



Consumer Evaluation Related To Similarity, Brand Reputation, Percived Risk, And Customer Innovativeness On Brand Extension Of The Lion Air Group

Thomas Aquinas Radito¹, Kunto Wibisono², Dewi Puspitasari³, Anwar Azmi Hidayatullah⁴

^{1,2,4}STIE Isti Ekatana Upaweda Yogyakarta,

³ UNIVERSITAS Janabadra Yogyakarta,

Corresponding author-cmail: *2kuntowibhizana@gmail.com

abstract

This study examines the influence of consumer evaluations regarding similarity, brand reputation, perceived risk, and customer innovativeness on the brand extension of the Lion Air Group. The population studied is all people who use airlines which are brand extensions of the Lion Air Group, which consists of Lion Air, Wings Air, Batik Air, and Super Air Jet. The sample used in this study was 250 respondents. The hypothesis was tested using multiple regression. The regression results show that consumer evaluations regarding similarity and customer innovativeness have proven to have a significant effect on the brand extension of the Lion Air Group. Meanwhile, consumer evaluations regarding brand reputation and perceived risk have not been shown to significantly influence the brand extension of the Lion Air Group.

Keywords: Similarity, Brand Reputation, Perceived Risk, Customer Innovativeness, Brand Extension, Lion Air Group

1. INTRODUCTION

PT Lion Group is a privately owned airline holding company based in Indonesia. This group consists of Lion Air, Wings Air, Batik Air, Super Air Jet, Batik Air Malaysia and Thai Lion Air. Lion Air Group primarily competes with Malaysia-based low-cost carrier





AirAsia and domestic competitors as well as national carrier Garuda Indonesia (Lion Air Group, 2022).

Due to the expansion of its regional competitor AirAsia entering the Indonesian aviation market, Lion Group established Malindo Air in 2012, to compete with AirAsia in the Malaysian aviation market. The name of this airline comes from a combination of Malaysia and Indonesia. Local competition from national carrier Garuda Indonesia also emerged in 2012, when Garuda announced its intention to form an offshoot of the Citilink brand to become its own low-cost carrier. Further intentions to expand Citilink were announced, so as to compete with Lion Air in the domestic low-cost travel market. In response, Lion Group announced a full service competitor to Garuda Indonesia in the form of Batik Air. To further expand into the region, Lion Air announced its intention to launch Thai Lion Air, based in Bangkok, Thailand. This will enable the group to further gain market share, as well as compete with local low-cost carrier Nok Air (Lion Air Group, 2022).

Lion Air Group has frequently carried out brand extensions by creating new airlines serving flights in Indonesia and in Southeast Asia. So this can be a suitable research object to find out consumer evaluation of the expansion of the Lion Air Group brand. However, in this study not all brand extensions from the Lion Air Group were studied, but only airlines operating in Indonesia, namely Lion Air, Wings Air, Batik Air and Super Air Jet. This is done to make it easier to determine the population and sample in research so that it can be centralized in one area. This research will use four different products from the same parent brand, Lion Air Group as the parent brand and Lion Air, Wings Air, Batik Air and Super Air Jet as expansion products.

Having a product or service that excels in competition is the goal of each company, and to face competition in the market, it is very important for companies to develop sustainable competitive advantages by placing their brand into a brand that is always chosen by consumers (Kurniasih & Suhartomo, 2019). Companies that use brand extension strategies in their marketing strategies aim to benefit from consumer brand knowledge because this strategy is often considered effective and efficient in the process of introducing new products because consumers tend to be more receptive to a new product issued by a company. brand they already know (Purwati & Wibowo, 2012).

Brand extension is a strategy that is often used by many companies, one of which is Lion Air Group, which will be discussed in this study. Extension of own brand according to (Masruroh, 2018) is the use of a brand name that already exists and is known by consumers, to establish and enter the same or different product or service category with the aim of strengthening the brand so that the company does not need to create a new





brand for the product or service. (Kurniasih & Suhartomo, 2019) explained that there are several reasons underlying brand extension, namely the problem of costs that must be incurred by the company when the company launches a new product, and reducing the risk of failure in developing new products that must be faced by the company. This is in line with the statement described by (Rizan, Kresnamurti, & Fitri, 2014) that *brand extension* beneficial to reduce costs to introduce products to consumers while increasing the likelihood of product success in the market.

However, brand extension certainly has positive and negative impacts on the companies that use it (Masruroh, 2018), brand extensions can help a single brand meet the needs of diverse consumers, but on the other hand it encourages brand switching because it indirectly motivates consumers to seek diversity from other existing brands. Thus making several companies that use it experience failure in applying brand extensions.

Consumers will prefer brand extensions with product categories that are similar to products on the original brand because brand reputation can be directly felt on the product or service extension. However, the impact of product category similarities (similar or dissimilar) in influencing consumers can be different if brand extensions are carried out on brands that have different concepts. Each brand has a different concept, namely the prestigious brand concept (symbolic) and the functional brand concept (Junaedi & Sukoco, 2017).

