

The impact of Quick Service Restaurant Brand Extension Evaluations on PurchaseIntention and eWOM

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Abstract

Brand extension has been popularly used in the marketing field. It is because, when a firm extends their brand, they have a purpose to introduce their new brand/product without any challenge by connecting with the parent brand. Thus, between the parent brand and extension brand are not apart from association and similarity. Brand image has a part in the ability of consumers to make association to the parent brand and its extension. So, brand image and extension similarity is considered to be important when evaluating brand extension. Brand extension evaluation also will affect consumers' purchase intention. In this study, the effect of eWOM through social media was also tested to the brand extension evaluation. In this research we use Starbucks and Starbucks Reserve as an object of the study with a within subject experiment. The first study was done using 2x2 (Brand image fit: Utilitarian/Symbolic, Brand extension similarity) to measure the effect of eWOM. The findings in the first study shows the positive effect of purchase intention on extension similarity. If brand extension similarity and brand image are combined there will be interaction. The second study only shows the main effect, both on image and similarity. In the second study there is no interaction.

Keywords: Brand Extension, Brand Image, eWOM, Purchase Intention, Quick-Service Restaurant

1. INTRODUCTION

The global event of pandemic displays a great impact on global economies. Among all the sectors that suffer loss, the global service industry, according to Statista (2021), suffers a significant amount. For example, total revenue of the QSR (Quick service restaurant) globally in 2020 dropped to 239 billion U.S dollars from 273 billion in 2019 due to the coronavirus pandemic. But according to Deloitte (2020), the Food and beverage sector in Indonesia has risen as one of the more resilient in spite of covid-19. Statista (2020) also states that the Food and beverages sector in Indonesia is projected to reach 2,471 million U.S. dollar with projected market volume of 3,724 million U.S. dollar with 26% penetration by 2025, which illustrates room for growth for this sector.

One of the restaurants in the quick service restaurant sector is Starbucks. Starbucks is an American multinational coffeehouse chain specialized in coffee. They began their journey in 1971 in Seattle. In 2020 Starbucks operated more than 32.000 stores in more than 82 markets worldwide. Statista also recorded that Starbucks accounted for 40% market share in 2019 for the coffee house chain sector



world wide, while also accounted for 44,9% market share in the chained cafe and bar sector in Indonesia (Euromonitor, 2019).

According to Statista (2020), The profitability of companies in this sector depends on its operation and marketing, where large companies have advantages in purchasing, finance, and marketing areas. Musante (2007) states that Brand extension is one of marketing strategies that is increasingly used by marketers as it's more challenging to introduce new brands especially in crowded markets. Aaker and Keller (1990) define brand extensions as, "the stretch of the established franchise to a different product class". Springen and Miller (1990) state that brand extension popularity increases as a way to gain growth.

Starbucks is one of the quick service sector companies that launch a brand extension. Starbucks also launched different brands such as Starbucks coffee, Teavana, Evolution Fresh, Seattle's Best Coffee and Ethos Water. Starbucks also uses vertical brand extension where one of the examples of vertical brand extension is extending a brand at a higher or lower price and quality level (Keller & Aaker, 1992; Kim et al., 2001). Vertical upward brand extension allows brands to bring their products to a higher quality and price level (Stankeviciute & Hoffmann, 2019). One of Starbucks' initiatives is through extending their brand upward vertically by launching initiatives such as Starbucks reserves. Starbucks Reserve is one of the marketing initiatives by Starbucks that targeted the high-end coffee market and competed against premium coffee retailers. Starbucks Reserves have three different types of locations such as Reserve Roastery, Reserve Bar and Reserve Store.

Along with the current condition, the trend of user generated content in Indonesia is showing growing trends especially in online settings. Currently Indonesia has 197 million or 74% Internet users, where most of them use the internet more than eight hours a day to access social media, chat applications, banking, entertainment, and online shopping (Jakarta Globe, 2020). Markplus in 2015 did a research on 3524 sample respondents that shows 81.4% respondent tendency to do status updates. This indicates most active internet users love to share, and could leverage the power of user generated content. Furthermore in 2021, Deloittes also found that 42% of respondents (1500 households) consider word of mouth as one of the factors of using digital platforms along with 31% respondents prioritising the presence of online reviews. Due to eWOM, the image of a company, such as how people evaluate certain brands and products, could benefit from or be harmed by the unpredictable, uncensored and uncontrolled eWOM platform (Craig et al., 2015; Park et al., 2009).

According to Liu et al., (2017), Brand extension is a dominant strategy for new product introductions and thus provides a highly relevant context for examining the effect of eWOM on the role of brand images. In relation to previous studies (Liu et al., 2017), this paper will focus on understanding the impact of eWOM on brand extension evaluations with different brands as Tsao and Hsieh (2015) suggest that consumer experience online differs across product categories. Which may be different in the quick service restaurant sector from prior research on electronic goods. Despite the growing importance of attention given to User generated content, there is rarely research that aims at understanding eWOM effects on quick services restaurant brands. Hence, there is still a possibility that could be studied regarding this topic, where this research adds onto Liu et al. research in 2017 where we modify the subject of research while adopting their methodology.

