become phenomenal in the internet and social media platforms, many consumers start to rely on UGC to assist their purchase decision (Bahtar & Muda, 2016; Diwanji, 2017). Schivinski & Dabrowski (2016) stated that consumers perceived UGC as more trustworthy information sources that can influence their perception, which make this type of communication is more persuasive than a traditional advertisement. Knowing that consumers began to turn away from Brand-Generated Content, marketers start to leverage the UGC into their advertising strategy by using a Consumer-Generated Advertising (CGA) as their competitive advantage. CGA become one of popular marketing strategy that has been used by brand marketers nowadays by frequently re-post their customers content to their brand profile on social media (Cheng & Khan, 2017).

The usage of CGA has used by several local fashion SMEs in Indonesia, such as Save My Monday, Kana Goods, and Humblezing. They actively re-post their customers' photos on their Instagram page combined with an appealing caption for their customers as part of their social media advertising. Another appropriate strategy is that they often encourage consumers to create content by conducting a campaign through a particular hashtag. However, the brands were also combining their business page with Brand-Generated Content, which makes their Instagram profile more interesting. Product knowledge is one of the most Brand-Generated Content they use. With the CGA

phenomenon raises among local fashion SMEs, it raises a question, *how does Indonesia consumer perceive Brand-Generated Content and Consumer-Generated Advertising that has been used by a fashion brand on Instagram?*

The researcher finds that there is still a lack of study that discusses how the influence of BGC and CGA in the apparel industry, especially in Indonesia. The researcher also finds a contrast knowledge regarding the consumers' perception of BGC and consumer perception of CGA on social media. For instance, Ertimur & Gilly (2012) found that consumers perceived CGA less credible and less authentic than company advertisement, while Chu & Kim (2011) argue that consumer present a positive association towards CGA. Then, Cheng & Khan (2017) stated that BGC and CGA have their advantages in consumers' perception. The study also recommends the mixed usage of BGC and CGA because it could increase consumers trust, which proven to influence consumers' purchase intention (Schivinski & Dabrowski, 2016). Also, the researcher found that most of the recent study only investigated the effect of BGC and CGA on Youtube and Facebook, scant research investigated the consumer perception of BGC and consumer perception of CGA on Instagram and its influence on consumers purchase intention. Hence, the researcher wants to examine more deeply the consumers' perception of BGC and consumer perception of CGA and its influence on consumers' purchase intention by Indonesian fashion brand on Instagram.

2. Literature Review

2.1. Social Media Marketing

Alameddine (2013) defined social media marketing as a dynamic and modern communication process through social media platforms such as Facebook, Twitter, and Pinterest. On social media, brand and consumers can influence each other by posting comments and reviews and create electronic word-of-mouth or eWOM (Alameddine, 2013).

2.1.1. Social Media Marketing to Millennials

Ali & Purwandi (2016) stated Millennials generation is people who born in between 1981 to 2000, or currently aged 18 years to 38 years old. Millennials, or Generation Y, are the generation who lived in modern technology environment; a generation who have different thinking pattern than an earlier generation; a generation who absorb information faster through their parallel and multi-task thinking process (Bolton et al.,

2013). Social media users dominated by users aged 18 to 34 years old for information, entertainment, socializing, and connect with friend purpose (Bolton et al., 2013). Consumers prefer social media to obtain product-related information because it perceived more trustworthy than company advertisement via traditional promotion mix (Mangold & Faulds, 2009; Schivinski & Dabrowski, 2016).

2.1.2. Social Media Marketing to SMEs

Small and medium enterprises owner often rely their marketing channels only on personal selling. They heavily depend on the personal network as well as customers network (Adegbuyi, Samuei, & Akinyele, 2015). Social media offer numerous advantages for SMEs owner in improving their marketing strategy, one of which is empowered SMEs to connect and engage with their customers (Adegbuyi, Samuei, & Akinyele, 2015). Besides, there are many opportunities for SMEs in leveraging social media as marketing channels because the business can quickly close to consumers to obtain useful information for better understanding of consumers need (Adegbuyi, Samuei, & Akinyele, 2015).