When consumers are faced with a brand that is not very well known, the reputation of the previous product brand (parent brand) will greatly help consumers (Masruroh, 2018). Which means that when a new product or service is launched, consumers who do not have the experience to judge the quality of the newly launched product or service then make consumers use brand reputation to evaluate the new product or service. The better the consumer's perception of a brand, the more likely consumers will accept a new product or service (Purwati & Wibowo, 2012).

A brand that expands new product categories, most of them not only provide new alternative choices for consumers, but also influence the risks perceived by consumers (Kurniasih & Suhartomo, 2019). Many people believe that a brand that is familiar to many consumers can reduce perceived risk and increase the likelihood that consumers will try. The risk felt by consumers can also be interpreted as a consumer experience where uncertainty arises before making a purchase regarding the type and level of loss received from a business to buy and use a product (Kurniasih & Suhartomo, 2019).

Consumers who have a high level of innovation will make these consumers have a greater possibility to try newly launched products or services. This is in line with what is



stated by (Kurniasih & Suhartomo, 2019), the higher the level of innovation that consumers have, the more positive they will be in assessing brand extension.

Consumer evaluations are beliefs and attitudes that influence consumer buying behavior (Masruroh, 2018). What is meant is the stage where the consumer makes a decision in buying or using a product or service and then the consumer uses the information that has been obtained to evaluate a brand. There are several consumer evaluations in determining purchases (Primary, 2014). The decision-making process in purchasing: Before and after making a purchase, a consumer will carry out a number of decision-making processes, namely: problem recognition, information search, alternative evaluation, purchase decision, post-purchase evaluation. In the process of consumer evaluation of the brand extension of a product or service to make a decision, there are several factors that can influence this process, namely similarity, brand reputation, perceived risk, and customer innovativeness (Junaedi & Sukoco, 2017).

So based on this background, the problems in this study are: (1). Does the consumer evaluation variable related to similarity significantly influence the brand extension of the Lion Air Group, namely Lion Air, Wings Air, Batik Air, and Super Air Jet?, (2). Does the consumer evaluation variable related to brand reputation significantly influence the brand extension of the Lion Air Group, namely Lion Air, Wings Air, Batik Air, and Super Air Jet?, (3). Does the consumer evaluation variable related to perceived risk significantly affect the brand extension of the Lion Air Group, namely Lion Air, Wings Air, Batik Air, and Super Air Jet?, (4). Does the consumer evaluation variable related to customer innovativeness significantly influence the brand extension of the Lion Air Group, namely Lion Air, Wings Air, Batik Air,

2. LITERATURE REVIEW

2.1 Brand Extension

Brand extension is the use of a brand name that already exists and is known by consumers, to build and enter the same or different product or service category with the aim of strengthening the brand so that the company does not need to create a new brand for the product or service (Masruroh, 2018). (Kurniasih & Suhartomo, 2019) explained that there are several reasons underlying brand extension, namely the problem of costs that must be incurred by the company when the company launches a new product, and to reduce the risk of failure in developing new products that must be faced by the company. This is in line with the statement described by (Rizan, Kresnamurti, & Fitri, 2014) that



brand extension is useful to reduce costs to introduce products to consumers while increasing the likelihood of product success in the market.

2.2 Consumer Evaluation

Consumer evaluations are beliefs and attitudes that influence consumer buying behavior (Masruroh, 2018). What is meant is the stage where the consumer makes a decision in buying or using a product or service and then the consumer uses the information that has been obtained to evaluate a brand. (Primary, 2014) explains that there are several consumer evaluations in determining purchases. The decision-making process in purchasing: Before and after making a purchase, a consumer will carry out a number of decision-making processes, namely: problem recognition, information search, alternative evaluation, purchase decision, post-purchase evaluation. In the process of consumer evaluation of the brand extension of a product or service to make a decision, there are several factors that play a role in the process, namely similarity, brand reputation, perceived risk, and customer innovativeness (Junaedi & Sukoco, 2017).

2.2 *Similarity*

Similarity is the degree to which consumers perceive that the extended product is similar to the original brand (Purwati & Wibowo, 2012). This is also explained by (Masruroh, 2018) which says product similarity is the degree of consumer acceptance of extensions when they feel the extensions are the same/similar to other products of the same brand. (Primary, 2014) also adds to the fact that there are two main differences that consumers may use to evaluate whether or not brand widening matches well with the brand, from the similarity of product features and consistent brand concepts, where consistent brand concepts are related to consistent brand associations. Consumers will prefer brand extensions with product categories that are similar to products on the original brand because brand reputation can be directly felt on the product or service extension. However, the impact of product category similarities (similar or dissimilar) in influencing consumers can be different if brand extensions are carried out on brands that have different concepts. Each brand has a different concept, namely the prestigious brand concept (symbolic) and the functional brand concept (Junaedi & Sukoco, 2017).

The results of research conducted by (Kurniasih & Suhartomo, 2019); (Purwati & Wibowo, 2012); (Yuniar, Hakim, & Ciptono, 2012); (Masruroh, 2018); (Junaedi & Sukoco, 2017) **show that** the higher the level of similarity of the brand extension product with the parent brand, the better consumers will be able to accept the brand extension product.