2. LITERATURE REVIEW

2.1. Purchase Intention

Purchase intention refers to "the possibility that consumers will plan or be willing to purchase a certain product or service in the future" (Wu et al., 2011). This theory is strongly approved as to predict human behavior in the future by using psychology point of view, which has proven to predict the human behavior of their future purchase intention (ie, Theory Planned Behavior, Technology Acceptance Model, Diffusion of Innovation) (Peña et al., 2020). Despite these theories from the 80s, different fields such as economics, psychology, and machine learning are still using these theories to predict behavior (Agag &



El-Masry, 2016; Montaño & Kasprzyk, 2015). Consumer previous positive experience is a determinant factor for their future purchase intention (Kinard & Hartman, 2013; Samadi & Yaghoob-Nejadi, 2009; Wang et al., 2017). The previous experience leads them to make better decisions in the future. Past brand experience affects consumer brand behavioral intention (Chan et al., 2015; Kinard & Hartman 2013; Martin Consuegra et al., 2019). In relevance to this digital era consumers may use other consumers' experience as a judgement to decide their action. So it depends on the reviews that they find and read on the internet.

2.2. eWOM Message

With more than 60% of the Indonesian population having access to the internet, Indonesia has become one of the countries with the highest internet users (Nurhayati, 2021). The main question for the companies now is no longer whether they should use these online platforms or not, but how to effectively utilize these platforms (social media) to promote their products, brands, and services (Lin et al., 2018). User generated content (UGC) is usually contained on these platforms (Liu et al., 2019; Luca, 2015). By definition, UGC refers to any own created material uploaded to the Internet by non–media and it has a greater influence on people's consumption (Agarwal, 2020; Cheong & Morrison, 2008; Dijck, 2009; Jonas, 2010; Krishnamurthy & Dou, 2010; Munar, 2011; Presi et al., 2014). Manap and Adzharudin (2013), define User generated content also as an electronic word–of–mouth (eWOM) where eWOM works exactly like the common word–of–mouth. Rosario et al. (2020) also argue that any product related to online-consumer generated content, should be known as eWOM, even if it is not recommended directly to other consumers.

The emergence of internet and social media, has increased consumers' opportunity in spreading WOM in various online platforms by telling others their stories, thus encouraging electronic word of mouth (eWOM) (Dechawatanapaisal, 2019; De Meyer & Petzer, 2014; Ledikwe et al., 2020; Yang, 2017; Zhang et al., 2017). Hu and Ha (2015) in their research has classified eWOM into four classes: first, is specialized eWOM when the review of customer is only posted on the rating websites and customers do not engage in the selling of product; second is affiliated eWOM when the customer put reviews on online commerce website; third is social eWOM when there is an exchanging information between user to another about a brand/product in the social networking sites; and the last one is miscellaneous eWOM when the brand/product's information is on the discussion board and blogs. This type of communication has played an important role with the emergence of online platforms, which have a powerful impact as an information provider on the internet (Abubakar & Ilkan, 2016). In a previous studies, eWOM has shown a significant result on attitude and purchase intention (Farzin & Fattahi, 2018; Jalilvand et al., 2012; Kudeshia & Kumar, 2017; Muda & Hamzah, 2021; Tsao & Hsieh, 2015). UGC that is related to brand has become a trusted source of information for consumers to influence their purchase decision (Muda & Hamzah, 2021). It has been trusted by consumers because they trust that the contributors truly show the positive and negative experience and will reveal the truth (Barger et al., 2016). UGC will most likely trigger consumers' intention to purchase if the information given is highly informative and gives inspiration (Izogo & Mpinganjira, 2020; Qin, 2020). In the process of searching information online, UGC is often exposed to consumers in a high number of time (Muda & Hamzah, 2021). Kim et al. (2015) argue that the non-opinion leader will have higher intention in eWOM when it comes to the self-relevant. To add to Kim's arguments, De Veirman et al. (2017) found that the perceived uniqueness of a brand or product was reduced if it is promoted by a popular Key opinion leader on Instagram with a large number of followers. That is why in the current study, a non-KOL reviewer is chosen.

2.3. Brand Image

Researchers have long studied brand image theory (Barreda et al., 2020; Jin & Lee, 2019; Keller, 1993; Woisetchläger & Michaelis, 2012). Barreda et al. (2020) argue that brand image is the level of how social media sites can help consumers to identify brand reputation, grow positive evaluation, and create favourable opinion about the brand. The most popular argument of brand image is a reflection of brand association in consumers' memory (Jin & Lee, 2019; Keller, 1993; Woisetchläger & Michaelis, 2012).



Brand image has become an important factor for a company as it's big impact on the strategic planning and performance (Barreda et al., 2020). By using brand image, companies may arrange better strategies and targeting their specific target market segments, and positioning their products (Lee et al., 2014). Thus, a powerful brand image is on the top list for marketers (Liu et al., 2017). A strong brand image can be beneficial for the brand to strengthen its performance (Barreda et al., 2016). User generated content is one of the ways to strengthen the performance of the brand. Effective usage experiences, online reviews, blogs and texts on brands are more effective to strengthen brand image, than verbal communication (Berger & Iyengar, 2013; Chakraborty & Bhat, 2018; Saxena & Dhar, 2021). A high brand image guarantees the quality of a product, to eliminate any uncertainty (Hazée et al., 2017).