2.2. Consumer Perception

Perception is the process where an individual start to select, organize, and interpret the information they have from sensory receptors to produce a meaning that could help them to assist decision-making (Madichie & Kapoor, 2012). Perception also defined as a process by which people interpreting their sensory information to obtain consciousness of its environment (Durmaz & Diyarbakirlioglu, 2011). Perception could capture smaller amounts of stimuli that really can reach our attention, such as mood or feelings (Durmaz & Diyarbakirlioglu, 2011). Each person interprets the significance of a stimulus in line with their own distinctive biases, needs, and experiences (Madichie & Kapoor, 2012).

In a marketing perspective, understanding consumer perception is important because it can determine every consumer purchase behavior and represent how consumer perceive our product (Durmaz & Diyarbakirlioglu, 2011). Marketers could influence consumer perception by using crafted marketing stimulus through advertisement, packaging, and pricing so that consumer could notice, remember, and be familiar with our product (Durmaz & Diyarbakirlioglu, 2011). Lake (2009) in Durmaz & Diyarbakirlioglu (2011) explained that influencing consumer perception means that marketers are selling

while educating consumers about the product and it becomes such an important thing to capture consumer purchase intention.

2.3. Brand-Generated Content (BGC)

Companies used social network sites as media to share their copyrighted content (Kaplan & Haenlein, 2010). Schivinski & Dabrowski (2016) defined Brand-generated content (BGC) as one type of advertising that entirely created and controlled by the company. Mangold & Faulds (2009) described BGC as a type of communication which the company carefully crafted to indicate the business values. Godes & Mayzlin (2009) defined BGC as another type of WOM through the combination of firm-initiated and consumer-implemented. In BGC, brands attempt to fabricate the number of WOM among consumers (Godes & Mayzlin, 2009). BGC perceived as an effective and on-budget social media marketing tools as a result of electronic word-of-mouth (eWOM) effect (Brodie, Ilic, Juric, & Hollebeek, 2013). BGC often used to influence consumers' brand perceptions and to encourage consumers' purchase intention (Cheng & Khan, 2017). BGC could strengthen consumers' learning process through brand communication on social media (Schivinski & Dabrowski, 2015).

2.4. User-Generated Content to Consumer-Generated Advertising (CGA)

Social media motivate consumers to express themselves through sharing opinions, creating, and maintaining discussion forum, and share their ideas through creating content (Jansen, Zhang, Sobel, & Chowdury, 2009). The standard terms for the content shared by consumers are User-Generated Content or UGC. UGC creates an additional source for consumers to search for product-related information besides BGC (Berthon, Pitt, & Campbell, 2008). Consumers perceived UGC more trustworthy than BGC because users will provide not only a positive message but also the negative side (Karayaka & Barnes, 2010; Cheng & Khan, 2017). Tang et al. (2014) in Vries & Olsson (2015) defined UGC as content generated by online users to create engagement or leads to conversations. The OECD (2007) in Hagedorn (2013) explained three requisitions of UGC: 1) content should publish on Internet, either on public website or social networking sites; 2) have creative effort on the content, construct a new work without only repost others content; 3) UGC must be created outside of professional practices.

With the massive growth of social media marketing popularity across the brand community, companies started to use consumers as advertising strategy (Schivinski & Dabrowski, 2015). The opportunity to collaborate and create co-creation values between consumers and brand can occur on an online brand community (Brodie, Ilic, Juric, & Hollebeek, 2013). The explosion of UGC drive consumers to create indirect ads by written testimonials about their experiences with brands through audio-visual material, or it is called Consumer-Generated Advertising or CGA (Ertimur & Gilly, 2012). Berthon, Pitt, & Campbell (2008) defined CGA as any public consumer content, which focused on informing others about a brand.

In application, CGA occurred when brands actively re-post consumers' brand-related content on brands' social media page with referencing users account (Cheng & Khan, 2017). Ertimur & Gilly (2012) explained that CGA might be perceived similar to BCG with similar intended to persuade others and feel like conventional ads, but consumers create it. However, CGA could bring more credibility and authenticity to the ads since consumers influenced by CGA creators' expertise, originality, and similarity in self-disclosure (Ertimur & Gilly, 2012).