2.3 *Brand Reputation*

Brand reputation is the consumer's perception of the associations attached to a brand (Purwati & Wibowo, 2012). Brand Reputation is built on strong brand equity, which consists of brand association, brand awareness, perceived quality and brand loyalty (Kurniasih & Suhartomo, 2019). A good brand will provide quality assurance for the company, because the brand is not just a name but a brand is an asset of the company. (Yuniar, Hakim, & Ciptono, 2012) added that the only attribute that is difficult to imitate is a strong brand. (Kurniasih & Suhartomo, 2019) also emphasizes that strong brands will benefit more from weak brands. When consumers are faced with a brand that is not very well known, the reputation of the previous product brand (parent brand) will greatly help consumers (Masruroh, 2018). Which means that when a new product or service is launched, consumers who do not have the experience to judge the quality of the newly launched product or service then make consumers use brand reputation to evaluate the new product or service. The better the consumer's perception of a brand, the more likely consumers will accept a new product or service (Purwati & Wibowo, 2012). In research by (Kurniasih & Suhartomo, 2019); (Purwati & Wibowo, 2012); (Yuniar, Hakim, & Ciptono, 2012); (Masruroh, 2018); (Afzal, 2013) the results show that brand reputation has a significant influence on brand extension.

2.4 *Perceived Risk*

In evaluating new products, consumers tend to prioritize minimizing risks rather than considering the benefits that can be obtained from purchasing the new product (Purwati & Wibowo, 2012). Perceived risk is the unwanted consequences and risks that arise as a result of purchasing a product, so that consumers want to avoid these risks (Masruroh, 2018). Functional risk or performance risk is the risk that is felt by consumers because the product does not work properly, while physical risk is the negative impact that is felt by consumers because of using a product (Kurniasih & Suhartomo, 2019), besides that it is also a brand that expands new product categories, most of them not only provide new alternative choices for consumers, but also affect the risks perceived by consumers.

(Masruroh, 2018) also added that perceived risk (perceived risk) can influence consumer purchase intention, this is because if the risk perceived by consumers is lower for brand extension products it will have a positive impact on the brand extension. A brand that expands new product categories, most of them not only provide new alternative choices for consumers, but also influence the risks perceived by consumers (Kurniasih & Suhartomo, 2019).

Many people believe that a brand that is familiar to many consumers can reduce perceived risk and increase the likelihood that consumers will try. The risk felt by consumers can also be interpreted as a consumer experience where uncertainty arises before making a purchase regarding the type and level of loss received from a business to buy and use a product (Kurniasih & Suhartomo, 2019). Research result by (Kurniasih & Suhartomo, 2019); (Purwati & Wibowo, 2012); (Yuniar, Hakim, & Ciptono, 2012); (Masruroh, 2018); (Joshi & Yadav, 2017) shows that perceived risk has a significant effect on brand extension.

2.5 Customer Innovativeness

Innovative is a personality trait related to an individual's receptiveness to new ideas and willingness to try new brands (Masruroh, 2018). Consumer innovativeness is an aspect of personality related to consumer acceptance to try new products or new brands (Rizan, Kresnamurti, & Fitri, 2014). Individuals who have a high innovative level are relatively braver and more willing to try new products (Purwati & Wibowo, 2012). The innovative effect of consumers on brand extension evaluations is that individuals with high innovativeness are bolder, more adventurous and more willing to try new brands (Masruroh, 2018). Innovative consumers will tend to prefer to evaluate brand extensions (Rizan, Kresnamurti, & Fitri, 2014).

Consumers who have a high level of innovation will make these consumers have a greater possibility to try newly launched products or services. This is in line with what is stated in (Kurniasih & Suhartomo, 2019), the higher the level of innovation that consumers have, the more positive they will be in assessing brand extension.

Research result by (Kurniasih & Suhartomo, 2019); (Masruroh, 2018); (Joshi & Yadav, 2017); (Afzal, 2013); (Rizan, Kresnamurti, & Fitri, 2014) shows that customer innovativeness has a significant effect on brand extension.

2.5 Hypothesis

Based on the results of the literature review, this study proposes 4 hypotheses: (1). Consumer evaluations related to similarity have a significant effect on the brand extension of the Lion Air Group, namely Lion Air, Wings Air, Batik Air and Super Air Jet, (2). Consumer evaluations regarding Brand Reputation have a significant effect on the brand extension of the Lion Air Group, namely Lion Air, Wings Air, Batik Air and Super Air Jet, (3). Consumer evaluations related to Perceived Risk have a significant effect on the brand extension of the Lion Air Group brand, namely Lion Air, Wings Air, Batik Air and Super Air



Jet, (4). Consumer evaluations regarding Customer Innovativeness have a significant effect on the brand extension of the Lion Air Group, namely Lion Air, Wings Air, Batik Air and Super Air Jet.

3 RESEARCH METHOD

3.1 Location and Research Object

This research was conducted in Indonesia. The research object is brand extension (Y), brand evaluation related to similarity (X1), brand reputation (X2), perceived risk (X3), and customer innovativeness (X4).

3.2 Types of Research

This research is a quantitative research that examines the effect of consumer evaluation variables related to similarity, brand reputation, perceived risk, and customer innovativeness on brand extension.