2.4. Brand Extension

Brand extension is an option for a company to continue to develop its business. Brand extension is a strategy used when the new products or services are introduced under the familiar brand names (Hultman et al., 2021). Brand extension utilizes the parent brand name to introduce new products or services (Albrecht et al., 2013; Joshi & Yadav, 2018; Keller et al., 2014). It is considered as a crucial business strategy (Albrecht et al., 2013). As it is considered as an important strategy for a company, many companies often use brand extension as a strategy for winning customers (Goedertier et al., 2015). Moreover, in the current situation of a highly competitive business environment, the creation of a new brand is important (Abril & Rodriguez, 2016).

Brand extension has been used by many marketers to plan strategic moves for their company (Batra et al., 2010; Chun et al., 2015). Especially when they are connecting their new product extensions into the parent brand, they may quickly build the new product identity. By introducing the new product as the extension of the parent brand, it helps create association and enhance consumers' interest for the future extensions introduced by the firms (Chun et al., 2015). The increasing number of competitors in the market has also increased the rate of failure of new products launched, thus the cost of communicating and promoting new products has always increased. Brand extension gives some advantages: first, lower communication costs; second, lower cost in introducing new brand names to the market; and finally, it gives a high success rate because consumers transfer positive attitudes from the parent brand to the extension (Peña & García, 2018). Joshi and Yadav (2018) also argue that brand extension is a strategy that may reduce the risk and improve sales of the new product, although it really depends on the success of the parent brand in the market.

2.5 Brand Image Fit and Extension Similarity on Brand Extension Evaluation

Brand image is an important aspect to create a stronger brand equity and loyalty (Diallo et al., 2020). In the previous studies, many researchers have emphasized the importance between 3 roles of brand image, there are: functional, symbolic, and experiential (Diallo, 2015; Burlinson & Oe, 2018; Narteh & Braimah, 2019). Brand has symbolic value and the ability to go beyond the brand itself. It is an irreplaceable asset for companies (Grubor & Milovanov, 2017). In the past, some have considered that utilitarian attribute is considered as a tangible benefit and objective features (Bairrada et al., 2018). In the present research, we use utilitarian and symbolic as the attributes of brand image. We are curious about which one will give a higher effect when evaluating brand extension, between the utilitarian that is from the functional or attribute benefit and symbolic that possesses more into the consumers self-image.

In the past, researchers have used perceived fit as a main determinant factor in measuring brand extension performance between the parent brand and the extension product (Kim & Song, 2017; Völckner & Sattler, 2006; Yorkston et al., 2010). Extensions that share near similarities with the parent brand in concerns to features and attributes, will be perceived as having a high level of fit by the consumers (Dimitiru et al., 2017; Monga & John, 2010). The transfer of positive attitude from the parent brand to its extension will favourably be smooth if the brand extends to a similar category (Liu et al., 2017). Therefore, Dimitriu et al. (2017) proposed that, in the brand extension context, the higher the similarity between the parent brand and the extension category the more attributes or associations of the parent brand and the extension product category have in common. In other research, there are many factors that



can be used in measuring the success of brand extension, two of them are the degree of perceived fit (Buil et al., 2009; Eren-Erdogmus et al., 2018) and the degree of authenticity (Boisvert & Ashill, 2018; Prados-Peña & Del Barrio-García, 2018; Spiggle et al., 2012) between the parent band and the extension. The degree of perceived fit is the degree of congruence (high-similarity and low-similarity) between the parent brand and its extension, while the degree of authenticity refers to the acceptance of the extension in the market (Prados-Peña & Del Barrio-García, 2020). In the current study, we use the degree of perceived fit to measure the congruency (high vs low similarity) between the parent brand and the extension.

3. HYPOTHESES

The concept of symbolic purchase in consumer behavior has long been studied how a product's symbolic meaning (images) and social value influences consumers' purchase decisions (deValck et al., 2009; Kim et al., 2011; Levy 1959; Mason, 1992). In the previous studies, some researchers also proved that social values had affected loyalty (Hwang and Han, 2016; Kim et al., 2010). But, Kim et al. (2019) have shown in their study that social value did not influence loyalty, in the meantime other values showed it. This finding of social values is similar to the one that Yang and Mattila (2016) argued, the symbolic value that is perceived by customers doesn't always show purchase intention as an outcome. There is no significant relationship between symbolic value and purchase intention, while functional, hedonic, and financial value are led to purchase intention (Yang and Mattila (2016). They also explain, in some cases, symbolic value only found as a strong predictor of luxury brands.

