CONSUMER EVALUATIONS OF BRAND EXTENSIONS FOR DIGITAL BRANDS

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CONSUMER EVALUATIONS OF BRAND EXTENSIONS

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DECLARATION OF ORIGINALITY

I, Deniz Kut, certify that

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ABSTRACT

Consumers Evaluations of Brand Extensions for Digital Brands

In this study, consumer attitudes toward extension of the digital brand is investigated along with the effect of intention to adopt extensions of the digital brands. Evaluation of the parent brand (perceived overall quality, perceived trustworthiness, familiarity, favorability and loyalty) attributes, fit of extensions (similarity, capability, require new skills, fits with image, imrpoves brand power and not suprising) attributes and consumer characteristics (Exploratory Tendency in Consumer Behavior, Market Mavenism and Opinion Leadership scales) are claimed to affect consumer attitudes toward digital brand extensions positively. Additionaly type of extensions (conglomerate / concentric) and directions in case of difference examined to has diffirence to indention to adopt digital brand extensions. Four fictional brands are structured one concentric and one conglomerate digital brand extension per each brand; Amazon and Google. These parent brands selected due to being reputable, international brands. Theoretical model and hypotheses are formulated. Three weeks time allocated for an English survey, performed online and 432 valid samples used for the analysis of descriptive, reliability, correlation, one-way ANOVA, paired sample t-tests and multiple regression tests.

ÖZET

Tüketicilerin Dijital Marka Uzantılarını Değerlendirmesi

Marka değerleri ve teknik bilgilerinden yararlanarak markaların farklı ürün yelpazelerinde uzantı ürünler piyasaya sürmesi pek çok firma tarafından benimsenmiş bir büyüme yöntemi ve dijital markalar da bu stratejiyi sıklıkla kullanıyor. Bu çalışmada, kullanıcıların dijital markaların uzantılarına olan tutumlarının yanı sıra, bu uzantıların benimsenme eğilimleri ölçümlenmek isteniyor. Google ve Amazon, dijital alanda güçlü itibarlarından ötürü dört farklı varsayımsal uzantı üretilerek(yakın ve uzak uzantılar olmak üzere), bu çalışmanın ana markaları olarak seçildiler. Ölçümlerde kullanılan grup değişkenlerinden ilki ana markanın değerlendirmesi ve uzantının kabulüne etkisi. İkinci bağımsız değişken grup, ana markanın uzantıyla olan uyumu. Bunların yanı sıra, kullanıcının yenilikçiliğini ölçen kullanıcı karakteristiğinin etkisi ve son olarak kullanıcının bu uzantıların yakın ya da uzaklığına göre farklı kabullenme eğilimleri gösterip göstermediğinin ölçümü yapıldı. 500'ün üstünde kullanılan verilerden 432'si geçerli veri kabul edildi. Tutarlılık, korelasyon, farklılık (ANOVA) ve çoklu regresyon analizleri ile hipotezler test edildi.

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CHAPTER 1

INTRODUCTION

The development of new technology encourages the digitization of everyday life. Generations raised alongside the evolution of the computer have the tendency to adopt new technologies faster and more willingly. Consumers can bank, shop, and even attend school online. Though technology simplifies our lives, it certainly has downsides including security breaches, cyber attacks, data collection without consent, etc. Despite the inherent risks, it is impossible to not benefit from the advantages of the online world. Consumers today use computers, mobile phones, and applications to book restaurants, find cabs, apply for jobs, participate in e-commerce, and more. Statistical data provided by Statistica shows that app downloads worldwide reached 178,1 billion in 2017 and increased to 205,4 in billion in 2018. It is predicted this number will reach 258,2 billion by 2022. This information supports the idea that consumers are adapting to the digitization of goods and services in a positive manner. Companies have capitalized on the willingness of the consumer to adapt to digitization and have increased digital presence to increase business.

Figure 1 depicts the Top 10 Best Global Brands according to Interbrand 2018. This figure alone shows the magnitude of success of digital brands among consumers. Apple reported a 16% growth increase according to a 2017 Global Brand Report and reached a value of 214,480 $m in 2018, thus continuing to rank as the top brand. Likewise, Google continues to rank as the second-best global brand and reported a 10% growth and increased in value to 155,506 $m between 2017 and 2018. Amazon successfully jumped from the 5th best global brand to the 3rd best global brand, and reported 56% growth between 2017 and 2018 with a value of 100,764 $m.