3.3 Types and Data Collection Methods

In this study using primary data obtained from the results of distributing questionnaires.

3.4 Population and Sample

The population used in this study were all Lion Air Group consumers, namely Lion Air, Wings Air, Batik Air and Super Air Jet in Indonesia. The sample used in this study is Lion Air Group consumers who have used Lion Air, Wings Air, Batik Air, or Super Air Jet airlines. The sampling method used in this research is non-probability sampling with a purposive sampling technique with the following criteria: (a). Have used at least once from each Lion Air Group airline, namely Lion Air, Wings Air, Batik Air, and Super Air Jet. This is necessary because researchers believe that consumers who have used the airline know and have experience with the airline. (b). Respondents are 17 years old.

By using the rule of thumb by Roscoe, the required sample size is at least 30 – 500 samples (Alwi, 2012). This is supported by Crocker's and Algina's statements (Alwi, 2012) who said that for stability in research required a minimum of 200 respondents. (Hair, Black, Babin, & Anderson, 2013) recommends keeping a sample size of 200 to provide a solid basis for estimation. Therefore in this study the number of samples to be taken is 250 samples.





3.5 Research Instruments

This study uses 5 variables, brand extension as the dependent variable (Y) and, similarity, brand reputation, perceived risk, and customer innovativeness as the independent variable (X).

3.5.1 Brand Extension

Brand extension indicators consist of: (1). Knowledge and perception, (2). Feelings and emotions, (3). Main Brand, (4). Experience. To measure brand extension using research instruments adapted from (Purwati & Wibowo, 2012) consisting of 24 statement items.

3.5.2 Similiarity

Similiarity indicator of how similar the brand extension is to the parent brand. To measure similiarity using research instruments adapted from (Purwati & Wibowo, 2012) which consists of 5 statement items.

3.5.3 Brand Reputation

Brand reputation indicators consist of: (1). Brand association, (2). Brand awareness, (3). Perception of quality. To measure brand reputation using research instruments adapted from (Purwati & Wibowo, 2012) consisting of 15 statement items.

3.5.4 Perceived Risk

Perceived risk indicators consist of: (1). *Functional Risk*, (2). *Physical Risk*, (3). *Social Risk*, (4). *Psychological Risk*, (5). *Convenience Risk*. To measure perceived risk using research instruments adapted from (Purwati & Wibowo, 2012) which consists of 7 statement items.

3.5.5 Customer Innovativeness

The customer innovativeness indicator consists of: (1). Desire to try, (2). Innovative Level. To measure customer innovativeness using research instruments adapted from (Purwati & Wibowo, 2012) which consists of 5 statement items

3.6 Instrument Test

The validity test in this study uses the Pearson Product Moment, while the reliability test using Alpha Cronbach formula, with the following conditions (Primary, 2014): (a). If $\alpha > 0.90$ then the reliability is perfect, (b). If the alpha is between 0.70 - 0.90 then the



reliability is high, (c). If alpha is 0.50 -0.70 then the reliability is moderate, (d). If alpha < 0.50 then low reliability, (e). If alpha is low, it is likely that one or more items are unreliable.

3.7 Analysis Tools

To test the hypothesis used in this study using multiple regression.

4 RESULT

4.1 Characteristics of Respondents

Table 1. Characteristics of Respondents Based on Gender

Jenis Kelamin					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Laki-Laki	113	45,2	45,2	45,2
	Perempuan	137	54,8	54,8	100,0
	Total	250	100,0	100,0	

Sumber: Data Primer diolah 2023

Table 2. Characteristics of Respondents Based on Marital Status

Status Pernikahan					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sudah Menikah	89	35,6	35,6	35,6
	Belum Menikah	161	64,4	64,4	100,0
	Total	250	100,0	100,0	

Sumber: Data Primer diolah 2023

Table 3. Characteristics of Respondents Based on Latest Education

Pendidikan Terakhir					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SMA/MA/Sederajat	44	17,6	17,6	17,6
	D3	21	8,4	8,4	26,0
	D4	9	3,6	3,6	29,6
	S1	148	59,2	59,2	88,8
	S2	28	11,2	11,2	100,0
	Total	250	100,0	100,0	

Sumber: Data Primer diolah 2023

Table 4. Characteristics of Respondents Based on Occupation

		Pekerjaan			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Pelajar/Mahasiswa	49	19,6	19,6	19,6
	ASN/PNS	67	26,8	26,8	46,4
	Pegawai Swasta	110	44,0	44,0	90,4
	Lainnya	24	9,6	9,6	100,0
	Total	250	100,0	100,0	

Sumber: Data Primer diolah 2023

Table 5. Characteristics of Respondents Based on the Amount of Money Received Per Month

		Pendapatan Per Bulan			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<1.000.000	27	10,8	10,8	10,8
	1.000.000 - 2.000.000	26	10,4	10,4	21,2
	2.000.001 - 3.000.000	48	19,2	19,2	40,4
	3.000.001 - 4.000.000	103	41,2	41,2	81,6
	4.000.001 - 5.000.000	34	13,6	13,6	95,2
	5.000.001 - 6.000.000	2	,8	,8	96,0
	> 6.000.000	10	4,0	4,0	100,0
	Total	250	100,0	100,0	

Sumber: Data Primer diolah 2023

Table 6. Characteristics of Respondents Based on Age

		Usia			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	17 - 27 tahun	101	40,4	40,4	40,4
	28 - 37 tahun	102	40,8	40,8	81,2
	38 - 47 tahun	39	15,6	15,6	96,8
	> 47 tahun	8	3,2	3,2	100,0
	Total	250	100,0	100,0	

Sumber: Data Primer diolah 2023

The results of the study yielded data that respondents were dominated by female sex (Table 1), single (Table 2), last education was Strata 1 (Table 3), had a job as a private

employee (Table 4), had an income of between Rp. 3,000,000 to Rp. 4,000,000 (Table 5), and aged between 17-37 years (Table 6).