When evaluating the category of brand extension, perceived fit has taken an important role (Evangeline and Ragel, 2016). Similarity between the core brand and it's extension need to be emphasized. It is important to gain the consumers' trust and belief in the current product. The high fit extension would be considered similar and associated with the parent brand. Effect of association with the parent brand will be transferred to the extension (Kim & Park, 2019). It makes the transfer of positive associations between parent brands easier to its extensions, thus perceived similarity between the parent brand and its extension give better evaluations on extension (Aaker & Keller, 1990; Boush & Loken, 1991; Kim & Song, 2017). The higher the level of fit, the better perceptions in consumers' minds. Consumer perceptions of brand image gives a positive impact on purchase decisions (Agmeka et al., 2019; Chen et al., 2016; Koh & Fang, 2012).

Thus, this first hypothesis is proposed as follow: H1a: Brand with a utilitarian brand image will have higher effect on purchase intention. H1b: Brand with high-similarity extension will have higher effect purchase intention. H1c: Brand with utilitarian image and high-similarity extension will have higher effect on purchase intention.

One of the most accepted categorizations differentiate two kinds of product, functional or utilitarian and symbolic (Kato, 2021; Tomasetti & Ruiz, 2009). Soomro et al. (2021) argue that functional image refers to a belief that a function of a product fixes the consumers' problem. While, a symbolic image is a brand characteristic which fulfills consumers' internal preference to help increase their self-prestige and recognition, social status, etc. This concept of symbolic image is supposed to be handled to match the self-image of the consumers (Islam et al., 2019). Self-image itself is one of the motives for consumers to do eWOM, because it increases their self-esteem (Srivardhana, 2019; Wojnicki & Godes, 2008). Products that allow customers to be self-expressive will satisfy their symbolic needs and fulfill the customers' desire to be unique (Steinhart et al., 2014). In the previous study about instagram usage behavior found that narcissism is strongly related with the post behavior, it explained people's intention to post self-expressive products to boost identity (Sheldon & Bryan, 2016). Customers tend to be more materialistic and choose hedonic consumption, which brings more fun and joy, rather than utilitarian value (Alam et al., 2020). Monga and John (2010) also argue that when everything is in the same situation, a brand with functional attributes has higher perceived risk.



Consumers' response to brand extension is stimulated by the conceptual and operational competence of the parent brand and the extension distance (Wang & Liu, 2020). Extension distance is based on the similarity between the product attribute of the parent brand and the extension (Ahluwalia, 2008; Monga & John, 2010). Consumers' negative response on low-similarity brands extension, makes eWOM to be less effective. Thus, on high-similarity brand extensions eWOM is more impactful. It is shown that positive eWOM effectively improves the evaluation on high similarity extensions than the low similarity extensions (Liu et al., 2017).

Thus, the following hypothesis is proposed: H2a: Brand with symbolic brand image will have higher effect on eWOM. H2b: Brand with high similarity brand extension will have higher effect on eWOM. H2c: Brand with high-similarity and symbolic image will have higher effect on eWOM.

4. METHODS

To address the research problem, we are going to gather primary data using quantitative methods. This method is used as its purpose and approach to understand the sample consumers. Specifically, we are going to use an experimental method because the experiment method is the only method that could truly test causal relationships between variables (Zikmund 2003; Keller & Sood 2000; Ahluwalia and Gürhan-Canli, 2000; Martinez and Pina, 2003). This specific research will be utilizing factorial experiment design which is usually used to measure the effect of two or more independent variables at various levels to allow interactions between variables to evaluate its effects (Malhotra, 2017). The experimental part of this research aims at testing the effect of eWOM on influencing brand evaluations by varying levels of brand similarity, and the effect of eWOM on intention to buy. This research is a quantitative research where we adopt the methodology and research by Liu et al., (2017), as well as Gürhan-Canli and Maheswaran (1998), where our research is conducted in three phases of study. For the first study We are using 2 (Brand evaluations: Utilitarian or Symbolic) X 2 (Category Similarity: Low or High) where the study between subjects is designed to evaluate the impacts of eWOM on different types of Brand extension from different types of brand evaluations. The study then continued by 2 (Brand evaluations: Utilitarian or Symbolic) X 2 (Category Similarity: Low or High) which aim to study the effects of brand evaluation on intention to buy. The last study aims to conduct the effects of eWOM on consumers' intention to purchase.

4.1. Procedures

Since this research is done by replicating the base journal (Liu et al., 2017), we are going to conduct the survey and assess several items. Since we are going to conduct the research in Indonesia, we are going to translate the questionnaire items to Bahasa. For brand image, we are going to assess two brand images : utilitarian image and symbolic image, and similarity which would have high and low brand extension similarity. The experiments are going to be answered by our respondents in which they would assess the questions with five point likert items. (1 = "strongly disagree" to 5 = "strongly agree").

The research is conducted through one experiment which is divided into two parts. The first part is conducted to measured the impact of brand image and brand extension fit towards purchase intention, hence a scenario is created where we show messages in the form of instagram stories announcing products launched from Starbucks and Starbucks Reserve.

The second part is conducted to measure the impact of brand image and brand extension fit towards eWOM hence, we show eWOM messages in the form of instagram story regarding some person sharing their story regarding their experience consuming Starbucks or Starbucks Reserve new products.