2.5. Purchase Intention

Purchase intention has defined by Morinez et al. (2007) in Mirabi, Akbariyeh, & Tah-masebifard (2015) who described purchase intention as a set of circumstances where consumers show a tendency to buy products. Ajzen (1991) in Diwanji (2017) defined purchase intention as a motivational factor which encourages consumers to be willing to purchase something. Also, Goyal (2014) described purchase intention to portray the idea of consumers' retention, a situation when consumers promise themselves to buy a particular product on the next trip to the market. Purchase intention is a useful tool for marketers to predict consumers buying process, which helps them to forecast sales of products (Goyal, 2014; Mirabi, Akbariyeh, & Tahmasebifard, 2015). Marketers could acknowledge current top product demand, market segmentation, and suitable promotional strategies through analyzing consumers purchase intention (Goyal, 2014).

2.6. Hypothesis Development: The Impact of consumer perception of BGC and consumer perception of CGA to Purchase Intention

Consumer perception has a vital role in determining consumer purchase intention (Durmaz & Diyarbakirlioglu, 2011). Marketers could develop a marketing strategy based on analyzing how consumer perceive something so that brands can modify marketing strategies under consumer perceptions (Durmaz & Diyarbakirlioglu, 2011). Analyzing consumers respond toward BGC and CGA as brands' promotion strategy has been conducted in several studies. In the literature, BGC and CGA found to have their influences in consumers purchase intention (Ertimur & Gilly, 2012; Kim, 2014; Schivinski & Dabrowski, 2014; Schivinski & Dabrowski, 2016; Cheng & Khan, 2017; Diwanji, 2017). The prior research explained how consumer perceived BGC and CGA and its impact. Studies revealed that consumer perceives BGC and CGA as equally crucial for their pre-purchase evaluation. The consumers perceive BGC more expertise than advertising created by other consumers (Cheng & Khan, 2017). Perceive expertise considered to give a positive influence on uncertainty reduction, whereas uncertainty reduction can increase consumer purchase intention (Adjei, Noble, & Noble, 2010). The consumer perceived credible information on BGC as well, and in fact, to be more influential on purchase intention (Ertimur & Gilly, 2012). Perceive credibility on information source can affect consumer consent about the product and able to help the brand to persuade purchase intention (Bahtar & Muda, 2016).

Whereas consumer perceives CGA as an objective and trustworthy source to assist their pre-purchase evaluation on social media (Schivinski & Dabrowski, 2015; Diwanji, 2017). An individual tends to rely on another consumer review regarding the product or service quality as a form of generating product-related information (Schivinski & Dabrowski, 2015). The previous study also finds that the consumer perceives CGA as an important source because it has homophily dimension, which means that consumer will feel more related to CGA than other sources (Kim, 2014). The study suggests that perceived objectivity on CGA has a positive relationship with how consumer perceive risk related to purchasing intention (Wu, 2013). In conclusion, studies suggest brand marketers to use a combination of BCG and CGA as to enhance the performance of social media marketing (Schivinski & Dabrowski, 2014; Diwanji, 2017; Cheng & Khan, 2017). Based on the theoretical foundation, here is the hypothesis development for this research:

H1: Consumer perception of Brand-generated content has a positive influence on purchase intention.

H2: Consumer perception of Consumer-Generated Advertising has a positive influence on purchase intention.

2.7. Research Framework

The proposed research framework for this study is using consumers' perception of Brand-Generated Content and consumer perception of Consumer-Generated Advertising as independent variables and Purchase Intention as the dependent variable. The purpose of this framework is analyzing the consumer perception of Brand-Generated Content and consumer perception of Consumer-Generated Advertising and its impact on consumers purchase intention on Instagram.

3. Methodology

In this study, the researcher will use explanatory research types with a quantitative approach. The primary data that the researcher collected on this study is survey data using an online questionnaire as the method. The questionnaire method offered standardized questions so that the data collected can be used to test the influence of consumer perception of Brand-Generated Content and consumer perception of Consumer-Generated Advertising in consumers' purchase intention. The population of this study is active Instagram users in Bandung city and Jakarta city aged 15-34 years old. For that reason, the number of populations used in this research is 1,877,692. The characteristics are male and female aged between 18-34 years old, domiciled in Jakarta and Bandung city, Instagram users who actively follow apparel brand on the Instagram, and also has ever purchased apparel through the Instagram platform. The judgmental sampling is carried out to take samples that can represent the population in order to gain deeper related to the research objective; not all the population have the same opportunity to become the research samples. The type of advertising study that uses non-probability samples requires a minimum sample size of 150 (Naresh & Birks, 2006). In consequence, the minimum number of the sample that the researcher will gather is 150 persons.