4.2 Validity and Reliability Test Results

Table 7. Validity Test Results

Variabel	Item	r_{hitung}	r_{tabel}	Keterangan
Perluasan Merek	1	0,644	0,1241	Valid
	2	0,635	0,1241	Valid
	3	0,600	0,1241	Valid
	4	0,558	0,1241	Valid
	5	0,601	0,1241	Valid
	6	0,609	0,1241	Valid
	7	0,525	0,1241	Valid
	8	0,646	0,1241	Valid
	9	0,658	0,1241	Valid
	10	0,627	0,1241	Valid
	11	0,663	0,1241	Valid
	12	0,600	0,1241	Valid
	13	0,555	0,1241	Valid
	14	0,700	0,1241	Valid
	15	0,510	0,1241	Valid
	16	0,604	0,1241	Valid
	17	0,687	0,1241	Valid
	18	0,602	0,1241	Valid
	19	0,584	0,1241	Valid
	20	0,512	0,1241	Valid
	21	0,652	0,1241	Valid
	22	0,650	0,1241	Valid
	23	0,598	0,1241	Valid
	24	0,677	0,1241	Valid
Variabel	Item	r_{hitung}	r_{tabel}	Keterangan
Similarity	1	0,670	0,1241	Valid
	2	0,636	0,1241	Valid
	3	0,720	0,1241	Valid
	4	0,690	0,1241	Valid
	5	0,687	0,1241	Valid

Variabel	Item	r_{hitung}	r_{tabel}	Keterangan
Brand Reputation	1	0,575	0,1241	Valid
	2	0,604	0,1241	Valid
	3	0,583	0,1241	Valid
	4	0,535	0,1241	Valid
	5	0,541	0,1241	Valid
	6	0,592	0,1241	Valid
	7	0,558	0,1241	Valid
	8	0,569	0,1241	Valid
	9	0,574	0,1241	Valid
	10	0,658	0,1241	Valid
	11	0,643	0,1241	Valid
	12	0,554	0,1241	Valid
	13	0,579	0,1241	Valid
	14	0,549	0,1241	Valid
	15	0,603	0,1241	Valid
Variabel	Item	r_{hitung}	r_{tabel}	Keterangan
Customer Innovativeness	1	0,732	0,1241	Valid
	2	0,710	0,1241	Valid
	3	0,779	0,1241	Valid
	4	0,762	0,1241	Valid
	5	0,741	0,1241	Valid

Table 8. Reliability Test Results

Variabel	<i>N Of Item</i>	<i>Cronbach's Alpha</i>	<i>Limit of Cronbach Alpha</i>	Keterangan
<i>Similarity (X1)</i>	5	0,710	0.600	Reliabel
<i>Brand Reputation (X2)</i>	15	0,860	0.600	Reliabel
<i>Percived Risk (X3)</i>	7	0,854	0.600	Reliabel
<i>Costumer Innovativeness (X4)</i>	5	0,732	0.600	Reliabel
Perluasan Merek (Y)	24	0,928	0.600	Reliabel

The results of the validity test (Table 7) show that all statement items used in this study are valid. Based on the results of the reliability test (Table 8), it is known that all statement items in this study are also reliable

4.3 Data Analysis

Table 9. Regression Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
		1	(Constant)	1,827		
	X1	,178	,062	,173	2,876	,004
	X2	,098	,090	,079	1,095	,274
	X3	-,022	,055	-,028	-,395	,693
	X4	,316	,069	,313	4,574	,000

a. Dependent Variable: Y

Sumber: Data Primer diolah 2023

Table 10. F Test Results (Model Test)

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6,364	4	1,591	12,139	,000 ^b
	Residual	32,111	245	,131		
	Total	38,476	249			
a. Dependent Variable: Ytotal						
b. Predictors: (Constant), X4Total, X1Total, X3Total, X2Total						
Sumber: Data Primer diolah 2023						

Table 11. Test Results for the Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,407 ^a	,165	,152	,36203
a. Predictors: (Constant), X4Total, X1Total, X3Total, X2Total				
Sumber: Data Primer diolah 2023				

The results of the regression test (Table 9) show that consumer evaluations regarding similarity have a positive and significant effect on brand extension with a significance level of 0.004 and a coefficient B value of 0.178. Consumer evaluations related to customer innovativeness also have a positive and significant effect on brand extension with a significance level of 0.000 and a coefficient B value of 0.316. However, consumer evaluations related to brand reputation and perceived risk have proven to have no significant effect on brand extension.