4.2 Results 4.2.1 Pilot Study test and results

Pilot test was conducted by distributing 4 random questionnaires links to 10 sample target respondents for each link, which had 40 total respondents, with the objective to measure respondent level of understanding to questions that were asked. In this research case, researchers proposed 6 items that were from (Abubakar et al., 2016; Kim & Johnson, 2016; Prendergast et al. 2010; Sethna et al., 2017) to research on purchase intention, and 5 items from (Bambauer-Sachse and Mangold, 2011; Kala & Chaubey, 2018; Park and Lee, 2009). The sample respondents' ages range from 18 to 23 years old and currently a full time student. After we gathered the data, we processed the data using SPSS to test the reliability and validity of the questionnaire parameter using Cronbach's Alpha, KMO Test and Bartlett's test of sphericity. The results of this pilot test will be explained on the following sub-chapter.

To test the reliability of the questionnaire to evaluate the impact of eWOM, and purchase intention from the question instrument, we use Cronbach's Alpha that has a scale from 0 to 1. The ideal score would be above 0.8, 0.6, and 0.7 respectively on 'questionable' and 'acceptable' which is not on the recommended scale (George and Mallery, 2003). We test the question by distributing questionnaires to 40 people randomly. The Cronbach's Alpha from those questionnaires for the purchase intention are 0.890, so we could conclude that the questions asked on the quisionare are reliable within the recommended number of the scale (above 0.8). Meanwhile, the Cronbach's Alpha for the eWOM questionnaires are 0.875, so we could conclude that the questions asked on the quisionare are reliable within the recommended number of the scale (above 0.8).

After testing the reliability of the questionnaire, we also test the validity of the questionnaire. To test the validity of the question that we are going to ask, we use the Kaiser-Meyer-Olkin (KMO). KMO from our instrument after pilot testing for purchase Intention validity is 0.752 which shows that the validity of the question is good.

After testing the validity of the purchase intention questionnaire, we also test the validity of the eWOM questionnaire. The KMO from our eWOM instrument after pilot testing is 0.825 which shows that the validity of the question is great.

4.2.1 Main Study test and results (ANOVA)

After conducting the pilot test, we then proceed to conduct the main test by distributing questionnaire and stimulus to the respondents randomly to each experiment study. These following sections would describe the results of the main test by comparing brand similarity and brand image to see which category from the spectrum have the higher intention to purchase and on how eWOM creates an Impacts on brand evaluation.

4.2.1.1 Effect Results of Brand Image and Brand Extension on Purchase Intention

There were 4 (four) studies used in this first experiment, those were: high similarity-utilitarian fit, high similarity-symbolic fit, low similarity-utilitarian fit, and low similarity-symbolic fit. Each of the studies contained 60 respondents. The respondents were asked to read the Instagram Story that was posted by Starbucks for the utilitarian fit and Starbucks Reserve for the symbolic fit. The Instagram Story was about an announcement of a new product launched by Starbucks/Starbucks Reserve. The products were Cold Brew Malt for the high similarity and Plant Based 'Beef' Wellington for the low similarity. Then, after the respondents completed their readings, they were asked to answer using likert scale based on the statements that were given related to purchase intention.

Here are the results from the purchase intention; The data that we got were run using SPSS with ANOVA methods. After processing the data, we found, there was an interaction effect between the high similarity-utilitarian fit, low similarity-utilitarian fit, high similarity-symbolic fit, and low

similarity-symbolic fit (F3,236 = 4.347, p < 0.05). This interaction effect can be found from the significance level from these 4 studies are lower than 0.05, which is equal to 0.038. Besides that, there happen to be a main effect from the similarity variable (F3,236 = 25.355, p < 0.05) with significance level of 0.000 but did not happen in image variable (F3,236 = 2.996, p > 0.05) since the significance level is 0.085 which higher than 0.05. Furthermore, utilitarian image fit (M - 3.273) had a higher effect than symbolic image fit (M = 3.09). It is because the mean score of the utilitarian image is higher than the symbolic image. The second effect in this comparison between high similarity and low similarity on purchase intention shows high similarity (M = 3.448) had a higher effect than low similarity (M = 2.915). The effect shown from the mean score of high similarity is higher than low similarity. The third effect that we test is the interaction between similarity and image. From this test, we combined similarity and image to see which will have the highest effect. From the result high similarity-utilitarian image (M = 3.65) had a higher image than the other 3 (high similarity-symbolic image, M = 3.246; Low Similarity-Utilitarian Image, M = 2.896; low similarity-symbolic, M = 2.933). High similarity-utilitarian image had the highest mean score when similarity and image were combined.

4.2.1.2 Effect Results of Brand Image and Brand Extension on eWOM

In Experiment 2, there are 4 studies conducted by us to test our second hypothesis. Each study has 60 respondents, where we display a set of scenarios in which a regular person posts an Instagram story advocating their positive opinion towards starbucks and starbucks reserve new products, which is Cold brew malt and vegan beef wellington. After a given set of pictures regarding the instagram story, our respondents are asked to evaluate the instagram story through 5 items of questions, in order to know their opinion regarding the eWOM effects on brand evaluations. This section will describe the results of this experiment.