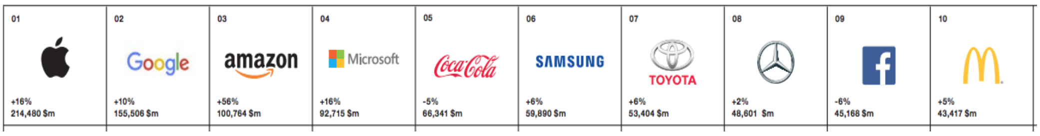

Figure 1. Interbrand 2018 top 10 best global brands

In this study, researchers will evaluate consumer attitudes toward digital brand extensions. Amazon and Google are selected as core brands, as both brands are highly popular digital global brands. (Figure 2 can be referenced for future growth projections over upcoming years.) Hypothetical brand extensions are generated from the core brands. Each brand has one concentric and one conglomerate hypothetical brand extension.

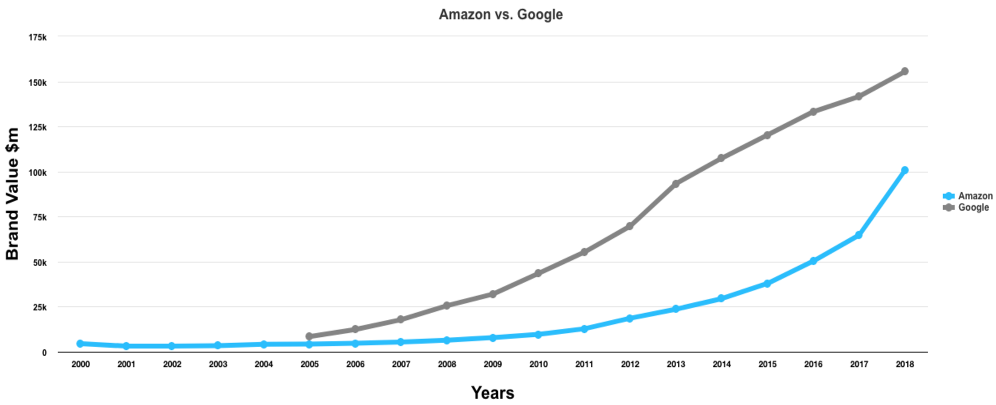

Figure 2. Brand value in $m of Amazon and Google from 2000 to 2018 (Statistica)

In summary, the digitization of services and growth of digital brands play an important role in everyday life. Digital brands increase in value each year and lead markets and switch segments even and adapt those segments. Digital brands evolve according to customer trends and are increasingly consumer centric. Digital brands take short-term risks and aim for long-term success.

Brand extensions continue to be researched and utilized in a wide range of global brands. According to Aaker and Keller (1992), brand extensions can be defined as the “use of established brand names to enter new product categories or classes”.

Apart from Aaker and Keller, many other researches Völkner and Sattler (2006) success factors of the brand extensions; Broniarczyk and Alba (1994) importance of brand extensions; Czellar (2002) consumer attitude toward brand extensions; Pitta and Katsanis (1995) brand equity for brand extensions; Salinas and Perez (2007) brand extensions influence on brand image; Bottomley and Doyle (1996) generalising Aaker and Keller’s attitudes toward brand extensions model researched this relational topics. Brand extensions are a well received growth strategy for the digital brands.

The overall goal is to evaluate how consumers perceive these brand extensions. Will consumers favor the familiarity of a reputable brand and use the extension? It is predicted that those who have a favorable attitude towards the original brand will also reflect on brand extensions positively.

Since digital brands gains importance to a greater extent, intention to adopt digital brand extensions has a positive relation to attitude toward digital brand extension.

This study divides the independent variables in three groups as parent brand characteristics, fit concepts and type of extensions. The main objectives of this study to answer the following questions:

Do parent brand characteristics (quality of the parent brand, trustworthiness of the parent brand, familiarity with parent brand, favorability of the parent brand, loyalty to parent brand) affect the attitude toward digital brand extension?

Do fit concepts (similarity with existing products, capability, requiring new skills from consumer, fit with current image, improvement of brand power, acceptability) between the brand extension and parent brand affects the attitude toward digital brand extension?