There are 11 different constructs included in this study for the measurement: brand expertise, the valence of information exchanged, risk in brand content, content credibility, content usefulness, content relevance, risk in testimony, personal homophily, testimony originality, relative advantage, and intention to buy. In order to represent

the value of the constructs, 35 questions are being asked to the respondents in the questionnaire. The questionnaire designed to use a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The researcher first did pilot testing to 30 respondents before distributing the questionnaire and turns out that all of the questions are valid.

4. Result

4.1. Demographic

For this research, the majority respondent is female (74 percent), and 102 are 18-24 years old (74 percent). Most of the respondent is a college student (67 percent), and 102 people (74 percent) lived in Bandung city. Sixty percent of the respondent has followed more than five local brand accounts on Instagram, and 58 people (42 percent) have bought clothes 1-3 times in a year on Instagram.

4.2. Validity and Reliability

Statistics Package for Social Science (SPSS) used to analyze the collected data. The questions could be categorized valid when the coefficient of correlation is more significant than 0.3 in the SPSS (Field, 2009). For reliability, the data could categorize as reliable data when the Cronbach's alpha values greater than 0.7 in SPSS (Field, 2009). Thirty-five questions filled by 165 people in this research for validity analysis. The result indicates that all of the items are valid and reliable since all of the constructs have scored more than the parameter. Thus, the data can be used for the analysis.

4.3. Descriptive Analysis

Descriptive analysis conducted to measure the level of importance each dimension of variables. The researcher would understand which indicators are important to consumers in the advertising content and purchase intention.

Brand expertise has scored 89 percent. The score means that the respondents considered brand expertise as a crucial indicator in BGC. The respondents have the intention to buy an apparel product if they perceive advertising content to be particularly knowledgeable, competent, and experienced. Content credibility has become the second highest construct that the respondents considered very important. With the value
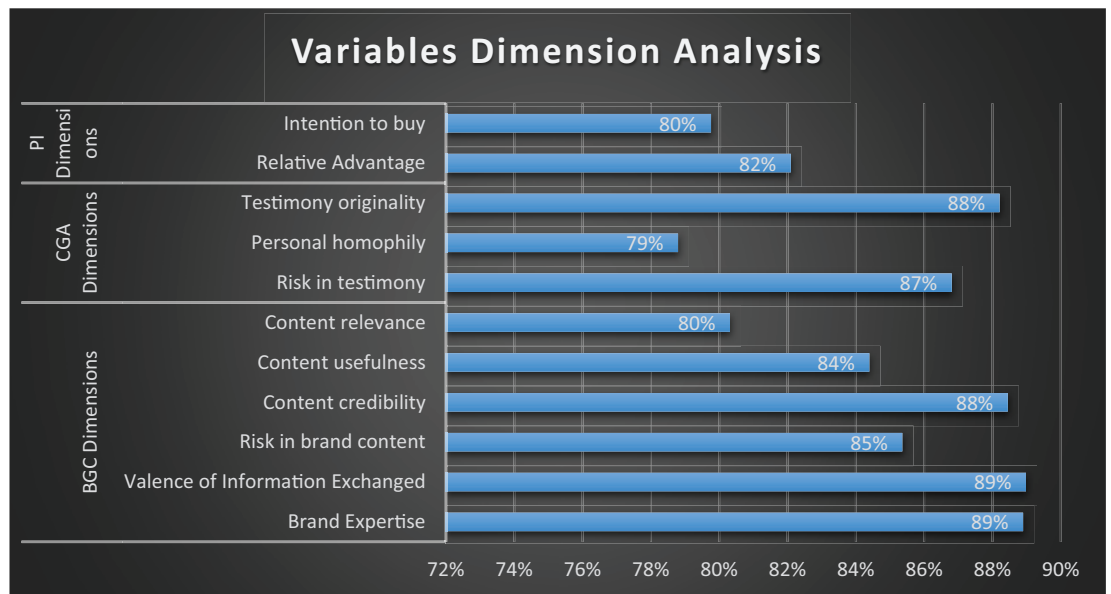
Figure 1: Variables Dimension Analysis