We analyze the data using two way ANOVA. And based on the results, there are no interaction effects (F3,236 = .406, p < 0.05) when similarity and image combined in experiments 2, because the significance level is above 0.05, which is 0.525. Meanwhile the image variable happens to have main effects (F3,236 = 6.171, p < 0.05) with significance effects of 0.014. Besides image, similarity as a variable also has a main effect (F3,236 = 4.155, p < 0.05) where the level of significance is 0.043 which is below 0.05.

For the significance level from the image variable, the mean results of the utilitarian and symbolic image for the symbolic image (M = 3.667) which gets a better response than the utilitarian image (M = 3.407).

Meanwhile, for the similarity variable, it is shown that the High similarity variable (M = 3.643) has a higher number compared to the low similarity variable (M = 3.430), showing a main effect due to its level of significance below 0.05 (0.043).

For the mean results from the Image, mean from the high similarity and symbolic image have the highest results of mean (M = 3.807). Followed by symbolic brand image and low similarity (M = 3.527) and symbolic brand image with a high similarity (M = 3.480). Lastly we have a utilitarian brand image and low similarity brand extension (M = 3.333). This data shows that symbolic brand image and high similarity brand extension is evaluated slightly more positively among these 4 mixes of brand image and brand similarity.



5. DISCUSSION

5.1. Brand Evaluation on Purchase Intention

Based on the hypothesis test analysis, in the first experiment, two hypotheses are accepted, they are H1b and H1c. The result shows that H1b is accepted because a high-similarity extension is more effective than the low similarity on influencing purchase intention. This result is appropriate with the previous research that the higher level of fit gives a better evaluation (Aaker & Keller, 1990; Boush & Loken, 1991; Kim & Song, 2017) and perception in consumers' mind. The positive evaluation and perception will give a positive impact in consumers' purchase decisions (Agmeka et al., 2019; Chen et al., 2016; Koh & Fang, 2012). From our analysis, Starbucks has been perceived strongly associated by the consumers with their beverages product especially related to coffee. This is presumably related to utilitarian brand image, where the utilitarian brand usually represents the rational goal-orientation of customers and more focused on functional aspects (Dhar & Wertenbroch, 2000). Therefore, coffee is highly associated with the utilitarian brand image of Starbucks. The utilitarian value of Starbucks consumers have a role as the degree to which customers believe their shopping target is achieved through functional advantages which include economic value, saving of time, and convenience(Lim, 2017; Wu & Li, 2018), which in this case is purchasing coffee products.

The intention to purchase on the low similarity product is shown to have lower results on high similarity fir products. In our case low similarity fit products represented by Plant Based Beef Wellington have lower results than a Cold Brew Malt, which has high similarity with the image of the brand. Furthermore, 'Plant Based' Beef Wellington may also be perceived as something that is unfamiliar and isn't necessarily needed in everyday life. This is due to the consumer's behavior that usually seeks out for personal benefit such as taste and price which is more global benefit, which indicates that processed meat is not fit for everyday consumption although they know that it may be better for environment and animal welfare (Verbeke et al., 2015).

The result also shows that there is an interaction when brand image is combined with extension similarity. When a high similarity extension is combined with a brand that has a utilitarian image they will have a greater effect on purchase intention. Through these results, we found that the high similarity extension has a higher influence on a person's purchase intention. Its combination with the utilitarian image than image is suggested because when it's combined the result shows a higher effect on utilitarian image than symbolic image. If the high similarity is combined with the utilitarian image, it will get the result of M = 3.65. Meanwhile, when combined with a symbolic image, it will give a result of M = 3.25, lower than the utilitarian. This result is aligned with the findings in the previous research that symbolic values do not always show significant relationship with the purchase intention. In some cases it only works as a strong predictor on luxury brands (Yang & Matilda, 2016; Kim et al., 2019).

Meanwhile, The H1a hypothesis is rejected. It is because the respondents who participated in these experimental studies are only a general consumer who knows Starbucks or Starbucks Reserve. Which could potentially indicate that Indonesian consumers did not see a significant image difference between Starbucks and Starbucks reserve. This could be explained to consumers' main objective where they accomplished their task by searching for their necessities and purchasing a product efficiently (Kim, Lee,& Park, 2014). Both Starbucks and Starbucks Reserve do sell similar products and are located in the same settings (high volume activity-mall), with exceptions Starbucks Dewata. This could rationalize consumers' objective that they actually fulfill the same objective in both places. As a functional brand usually closely related to usefulness where they serve practicality of certain products, symbolic brand is commonly related to self-expression and self-enhancement (Jeong et al., 2013). Hence it would be important for a brand to fulfil self expressive value to be perceived by their consumers as a symbolic brand. This can actually be a consideration for future research with the target respondents who are more targeted to their respective utilitarian and symbolic image objective.