Does the type of extensions (concentric, conglomerate) make a difference in attitude toward digital brand extensions?

Do consumer characteristics influence intention to adopt extensions of the digital brand?

Does attitude toward digital brand extensions affect the intention adopt these extensions?

This study is addressed to find answers to these questions and hopefully aid in the decision-making process for power brands, including whether to make digital brand extensions.

This study is structured by the following Chapters: Chapter 1 as it has been mentioned the Introduction, succeeding with Chapter 2, which covers the literature review of the study, definitions of terminologies, literature bases of the dependent variables. Chapter 3 provides the theoretical model and structured hypothesis within that model. Chapter 4 supplies, methodology of the study, construction of the survey, elements of the survey and definition of the analysis to be used. Chapter 5 details the results of the study including the analysis; descriptives, correlation analysis, multiple regression analysis, mean values, one-way ANOVA, t- tests. Chapter 6 summarizes the findings, further study ideas to develop current resolutions and potential suggestions to marketers, academicians, business owners gathered from this research. Finally References and an Appendix including the questionnaire itself.

CHAPTER 2

LITERATURE REVIEW

2.1 Definitions of brand extension

Many studies have researched the determinants of brand extension success (Ahluwalia and Gurhan and Canli, 2000; Klink and Smith, 2001; Bottomley and Holden, 2001; Shine, Park, and Wyer, 2007). This study will investigate the digital brand extension evaluations based on consumer attitudes and intention relations. Every year up to 80 to 90 percent of new products announced in the market are brand extensions (Keller, Parameswaran, and Jacob 2008).

Literature review of this study will start from the basic concepts; the terminology of brand and brand extensions. Kotler, being the marketing guru of the modern marketing world, has great importance even so that the base of this study along with many others cited the definitions of brand and brand extension concepts. Brand definition of Kotler (1997, p. 443), states that, ‘a name, term, sign, symbol, or design, or a combination of them, [that] is intended to identify the goods and services of one seller or a group of sellers and to differentiate them from those of competitors. Continuing with Kotler’s (1991) definition of brand extension is as follows: ‘A brand extension strategy is any effort to extend a successful brand name to launch new or modified products or lines.’. Additional definitions of brand extension addresses a marketing strategy, that a company develops and launches a product using an existing brand name from a different product category (Aaker & Keller, 1990; Kotler & Keller, 2013).

Apart from Kotler, Tauber as well has importance of the base of brand extensions. Tauber's (1981) growth matrix is depicted in Figure 3 for distinguishing the differences within Product category versus Brand name combinations.

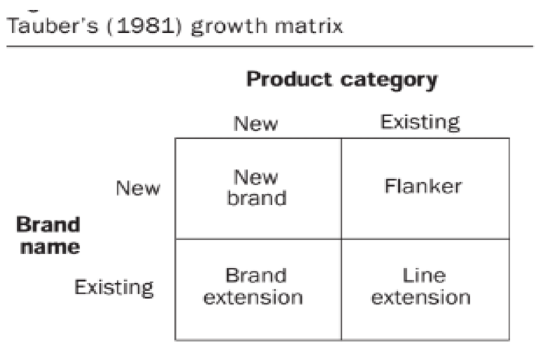

Figure 3. Tauber's (1981) growth matrix

This matrix applied the improvements from the study Ambler and Styles (1996), which is updating the term 'new product' as 'new brand' and updating the term 'franchise extension' to 'brand extension'. This revision raises the relevance and give more strength to the terminology for this literature review. In this study only the brand extension field has importance and following more brand extension definitions quoted from different studies to build the literature review on strong basis. Another definition from the literature review is Doyle's (1994) brand extension is; 'A brand extension means using a brand name successfully established for one segment or channel to enter another one in the same broad market. Brand stretching means transferring the successful brand name to quite different markets.'. This stretching can refer to far, medium or close stretchings, which will be examined later in the studies.