The coefficient of determination test in this study (Table 11) shows the R Square value of 0.165. The independent variables (similarity, brand reputation, perceived risk, and customer innovativeness) are only able to explain 16.5% of the distribution of brand extension variables. According to (Hair, Black, Babin, & Anderson, 2013) this value is weak. Even though the R square results in this study are weak, the results of the Model test (Table 10) with an F value of 12.139 and a significance value of 0.000 indicate that the regression model used in this study is good and has compatibility with the data used in this study.

5 DISCUSSION

5.1 The Effect of Similarity on Brand Extension

Similarity is proven to have a positive and significant effect on brand extension the Lion Air Group which consists of Lion Air, Wings Air, Batik Air and Super Air Jet. Similarity



is the degree to which consumers perceive that the extended product has something in common with the original brand (Purwati & Wibowo, 2012). This is also explained in (Masruroh, 2018) which says product similarity is the degree of consumer acceptance of extensions when they feel the extensions are the same/similar to other products of the same brand. (Primary, 2014) also adds to the fact that there are two main differences that consumers may use to evaluate whether or not brand widening matches well with the brand, from the similarity of product features and consistent brand concepts, where consistent brand concepts are related to consistent brand associations. Consumers will prefer brand extensions with product categories that are similar (similar) to products on the original brand because brand reputation can be directly felt in the extension product or service.

The results of the study show that consumer evaluations regarding similarity have a significant effect on brand extension. This is in accordance with research conducted by (Kurniasih & Suhartomo, 2019); (Purwati & Wibowo, 2012); (Maevaathne, Wanigasekara, & Weyhenage, 2012); (Yuniar, Hakim, & Ciptono, 2012); (Soudikar, 2015); (Masruroh, 2018); (Junaedi & Sukoco, 2017); (Primary, 2014); (Utami & Sukresna, 2019); (Evangeline & Ragel, 2015); (Imtiaz, Ali, Kim, & Ahn, 2016); (Prajapati & Bhatt, 2019).

5.2 The Effect of Brand Reputation and Perceived Risk on Brand Extension

Consumer evaluations regarding brand reputation and perceived risk have no significant effect on brand extension the Lion Air Group which consists of Lion Air, Wings Air, Batik Air and Super Air Jet. The results of this study are similar to the results obtained by (Beura, 2016) that brand reputation does not have a significant influence on brand extension, and it is the same with research by (Afzal, 2013) and (Patel, Mandal, & Joshi, 2014) that state perceived risk does not have a significant effect on brand extension.

When consumers are faced with a brand that is not very well known, the reputation of the previous product brand (parent brand) will greatly help consumers (Masruroh, 2018). Which means that when a new product or service is launched, consumers who do not have the experience to judge the quality of the newly launched product or service then make consumers use brand reputation to evaluate the new product or service.

A brand that expands new product categories, most of them not only provide new alternative choices for consumers, but also influence the risks perceived by consumers (Kurniasih & Suhartomo, 2019). Many people believe that a brand that is familiar to many consumers can reduce perceived risk and increase the likelihood that consumers will try. However, in the case of The Lion Air Group, most likely the respondents did not care about



The Lion Air Group's reputation and did not care whether they would be disappointed or satisfied when using Lion Air Group's subsidiary airlines. The respondents most likely only saw that the airline companies provided very many flight schedules and routes, more than 36 domestic destinations with 226 operational flights per day (Magazine, n.d.).

5.3 The Effect of Customer Innovativeness on Brand Extension

Related consumer evaluation *customer innovativeness* positive and significant impact on the expansion of the Lion Air Group brand which consists of Lion Air, Wings Air, Batik Air, and Super Air Jet. Innovative is a personality trait related to an individual's receptiveness to new ideas and willingness to try new brands (Masruroh, 2018). Consumer Innovativeness is an aspect of personality related to consumer acceptance to try new products or new brands (Rizan, Kresnamurti, & Fitri, 2014). Individuals who have a high innovative level are relatively braver and more willing to try new products (Purwati & Wibowo, 2012). The innovative effect of consumers on brand extension evaluations is that individuals with high innovativeness are bolder, more adventurous and more willing to try new brands (Masruroh, 2018). Innovative consumers will tend to prefer to evaluate brand extensions (Rizan, Kresnamurti, & Fitri, 2014).

Consumers who have a high level of innovation will make these consumers have a greater possibility to try newly launched products or services. This is in line with what is stated by (Kurniasih & Suhartomo, 2019), the higher the level of innovation that consumers have, the more positive they will be in assessing brand extensions.

The results of this study supported by research results by (Kurniasih & Suhartomo, 2019); (Masruroh, 2018); (Shrestha, 2019); (Soomro, Abbas, Hameed, & Shakoor, 2013); (Joshi & Yadav, 2017); (Evangeline & Ragel, 2015); (Imtiaz, Ali, Kim, & Ahn, 2016); (Afzal, 2013); (Omar & Ullah, 2018); (Rizan, Kresnamurti, & Fitri, 2014); (Javed, Rashidin, & Jian, 2018) which shows that customer innovativeness has a significant effect on brand extension.