5.2. Brand Evaluation on Electronic Word of Mouth (eWOM)

In the 2nd experiment, there are also two hypotheses that are accepted. They are the H2a and H2b. Brand image with symbolic image fit show better effect of eWOM than the utilitarian image fit (Utilitarian Image, M = 3.41; Symbolic Image, M = 3.67). This symbolic image is a part of the consumer self-image and it is a driver for consumers to do eWOM (Srivardhana, 2019; Wojnicki & Godes, 2008). This study is in line with Kim et al. (2015) that argue the non-opinion leader will have higher intention in eWOM related to the self-relevant. However, this result did not support Liu et al. (2017) where they found that Utilitarian brand image is perceived higher than prestige brand image with positive messages review. Our research object is conducted with different objects with Liu's, where we conduct our research in the quick service restaurant category where Liu et al., (2017) conducted their research in electronic products. As Islam et al., (2019) mentioned that symbolic brand image has a brand characteristic that fulfill consumers self-prestige and self image which drive consumers to do eWOM since it is related to their self esteem (Srivardhana, 2019; Wojnicki & Godes, 2008). Past research also implies that extensions of functional brands are not as well received as symbolic brands, hence driving more eWOM for symbolic brand images (Monga and John, 2010; Park et al., 1991).

H2b is also accepted because there are main effects of similarity on eWOM. In this experiment, high similarity extension shows higher effect (M = 3.64) than the low similarity (M = 3.43) on eWOM. This finding supports Liu et al. (2017), that eWOM helps high-similarity extensions better than the low-similarity extension. Furthermore, they also found that positive eWOM improves the evaluation on high similarity extension effectively than the low similarity extensions. A high similarity product shows a closer distance and stimulates the response to the extension (Wang & Liu, 2020). That's why a strong identification from consumers leads to a stronger attitude towards the extension of the brand (Shokri & Alavi, 2019). This also aligned with past studies (Aaker and Keller, 1990; Boush and Loken, 1991) where In general high-similarity brand extensions is favored, since consumers could easily transfer capabilities and manufacturing skills.

Hypothesis H2c is rejected p = 0.144,. While we found the main effect in similarity and brand image, when we try to find interaction between brand image and brand similarity, there is no interaction that happens when it's combined. One of the reason could be indicated from the eWOM messages use, where we only try to research with positive eWOM messages, meanwhile prior research suggest that negative information may provides more diagnostic information in assisting audience judgments than positive information (Ahluwalia and Shiv, 2002), which essentially could lead into different results. It also may indicates that brand image and brand extension fit did not have any effect towards eWOM, as past research is only highlighting brand image effect or brand extension effects towards eWOM (Jalilvand and Samiei, 2012; Kala & Chaubey, 2018; Torlak et al., 2014) but never as a part of combined relations. As we can not observe and have full control on how the respondents fill their answers, there might be possibilities for respondents to not take the answer seriously, hence online and offline context of data sampling could also become another factor.

6. LIMITATION AND FUTURE RESEARCH

There are some limitations in this study such as regarding the population used. First of all, this research is using the general public as the population of research sampling target, where we did not put any covariate question regarding their knowledge to Starbucks hence the overall results could depict different insights if the future research adds covariate question regarding their knowledge. Furthermore, we did not put any filter questions regarding our sample knowledge to Starbucks and Starbucks Reserve products which are cold brew malt and plant based beef wellington. Since the target is randomized, we could not estimate and generalize the overall perceived intention. Lastly, this research was conducted under Covid-19 conditions which could have affected the overall results of the research.

For next research, we recommend:



- 1. The brand and brand extension used in this research is only based on specific industry, which is quick service restaurants and only based on food and beverages products. Tsao and Hsieh (2015) suggest that consumer experience online may differ across product categories hence it is highly recommended to conduct the research in different categories.
- 2. Future research may also recommend using different stimuli for the eWOM. As prior research by Kiecker and Cowles, (2002) suggest there are four types of eWOM communication. One of the types mentioned is eWOM that is conducted by Key Opinion Leader, which probably would make a difference especially if conducted in Indonesia. Furthermore the research conducted is only concentrated on using positive eWOM on brand evaluations and purchase intentions. Hence, future research could also be conducted seeing the effect of negative eWOM which could give new points of view into this area of research.
- 3. As we use Instagram story as the medium to create stimuli for our research, we recommend future research to use a different medium such as Facebook or Twitter since different social networking sites have different characteristics and different sets of audiences. This difference could convey different messages and engage differently to its user (Tsimonis & Dimitriadis, 2013).
- 4. Future research could also test on different sets of respondent demographics, since the current sample is conducted within 18 25 as target audience which is common in internet survey samples (Wu & Wang, 2011). Conducting with different sets of samples could generate different insights which could lead into interesting future directions. Besides that, different contexts of demography may potentially give a different output, where different cultural backgrounds may perceive brand extension similarity differently (K. Kim & Park, 2019).

For managerial implications, we recommend brands to create stimulus based on their brand image to encourage their customer creating user generated content based on product launched. Based on the data and discussion we gather, a brand that is perceived by their consumer as 'Utilitarian' is recommended to launch high similarity products since compared to the low similarity brand extension, high similarity brand extension in utilitarian brands is perceived to have a higher intention to purchase. Symbolic brand is also recommended to launch high similarity brand extension products. This action is recommended by us since based on our assumption, High brand extension is perceived better both in the 'Utilitarian' and 'Symbolic' brand. This recommendation hence could push customers to perceive purchase intention and eWOM better when respective brands launch their brand extension.