Another term that is not fully involved as it is in this study but significant to mention is ‘brand equity’. The term brand equity can be briefly summarised as added value to a product due to brand name itself. Pitta and Katsanis (1995) study position the base of brand equity as consumer memory, encouraging by the studies depending on cognitive psychology literature. Keller (1993) on the other hand, has the pertinent statement distinctive consequences on consumer return to the marketing of the brand. Völkner and Sattler (2006) claims that the bulk amount of recent branding strategies among firms are chosen to be brand extension. While strong brand equity has positive impacts. (Dacin and Smith, 1994; Keller and Aaker; 1992). ‘Dilution’ is likely when brand extension and its equity is poor. (Loken and John, 1993). Dilution is the worst thing that can happen to core brand in case of brand extension, fit perceptions need to be selected wisely.

As a marketing strategy brand extension that takes advantage of the main brand in one category to introduce products in totally different categories. Another definition by (Keller & Aaker,1992, p.35) for brand extension is the following “use of established brand names to enter new product categories or classes”. This strategy under ideal conditions, brings a huge marketing advantage; mainly as saving advertisement budget, benefiting brand power of the core brand. Yet there remains the risk of damaging the main brand with irrelevant or unsuccessful extensions. As Kimrey (1984) also stated the importance of selecting categories of brand extensions genuinely in order to diminish the prospective impair with the main brand.

As founder of the term brand extension in literature, Tauber E. M. (1988) claimed that brand extension is more about bringing leverage to the marketplace due to parent brand against the dominating competitor. Thus, it can easily be assumed that main brand’s strength in the market is exploited to gain a potentially fair chance against the competitors.

2.2 Digital brand extension

Song, Zhang, Xu and Huang (2010) research is one of the reference studies for this research, as well it investigates the factors of online brand extensions with virtual technological extensions. The findings from the study signifies, the brand extensions inherit the quality from the parent brand along with fit perceptions are further positively influenced.

This study focuses on digital brand extensions, while many others already examined FMCG or more traditional ways of marketing concepts. Digitalization is inevitable and emerging markets needs to share in order to survive within the next 10 years. Marketing also has to change the fabric to adapt the improvements of the new technologies. Brick and mortar are losing power, paper-based news are not the first thing people look at first thing in the morning but their cell phones or laptops. Same with everything, to deal with a problem or purchasing something, first search has been done through online. Thus, digital extensions are gaining more and more significance.

2.3 Implications of parent brand and fit perceptions

Aaker and Keller (1990) investigated consumer evaluations of brand extensions and conclude that perceived fit, perceived quality of the parent brand and extension that is easy to make, has a positive effect for consumers evaluation of brand extensions.

Aaker and Keller (1992) conclude based on their examinations, that solely average quality parent brands get affected according to the success of the brand extensions. Successful brand extensions grow the quality of the parent brand, whereas unsuccessful brand extensions reduce the quality perceptions of the parent brand, cause dilution. However, there is no findings that except average quality of parent brand got affected with this condition.

Aaker and Keller (1990) fit perception scale used in Völkner and Sattler (2006) study drivers of brand extension success as well. Völkner and Sattler (2006) study has significance due to the relevance of the context and preparations of the research. It includes interviews gathered from 21 brand managers and researchers, whom are experts in the German FMCG (fast growing consumer goods) market. With this logic, it is reliable to take Völkner, Sattler (2006) study with a closer look. In our study approximately %40 of the participation for the survey held in Germany. On the other hand, the surveys held in their study conducted as door-to-door interviews in Germany. Another success factor that has been established in their study is the marketing support. However, in our study, marketing support is neglected.

In Völkner, Sattler (2006) study also mentions a term called ‘mere ownership effect’; indicating the experience with the parent brand creates a personal bond and more likelihood towards the parent brand in overall. Likelihood, familiarity, loyalty and trustworthiness are included in this research by the means of scale.

Keller and Aaker (1992) defined the term ‘company credibility’, consumers perception of the company fulfills consumers requirements along with company’s expertise and trustworthiness. Already launched products will contribute to build more trustworthy and expert intuition to the consumer.

Empirical generalization study of Echambadi, Arroniz, Reinartz and Lee (2006) summarizes Bottomley and Holden (2001) 's resolutions taking into consideration to studies from Aaker and Keller (1990), Sunde and Brodie (1993) and Bottomley and Doyle (1996). This lead brand extension studies all examines the quality of the parent brand's affect, presumably positive on brand extension and the fit between product classes. Both determinants do not always fully support within this study set to be evaluated. Thus, Bottomley and Holden (2001) feels the need to generalise these key studies to make a conclusion on which case what is supported or not. The main hypothesis that the quality of the parent brand has a positive, direct influence on the evaluations of brand extension is not supported by Aaker and Keller (1990) and Bottomley and Doyle (1996) based on the analysis selected to be applied. On the other hand, Sunde and Brodie (1993) and the second analysis with Bottomley and Doyle (1996) as well supported this hypothesis. Overall generalization from Bottomley and Doyle (2001) accepted this support from the summarization of the key studies.