6 CONCLUSION AND FUTURE RESEARCH

6.1 Conclusion

The conclusions from the results of this study indicate that (1). Hypothesis 1 is supported: Consumer evaluations regarding similarity have a significant effect on the brand extension of the Lion Air Group, namely Lion Air, Wings Air, Batik Air and Super Air Jet. (2). Hypothesis 2 is not supported: Consumer evaluations regarding brand reputation have no significant effect on the brand extension of the Lion Air Group, namely Lion Air,



Wings Air, Batik Air and Super Air Jet, Not proven. (3). Hypothesis 3 is not supported: Consumer evaluations regarding Perceived Risk have no significant effect on the brand extension of the Lion Air Group, namely Lion Air, Wings Air, Batik Air and Super Air Jet. (4). Hypothesis 4 is supported; Related consumer evaluation *customer innovativeness* had a significant influence on the brand extension of the Lion Air Group, namely Lion Air, Wings Air, Batik Air and Super Air Jet.

The research results show that brand extensions that have similarities in the types of products or services offered will be more accepted by consumers. Therefore, when the Lion Air Group launches a new airline, it must maintain the similarities that existed with previous airlines, especially regarding affordable prices, various flight routes, and ease of purchasing tickets.

Brand extension is proven to show that consumers are more receptive to new experiences that are experienced when there is a new product. Therefore the Lion Air Group can improve more innovative services such as the use of digital technology or robotics to make it easier for consumers to use airline products, reduce the potential for delays, increase consumer safety, and provide entertainment services to passenger seats or similar services, that can provide a new experience to consumers.

6.2 Suggestions For Future Research

The data in this study were taken at a certain time (cross sectional). Cross-sectional data collection requires a larger number of samples to be able to provide more accurate results, if the number of samples is small, the risk of error will increase drastically because the results can be coincidental. Therefore, it is hoped that further research will be able to collect data over a long period of time and continuously (longitudinal research) so that research results are always in accordance with changes that may occur in the object or research subject.

The sampling method used in this study is non-probability sampling with a purposive sampling technique in which the method with this technique only focuses on consumers who have certain criteria that can be sampled in this study. Therefore the results of this study cannot be generalized to all consumers who have used Lion Air, Wings Air, Batik Air or Super Air Jet. So it is expected that for further research, it can use the probability sampling method with double sampling technique, namely the sampling technique is carried out more than once. In the initial stage, a sample is selected from some of the information collected from that sample. In the next stage, a subsample is drawn from the initial sample and then additional information is collected from that subsample (Sari,





2015). As well as to obtain a good estimate for the independent variables along with their frequency distribution (Kurniawan, 2014).

Future research can add or replace variables that are not influential in this study with other variables that have a coefficient of determination that is greater than the coefficient of determination on the variables in this study. As a consideration for further research, brand knowledge, perceived quality and consumer innovation.

REFERENCES

- Afzal , S. (2013). Factors influencing successful brand extension into related and unrelated product categories. *Asian Economic and Financial Review*, 2013, Vol 3(No.2), 216-226.
- Omar , N. A., & Ullah , N. (2018). EXAMINING THE EFFECT OF CREDENCE AND PERSONAL FACTORS ON BRAND EXTENSION EVALUATION. *Malaysia Indonesia International Conference on Economics, Management and Accounting (MIICEMA) Vol 19 No.19*.
- Shrestha, S. K. (2019). CONSUMER PERCEPTION TOWARDS BRAND EXTENSION. *Journal of Interdisciplinary Studies Vol. 5 Issue No.1* .
- Yuniar, K. A., Hakim, L., & Ciptono, W. S. (2012). ANALISIS SIKAP KONSUMEN TERHADAP PERLUASAN MEREK PRENAGEN. *Jurnal Manajemen dan Pelayanan Farmasi Volume 2 Nomor 4*, 239-244.
- Alwi, I. (2012). KRITERIA EMPIRIK DALAM MENENTUKAN UKURAN SAMPEL PADA PENGUJIAN HIPOTESIS STATISTIKA DAN ANALISIS BUTIR. *Jurnal Formatif*, 140-148.
- Beura, D. (2016). FMCG brand extensions strategy and consumer buying behavior – An empirical study in Odisha region. *International Journal on Recent and Innovation Trends in Computing and Communication Volume: 4 Issue: 5*, 443-453.
- Evangeline , S. J., & Ragel , V. R. (2015). INFLUENCING FACTORS ON CONSUMER ACCEPTABILITY OF BRAND EXTENSION: A STUDY ON KIST'S BRAND EXTENSION. *International Conference on Business Management Vol 12 7th and 8th*.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2013). *Multivariate Data Analysis* (7th ed.). Pearson Education Limited.
- Halim, M. (2022, January 27). *PENENTUAN JUMLAH SAMPEL (SAMPLE SIZE) IDEAL DALAM METODE COVARIANCE-BASED STRUCTURAL EQUATION MODELING (CB-SEM)*. Retrieved from MUHAMMADHALIM22: <https://muhammadhalim22.wordpress.com/2020/01/27/penentuan-jumlah->





sampel-sample-size-dalam-metode-covariance-based-structural-equation-modeling-cb-sem/