of 88 percent, the respondents agree that perceive content credibility on advertising content is essential to raises their intention to buy an apparel product on Instagram. The respondents are interested in buying a product on Instagram when they confident that the advertisement content is unbiased, honest, and reliable. Risk in brand content dimension has a value of 85 percent in Figure 1, and it indicates that the respondent considered risk in brand content as an essential factor in BGC. The value indicates the respondents are likely to purchase the product mentioned in the advertisement content if the advertisement content could help them to reduce their uncertainty feeling when they want to make a purchase decision. Also, if the advertisement content could increase their confidence in the product mentioned and the advertisement content could help them to reduce their concern about an unpleasant experience when they use the product mentioned. Content relevance has a value of 80 percent, which means the respondents perceive content relevant as necessary. The respondent agrees that they interested in buying a product mentioned in the advertisement if the content is relevant and directly influenced them to buy the product.

Risk in the testimony has a value of 87 percent. The value means the respondents considered risk in testimony dimension crucial in CGA, thus means the respondent will be interested in buying a product if the content could help them to reduce uncertainty feeling about the potentially unpleasant experience with the product mentioned in the advertisement. Personal homophily has a value of 79 percent; this means the respondent perceives personal homophily as an essential indicator in CGA. The respondent agrees that they interested in buying a product if they found the testimony post

created by users who have similar interest and fashion style as the respondents. On Figure 1, testimony originality has a value of 88 percent, which means the respondents considered the indicator very important in CGA. The respondents strongly agree that they intended to purchase a product if they perceived the content generated by other users is original or not commercially intended.

The relative advantage represents the value of purchase intention. The respondents agree that BGC and CGA could give a relative advantage for them, such as the advertisement types could save their time when evaluating product information with a value of 82 percent. Moreover, the respondents find BGC and CGA as a convenient way to get product-related information. Intention to buy dimension has a value of 80 percent; this means the respondent likely to purchase the product after seeing BGC and CGA or BGC and CGA could indeed influence them to purchase the product mentioned in the advertisement.

4.4. Multiple Regression

5. Coefficient Determination (R^2)

TABLE 1: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.642	0.412	0.403	0.489206

The R^2 value from the analysis is 0.412; it means the contribution of independent variable which is consumer perception of BGC and consumer perception of CGA could explain 41.2 percent of consumer purchase intention as the dependent variable. There are another 58.8 percent unknown factors that influence consumer purchase intention toward fashion brand on Instagram.

6. Analysis of Variance (ANOVA)

TABLE 2: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	22.603	2	11.302	47.223	0.000
Residual	32.308	135	0.239		
Total	54.912	137			

The F-Significance test is carried out to ensure that all the independent variable is significantly influencing dependent variable and to make sure that the model is representative enough to the population by conducting ANOVA test. The F calculated has a value of 47.223, and the value of critical F (2,138) is 3.06. Because F calculated has a more excellent value than the value of critical F (2,138), this means all the predictor variables simultaneously influence purchase intention as an outcome variable. The output was in agreement with the prior research that BGC and CGA have their own influence on purchase intention (Ertimur & Gilly, 2012; Kim & Johnson, 2016; Schivinski & Dabrowski, 2016; Cheng & Khan, 2017; Diwanji, 2017). The BGC is directly developing a positive brand attitude, while CGA could influence both consumer brand equity and brand attitude (Schivinski & Dabrowski, 2016). Positive brand equity and brand attitude would directly form a positive purchase intention (Schivinski & Dabrowski, 2016; Diwanji, 2017). Moreover, the significance value of this research is 0.000 or lower than 0.05, so the model is representative enough to the population and can be used to predict the purchase intention.