The second group of hypotheses; the fit between product classes has a direct, positive influence on the evaluation of extensions, evaluated with the same lead study set has also mixture of support levels. Definition of fit is perceived similarity between the parent brand and the extension product (Aaker and Keller, 1990; Batra et al., 2010). While Aaker and Keller (1990) and Sunde and Brodie (1993) partially support this hypothesis, first evaluations of Bottomley and Doyle (1996) does not support although the second evaluations of the same study does support. In generalization study from Bottomley and Holden (2001) states that this hypothesis is supported and fit variables; transferability, complementarity and substitutability have great impact.

Aaker and Keller (1992) study fit measure COMPLEMENT, defined by Henderson and Quandt (1980) as; both complementary elements fulfil the same requirements. Another fit measure from the same study SUBSTITUTE, interpreted as interchangeability of the elements. Third component of the fit perception of Aaker and Keller (1992) study defined as TRANSFER, capability in making something new in another product class. Yet another important component of the Aaker and Keller (1992) study defined as DIFFICULT, positioning the difficulty of the making process of the brand extension. Findings from this study indicates that TRANSFER and COMPLEMENT has more significance else SUBSTITUTE and DIFFICULT determinant is also has an impact.

Milberg, Sinn and Goodstein (2010) reasons the selection of brand familiarity in their study as following; familiarity of a brand is a major element for consumer-based brand equity (Keller 1993) and further evaluations shown that familiarity of the parent brand, decrease the risk of extension failure and supports extensions added value. (Aaker and Keller 1990). Apart from this anchorage, effects also the choice of consumers among rival brands (Heilman, Bowman and Wright 2000; Hoyer and Brown 1990), credibility of the brand (Erdem and Swait 2004) braced and matching with other rivals in a product array (Chernev 2006).

Aaker (1995) brand equity concept consists of the subsequent proportions; brand loyalty, brand awareness, perceived quality, brand associations and brand properties. Brand loyalty is a devotion to repurchase the favoured product/service over time and circumstances. (Oliver, 1999).

Since Aaker and Keller has been the strongest influencer of attitude toward brand extensions, while the studies are highly cited, and many researchers used the scales and ideas from Keller and Aaker to form a generalisation. Considering this, perceived quality of the parent brand and perceived fit based is already nominated in many brand extensions researches and highly favored to have a positive affect to consumer attitude toward brand extensions, thus selected to be an attribute in this study with positive affect as well.

According to an evaluation of Keller and Aaker study with seven other replications Bottomley and Holden (2001), it is found that cultural differences do not vary the main effects of Quality and fit contribute significantly. These findings encouraged this study to collect data among Europe, that there would not be discrepancies.

The study Bottomley and Doyle scales the likelihood toward the parent brand attributes on formation study of Keller and Aaker. Another study (Salinas E. M., Pina Perez J. M. 2007) investigated image fit and whether the extension product damages the parent brand image along with consumer's innovativeness in the evaluation process of the brand extensions. Although ideas are considered added in the theoretical framework of this study, the scales are mainly customized for fit perceptions and parent and attributes according to the needs of this study.

Concept of extension attitude association is concatenated with other studies based on Salinas and Perez (2009) study defined as; high quality (Riet 2001; Völkner and Sattler 2006), reputation (Hem, 2003), prestige (Park, 1991) or affection (Sheinin and Schmitt, 1994), compared to other alliances.

Mitchell and Edelman (2003) study recommends strongly that only introduce the extension when perceived fit with the parent brand is high. Another researcher study by Kim (2003) states that the transmission of the substance is vital, the category fit, whether belonging to the same category or not does not matter in the end.