Also, by examining the effect of eWOM on brand evaluation and brand extensions our study only tests what people assume they would do through scenario based activity. Hence, there is no record of actual investigation on consumer's action of purchasing the products we research. A future empirical measurement of eWOM effect on brand evaluation and purchase intention is needed to help managers to better understand the effect of eWOM on their product purchase and actual sales, so managers could implement their eWOM strategy better.



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APPENDIX

Appendix A - Conceptual Model





Appendix B - Comparison Mean Graph







Appendix C - Pilot Test SPSS Results (Validity Test)

Purchase Intention								eWOM					
Total Variance Explained						Total Variance Explained							
				n Sums of Squai	ns of Squared Loadings		Initial Eigenvalues			Extraction Sums of Squa		-	
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative 9
1	3.009	75.233	75.233	3.009	75.233	75.233	1	3.386	67.714	67.714	3.386	67.714	67.71
2	.527	13.171	88.404				2	.678	13.557	81.271			
	.293	7.328	95.732				3	.469	9.382 4.893	90.653 95.546			
3	474	1 0 0 0											
a Extraction Metl	.171 hod: Princip	4.268 al Component An	100.000 alysis.				4 5 Extraction Met	.223	4.633 4.454 pal Component Ar	100.000			
s Extraction Met		al Component An		's Test			4 5 Extraction Met	.223	4.454 val Component Ar	100.000 nalysis.	's Test		
	hod: Princip	al Component An	alysis.		uacy.	.752		.223 hod: Princip	4.454 bal Component Ar	100.000 halysis. and Bartlett		quacy.	.825
Kaiser-	hod: Princip	kMO a Olkin Measu	alysis. and Bartlett	ing Adeq		.752 95.873	Kaiser	.223 hod: Princip	4.454 aal Component Ar KMO Olkin Measu	100.000 nalysis. and Bartlett	ling Adeo		.825
Kaiser-	Meyer-C	kMO a Olkin Measu	aiysis. and Bartlett re of Sampl Approx. C	ing Adeq		95.873	Kaiser Bartlett	.223 hod: Princip -Meyer-1	4.454 aal Component Ar KMO Olkin Measu	and Bartlett ure of Samp Approx.	ling Adeo		106.354
Kaiser- Bartlett	Meyer-C	kMO a Olkin Measu	alysis. and Bartlett re of Sampli	ing Adeq			Kaiser	.223 hod: Princip -Meyer-1	4.454 aal Component Ar KMO Olkin Measu	100.000 nalysis. and Bartlett	ling Adeo		



Appendix D - Pilot Test SPSS Results (Reliability Test)

Purc	hase Intention	ו	eWOM		
Reliability St	atistics		Reliability Statistics		
Cronbach's Alpha	N of Items		Cronbach's Alpha	N of Items	
.890	4		.875	5	

Appendix D - Main Test Result SPSS

	Purch	nase In	tention	eWOM					
Descriptive Statistics Dependent Variable: PIALL						Descriptive Statistics Dependent Variable: EWOMALL			
SIMILARITY	IMAGE	Mean	Std. Deviation	N	SIMILARITY	IMAGE	Mean	Std. Deviation	N
HIGH	UTILITARIAN	3.6500	.64637	60	HIGH	UTILITARIAN	3.4800	.81445	60
	SYMBOLIC	3.2458	.89311	60	10	SYMBOLIC	3.8067	.46573	60
	Total	3.4479	.80237	120		Total	3.6433	.68067	120
LOW	UTILITARIAN	2.8958	.95369	60	LOW	UTILITARIAN	3.3333	1.04195	60
	SYMBOLIC	2.9333	.75334	60	2000 1 2010	SYMBOLIC	3.5267	.81425	60
	Total	2.9146	.85596	120		Total	3.4300	.93616	120
Total	UTILITARIAN	3.2729	.89525	120	Total	UTILITARIAN	3.4067	.93411	120
	SYMBOLIC	3.0896	.83754	120		SYMBOLIC	3.6667	.67529	120
	Total	3.1813	.86992	240		Total	3.5367	.82370	240





Appendix E - Questionnaire Items

Research Instruments 1



Purchase Intention	 I intend to purchase this product/brand in the future I will definitely try the product/brand My willingness to purchase this food/beverage is high After reviewing the post, the likelihood of purchasing this food/beverage is high 	Likert Scale (1 = "strongly disagree" to 5 = "strongly agree").	Purchase Intention (Prendergast et al. 2010) Purchase Intention (Abubakar et al., 2016) Purchase Intention (Kim & Johnson, 2016) Purchase Intention (Sethna et al., 2017)

Research Instruments 2								
eWOM	 I would refer to this eWOM information in a purchase decision. Overall, I think this eWOM information is credible. This eWOM will crucially affect my purchase decision I am likely to change my opinion about a product/brand, after viewing a positive or negative comment about that product on eWOM forum. I understand a product better after receiving relevant information about that product on online reviews. 	Likert Scale (1 = "strongly disagree" to 5 = "strongly agree").	Usefulness of eWOM (Park and Lee, 2009) Electronic word of mouth (Bambauer-Sachse and Mangold, 2011) eWOM (Kala & Chaubey, 2018)					