7. Multiple Regression Equation (T-Significance Test)

The researcher analyzes the multiple regression equation by looking at the unstandardized coefficient B on the t-significance table. On the model, α cited the constant and the β indicate the contribution of independent variables toward the dependent variable. The result is being transformed into the equation model as follows:

$$Y = \alpha + \beta_1 \, X_{BGC} + \beta_2 \, X_{CGA} \tag{1}$$

$$Y = 0.433 + 0.591 \, X_{BGC} + 0.229 X_{CGA} \tag{2}$$

The detail of each variable is:

Y: Consumer Purchase Intention

X_{BGC}: Consumer Perception of Brand-Generated Content

X_{CGA}: Consumer Perception of Consumer-Generated Advertising

Based on the equation model above, all of the models have positives β value. The positive β value means that all of the independent variables have a positive relationship with the dependent variable; thus, the H1 and H2 hypothesis accepted. From the equation model, it shows that consumer purchase intention will still occur with the value of 0.433 even if they do not see the Brand-Generated Content or Consumer-Generated Advertising on Instagram.

The consumer perception of Brand-Generated Content has a positive value of 0.591; it means the predictor variable will increase the value by 0.591 in every one-unit change of the outcome variable, while the other variable remains constant. On the other hand, consumer perception of Consumer-Generated Advertising has a positive value of 0.229 which means the outcome variables value will increase 0.229 in every one-unit change in consumer perception of Consumer-Generated Advertising when the other independent variable remains constant.

8. Statistical Significance of the Independent Variables

TABLE 3: T-Significance Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.433	0.291		1.490	0.139
X1_BGC	0.591	0.105	0.493	5.627	0.000
X2_CGA	0.229	0.101	0.199	2.270	0.025

By looking at the significant number on the equation model, the researcher could answer the second research question. If the p-value has a smaller number than $\alpha(0.05)$, the data is applicable to represent the whole population. Consumer perception of BGC has become the most significant variable toward consumer purchase intention since it has higher positive beta value than other predictor variables. Also, consumer perception of BGC has a low significant number (Sig. = 0.00), which means it can represent the whole population. Besides, consumer perception of CGA (β = 0.229, Sig.= 0.025) also has a positive relationship and significance influence on the dependent variable. Further, the data of consumer perception of CGA is applicable to represent the whole population since it has a low significant number. Therefore, it indicates the population already have an intention to buy apparel product from local fashion SMEs on Instagram, yet BGC and CGA could influence consumer more to purchase the product. From the result, the most influential type of advertisement is BGC. This evidence is accordance with the prior finding that BGC is more influential in purchase intention than CGA (Adjei, Noble, & Noble, 2010; Ertimur & Gilly, 2012; Cheng & Khan, 2017). The finding could be explained by sorting the most priority dimensions for the consumer, and it turns out brand expertise and perceived valence become the most crucial dimension in the advertisement content. For that reason, it is plausible that BGC is more influential since the content types have those dimensions.
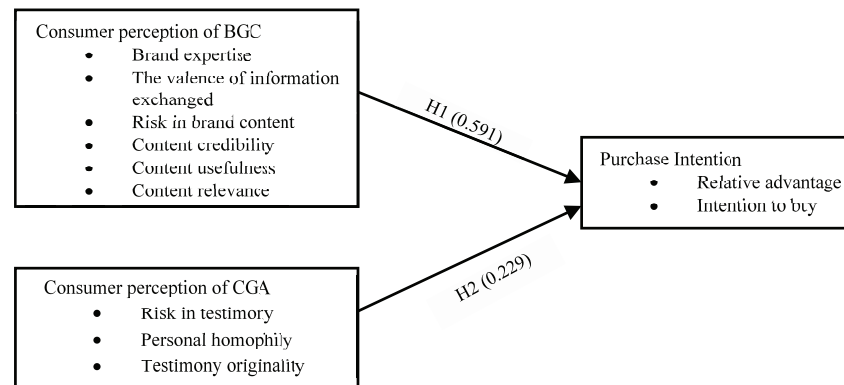
Figure 2: Hypotheses Result.

9. Discussion

The findings of present research indicate Brand-Generated Content (BGC) and Consumer-Generated Advertising (CGA) has a significant influence on consumer purchase intention toward fashion brand on Instagram. The result of analysis supported previous literature that BGC is more influential to generated consumer purchase intention (Ertimur & Gilly, 2012; Cheng & Khan, 2017). However, the consumers still need another product-related information source to strengthen their purchase intention (Mangold & Faulds, 2009) as the findings indicate that the consumer perceived CGA as important as BGC to influence their purchase intention toward fashion brand on Instagram. Therefore, the researcher recommends other local brand marketers to use both of advertisement content type on their Instagram page for increasing consumer purchase intention.