2.4 Brand extension characteristics

Similarity in product category base is supported by the study of Aaker and Keller (1990) and Boush and Loken (1991). Yet it is not a straightforward task to decide in which context the similarity is defined. Thus, it is an open-ended definition, which can be a totally covering one another or at product class extent. An arguing claim is that the consumer is concerning getting most of the advantages instead of category fitting. (Day, Shocker, and Srivastava 1979; Barsalou 1983) However another empirical study by Park, Milberg and Lawson (1991) includes product category similarity. Broniarczyk and Alba (1994) study ascertain that product categories that are not similar appraised more complementary than similar product categories in case of brand has certain linkage with the dissimilar categories.

Capability of the parent brand making the brand extension has certain level of difficulties on the consumers eyes. Aaker and Keller (1990) provides a positive relation with attitude toward brand extension and difficulty of making a brand extension. While similar research variable turns out to be not supported by the study of Sunde and Brodie (1993).

2.5 Implications of consumer characteristics

Czellar (2002) in research of consumer attitude toward brand extensions, too, search for a link between brand extension attitude take fit, consumers characteristics including innovativeness. The scales used for innovativeness has found too brief for the significance it represents for this study. Thus, in this study consumer characteristics divided in two scales. One of the scales is customized from (Raju 1980) Exploratory Tendency in Consumer Behavior, 12 items selected from the scale to measure consumer innovativeness. The second part of is from Market Mavenism and Opinion Leadership items mixture to form the scale.

Heilman et al. (2000) finds out after the evaluations, that consumers with no prior knowledge would rather purchase the brand that is more familiar and does not take risks. Similar with the founding of Erdem (1998) stating that the well-known brands reduce the risk and thus it is a strategy to go for the consumer. Although many studies include perceived risk or consumer's willingness to take risks if we translate it to a consumer characteristic in their studies (Del Vecchio and Smith 2005, Hoyer and Brown 1990, Sinn 2007), it does not take place in this study as a variable.

Study of Salinas and Perez (2009) concludes that innovative consumers will not mind purchasing an extension that has huge differences from the current products if the brand image fit level is satisfied.

2.5.1 Definition of market mavenism

The term market mavenism is explained by the study Feick, Price and Al (1987) as the following: "individuals who have information about many kinds of products, places to shop, and other facets of markets, and initiate discussions with consumers and respond to requests from consumers for market information." 4 item scale has been taken from this research.

2.5.2 Definition of opinion leadership

Opinion leaders are the people that influences masses what to purchase, where to holiday, even to whom to vote (Keller and Berry, 2003). Nowadays this term can soon be evaluated as social media phenomenon, the influencers, whom not only earns a living out of these but also has drastic impact on the habits of the people; activities to do, things to purchase, soon it can even be affecting attitudes to be favored. (Reynolds and Darden, 1971) item scale is taken in order to quantify the opinion leadership influence within the consumer characteristics.

2.5.3 Definition of exploratory tendency in consumer behavior

Exploratory tendencies in consumer behavior is a behavior that is encouraged to develop with environment. (Raju, 1980, pp, 278-279). In this study this scale is chosen to be evaluate the consumer innovativeness.

Consumer innovativeness defined with Roehrich (2004) that consumers tendency to buy new products. Exploratory tendencies in consumer behavior variable is measured total of 39 items and subgroup to: repetitive behavior (same response with respect to time); innovativeness (interest in new things); exploration through shopping (shopping choices and searches); interpersonal communication (speaking about bought goods to friends); brand switching (changing brands for variety); information seeking (wonder what it is out there, just because of curiosity). Items selected among the list is shown in later chapters, along with the survey itself. Selected items applied to the survey with no change.

2.6 Types of extensions

Bhat and Reddy (2001) observe within their study, that consumer view fit between image but not similarity of product categories for the parent brand and the brand extension. Yet many studies, supports the fit perceptions with product categories and it will be evaluated in our study as well.

Another observation about category fit states that if a consumer does not have any prior knowledge about neither the parent brand nor the it's products than the judgement will be fully based on the prior experiences with the extension category itself. (Sheinin, 1998)

Categorization according to the product category similarity is relative. How it is perceived to one can differ from another in the concept of similarity. Keller and Aaker (1992) study also divides their study as three types as far, close and medium brand extensions. Same study shows that stretching the brand extension with far extension will not have significant impact on the main brand.

In this study, category fit does not deeply investigate yet the difference is observed in case of a far or close extension category is selected to digital brand extensions. Concentric brand extensions are accepted as close digital brand extensions. Further conglomerate digital brand extensions are accepted as far digital brand extensions.