- Imtiaz, S., Ali, J., Kim, C., & Ahn, H. S. (2016). AN EMPIRICAL INVESTIGATION OF THE FACTORS INFLUENCING THE BRAND EXTENSION OF LIFEBUOY. *International Journal of Information Communication Technology and Digital Convergence* Vol. 1, No. 2.
- Javed, S., Rashidin, S., & Jian, W. (2018). WHAT REALLY MATTERS? A TRIUMPH OF BRAND EXTENSION: EVIDENCE FROM ENGRO CORPORATION. *Journal of Politics, Economy and Management (JOPEM)* Volume 1, Issue 2.
- Joshi, R., & Yadav, R. (2017). EVALUATING THE FEEDBACK EFFECTS OF BRAND EXTENSION ON PARENT BRAND EQUITY: A STUDY ON INDIAN FMCG INDUSTRY. *The Journal of Business Perspective* No.21(vol.3), 1-9.
- Junaedi, A. E., & Sukoco, B. M. (2017). PENGARUH PERSEPSI KEMIRIPAN, KONSEP MEREK DAN PESAN IKLAN TERHADAP RESPON KONSUMEN DALAM MENGEVALUASI PERLUASAN MEREK. *Jurnal Ekonomi dan Bisnis Airlangga* Volume 27, No.2, , 254-270.
- Kurniasih, R., & Suhartomo, B. (2019). FAKTOR-FAKTOR YANG MEMPENGARUHI SIKAP KONSUMEN TERHADAP BRAND EXTENSION. *Journal & Proceeding (SCA-9) FEB UNSOED* Vol. 9 No. 1, 384-395.
- Kurniawan, A. (2014, Maret 28). *Double Sampling (Two Phase Sampling)*. Retrieved from have a nice sampling: <https://adhikurnia.wordpress.com/2014/03/28/double-sampling-two-phase-sampling/>
- Lion Air Group. (2022, July 5). Retrieved from Wikipedia ensiklopedia bebas: https://id.wikipedia.org/wiki/Lion_Air_Group
- Magazine, S. O. (n.d.). *Swa.co.id*. Retrieved from Business Update: <https://swa.co.id/swa/business-update/alasan-yang-membuat-lion-air-jadi-maskapai-terfavorit-di-indonesia>
- Mahindarathne, Wanigasekara, & Weyhenage. (2012). CONSUMER EVALUATION OF BRAND EXTENSION WITH REFERENCE ON CIC BRAND. *Proceedings of the Research Symposium of UWU*.
- Masrurroh, S. (2018). PENGARUH EVALUASI KONSUMEN ATAS PERLUASAN MEREK TERHADAP NIAT MELAKUKAN PEMBELIAN ULANG MELALUI SIKAP KONSUMEN PADA PRODUK MARGARIN FILMA DI SURABAYA. *Jurnal Bisnis dan Perkembangan Bisnis* Vol. 2 NO. 2.





- Patel, B., Mandal, P., & Joshi, N. (2014). How Consumer Evaluate Brand and Its Extension? *International Journal of Humanities, Education Technology and Management Volume 3, Issue 1* , 32-51.
- Prajapati, K., & Bhatt, V. (2019). A STUDY ON PERCEPTION OF BRAND EXTENSION BY FMCG CONSUMER IN AHMEDABAD. *Research Journal of Humanities and Social Sciences. Vol 10 (No.3)*.
- Pratama , T. (2014). PENGARUH FAKTOR-FAKTOR EVALUASI KONSUMEN TERHADAP PELEBARAN MEREK NIKE. *Jurnal Ekonomi Manajemen*, 1-15.
- Purwati, Y., & Wibowo, E. (2012). ANALISIS FAKTOR YANG MEMPENGARUHI SIKAP KONSUMEN TERHADAP BRAND EXTENSION MEREK SEDAAP. *Jurnal Universitas Paramadina Vol. 9 No. 3*, 534-547.
- Rizan , m., kresnamurti, a., & fitri, w. N. (2014). Pengaruh pengetahuan merek, persepsi kualitas dan inovasi konsumen terhadap sikap pada perluasan merek dettol dan lifebuoy di tip top rawamangun. *Jurnal riset manajemen sains indonesia (jrmsi) | vol. 5, no. 2*, 280-303.
- Sari, b. J. (2015, maret 12). *Metode pengambilan sampling*. Retrieved from bima junita sari: <http://bimajunita.blogspot.com/2015/03/makalah-sampling.html#>
- Soomro, y., abbas, s., hameed, i., & shakoore, r. (2013). Consumer evaluation of brand extension: pakistani context. *African journal of business management vol. 7(35)*, 3643-3655.
- Soudikar , a. (2015). A study on evaluation of consumers on service brand extensions. *Rjeb: volume: 05, number: 01*.
- Utami , f. R., & sukresna, i. M. (2019). Analisis Pengaruh Sikap Pada Perluasan Merek Terhadap Minat Beli Produk Sikat Gigi Pepsodent Di Kota SEMARANG. *DIPONEGORO JOURNAL OF MANAGEMENT Volume 8, Nomor 1*, 1-11.