All of BGC and CGA dimension are worthy of being implemented by local fashion SMEs for developing their social media marketing strategy since all of the dimensions has scored more than 68%; means consumer perceived those dimensions as essential to be on BGC and CGA in order to influence them on purchase intention. The finding suggested that brand marketers to place brand expertise, exchange information valence, credibility as the top priority dimension when making BGC while originality and reducing risk are top priorities when creating CGA. These dimensions are considered by consumers as the most significant dimension in generating their purchase intention from an advertisement content; therefore, if several dimensions can be combined in one ad content, it is expected that consumer purchase intention will increase. Brand marketers are able to combine BGC and CGA on their business pages in order to have maximum result in increasing purchase intention on social media (Cheng & Khan, 2017).

The present finding indicates that consumer interested in purchasing a product if they perceive expertise and originality on the advertisement content source. To combine those dimension, brand marketers could encourage consumers to impartially share their experience with the product associated with their respective expertise. For instance, someone understanding about the quality of clothes so that the consumers could tell the product quality objectively through CGA. Another example is if there is someone skilled in mixing clothes, the brand could collaborate with them to provide information about fashion style through BGC. That strategy could take the consumer from sharing emotional feelings to provide informative content to other consumers (Diwanji, 2017).

The result of this research also indicates that risk in content, usefulness, and relevance seen as an essential dimension on BGC and it supported previous literature which posited that an effective strategy for enhancing purchase intention on social media is by focusing on providing relevant and useful information (Malmivaara, 2011). However, things that must be considered in creating BGC are brand marketers should not over-emphasize one particular perception toward product because it could decrease consumer trust in advertisement content (Cheng & Khan, 2017). Therefore, objectivity aspects must always be included in BGC (Diwanji, 2017), and it will indirectly enhance consumer perception of expertise and originality on the content ad. If the consumer could perceive expertise and originality on the ad content, then it is more likely that the consumer purchase intention will be increase. Corroborated by Cheng & Khan (2017) argument that consumers will feel more likely to buy products if the content of the advertisement is less commercial and authentic.

The findings also indicate that homophily considered to be essential for consumer. It is extended the prior research that homophily has a significant influence on consumer purchase intention (Mangold & Faulds, 2009; Kim, 2014; Cheng & Khan, 2017). The brand could provide homophily dimension to the consumer through CGA because there will be a similaristic among users. The preceding study suggested putting CGA for awareness and action purposed on the AIDA model since CGA considered as more trustworthy for the consumer (Ertimur & Gilly, 2012; Cheng & Khan, 2017). AIDA refers to the marketing model that put the advertisement in order based on consumer perception, which consists of awareness, interest, desire, and action (Hadiyati, 2016). On the awareness stage, CGA could help the brand to educate other consumers about the product and help the brand to broaden the target market (Ertimur & Gilly, 2012). While on the action stage, CGA could help the brand to remind and strengthen the brand image (Ertimur & Gilly, 2012). According to that, the researcher proposed a BGC

and CGA strategy for local fashion SMEs to influence consumer purchase intention on Instagram in Table 4.

TABLE 4: BGC and CGA Strategy

Stages	Advertisement content type	Dimension	Strategy
Awareness	CGA	Homophily	Choose CGA that have similar homophily to its target market.
			Choose CGA that could strengthen the brand image.
Interest	BGC	Relevance	Provide relevant and useful information to the consumer (i.e., size chart, product benefit).
		Credibility	Content should be made objectively without over-emphasize on particular product benefit.
		Usefulness	Provide up-to-date information about products offered.
Desire	BGC	Positive valence	Give positive, engaging, and catchy information regarding the product mentioned on the content.
		Expertise	Collaborate with a particular expert to provide new and reliable information to the consumer (i.e., product review with a famous fashion designer or fashion stylist).
		Risk	Provide additional detail information to help consumer perceive risk (i.e., fabric material used, design details, and accessories used).
Action	CGA	Originality	Choose CGA that could offer an objective testimony to other consumers.
		Risk	Encourage consumer to impartially share their experience with the product associated with their respective expertise to help other consumer perceived risk.

In application, we can look at the advertisement content example from local fashion SMEs such as Save My Monday, Humblezing, and Kana Goods. These brands have already applied several dimensions on their advertisement content on Instagram. For example, Save My Monday always give positive and relevant information through their BGC on Instagram by encouraging the consumer to have a great journey on life (presented by outdoor activities or vacation photos) relevance with their brand image. Humblezing periodically provides useful information for their consumer though BGC, such as frequently asked question (FAQ), size guide, and how to order the product. Brands that successfully used CGA strategy is Kana Goods by encouraging the consumer to share their experience with Kana Good's product through a particular campaign. Hence, the brand managed to make one Indonesian artist share his moment with Kana Goods products, and indirectly, the artist had advertised the brand through his content.

10. Conclusion and Recommendation

10.1. Conclusion

The present findings indicate that consumer perception of Brand-Generated Content (BGC) and consumer perception of Consumer-Generated Advertising (CGA) has a significant affirmative influence on consumer purchase intention on Instagram and it supported prior research about BGC and CGA (Mangold & Faulds, 2009; Ertimur & Gilly, 2012; Kim, 2014; Schivinski & Dabrowski, 2014; Schivinski & Dabrowski, 2016; Cheng & Khan, 2017; Diwanji, 2017). Indonesia consumer perceived BGC as significant because they perceived expertise. The consumer perceived expertise as the essential dimensions to be on the BGC. It means Indonesia consumer have the intention to buy a product on Instagram if they perceived advertising content to be particularly knowledgeable, competent, and experienced. However, only rely on BGC is not enough because the consumer need perceived originality in order to have purchase intention. Therefore, CGA is the answer to complete the information needed by consumers because CGA has the originality and can help the consumer to reduce unpleasant experience with the product. The present findings indicate that the consumer perceived CGA as crucial as BGC to influence their purchase intention toward fashion brand on Instagram.

On model regression, it revealed that consumer perception of BGC and CGA could explain 41.2% of consumer purchase intention and have a positive relationship with the dependent variable; thus, the researcher accepts H1 and H2. By looking at the coefficient significance value, consumer perception of BGC (β = 0.591, Sig.= 0.000) has become the most significant variable toward consumer purchase intention. This result extended prior research about BGC is more influential than CGA toward consumer purchase intention (Adjei, Noble, & Noble, 2010; Ertimur & Gilly, 2012; Cheng & Khan, 2017). A possible explanation is that the consumer perceived expertise and positive valence as the most crucial dimension in the advertisement content. That result comes after the researcher sorting out the most priority dimensions for the consumer. For that reason, it is plausible that BGC is more influential since the content types have those dimensions.

Local fashion SMEs are suggested to start implementing all of BGC and CGA dimension for developing their social media marketing strategy since all of the dimensions perceived as substantial for the consumer. The finding suggested brand marketers place brand expertise, the valence of information exchanged, and credibility as the top priority dimension when making BGC while originality and reducing risk are top

priorities when creating CGA. The plausible reason is that consumers consider these dimensions as the most significant dimension in generating their purchase intention from an advertisement content. Therefore, if marketers can combine several dimensions in one ad content, it is expected that consumer purchase intention will increase. Local fashion SMEs recommend to used AIDA model for developing BGC and CGA strategy on Instagram so that the strategy could be measured.

10.2. Recommendation for Local Fashion Brand

The local fashion brand is recommended to use Brand-Generated Content (BGC) and Consumer-Generated Advertising (CGA) to generate consumer purchase intention on Instagram because it is proven to give a positive impact. The local fashion SMEs recommended to create a BGC that competent, unbiased, honest, reliable, and can give accurate information about the product. Furthermore, CGA that recommend for local brand marketers is the content that could demonstrate an honest opinion or not commercial intended since it could help them to reduce uncertainty feeling about a potentially unpleasant experience with the product mentioned in the advertisement. Local fashion SMEs also suggested to put BGC and CGA in order based on the AIDA model for maximum result.

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