Concentric type of brand extensions aligns already with what core brand is about and furthermore into strengthen it`s image.

Conglomerate type of brand extensions has little relation with the core brand, can even be a it irrelevant to the core brand.

2.7 Implications of intention to adopt

User`s are the main drivers for a success of an online product. [McIntyre & Subramaniam]. Digital power brands have a vast amount of user data, which can be a controlling and influencing strength to enter new markets or different product categories. How users feel about the brand extension, in some cases may damage the parent brand`s image. Thus, it is still a fragile topic, which needs to be handled carefully, although the market share has been widely invaded by the brand, the extension may still be an extreme failure. Consequently consumers(users) need to be evaluated attentively, while the digital world applies many changes in daily life. The consumer attitudes within time evolve and habits reshape with the needs of the era that we live in, technology adaptation become crucial to experience the best of the modern-day offerings. Hence young people and innovative people have higher adjustment to trends and following trends become a chic thing to have today.

In scenario based experimental study [Song, Zhang, Xu et al. 2012] also evaluates the intention to use brand extensions, having attitude toward brand as a control variable along with the perceived fit. In order to measure the intention-attitude relationship, hypothetical brand extensions are formed to ease to trigger the decision mechanism of the consumer.

CHAPTER 3

THEORETICAL MODEL AND HYPOTHESES

This chapter issues the theoretical framework model and the derived hypotheses based on the theoretical model depicted in Figure 4.

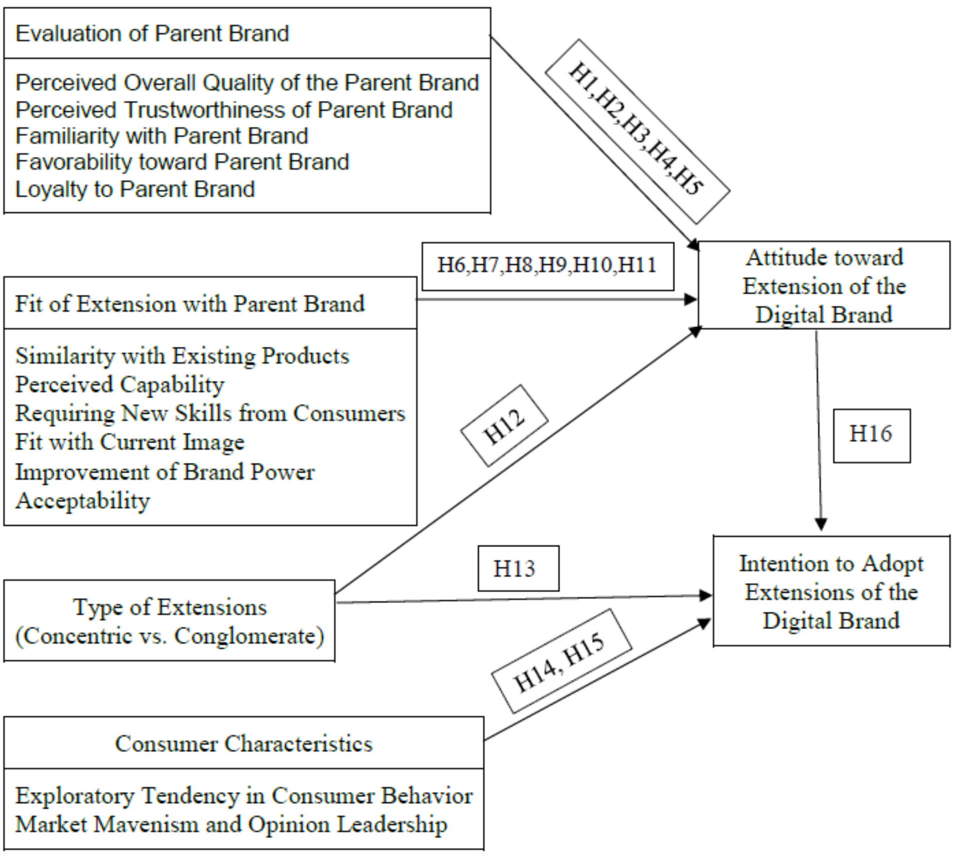

Figure 4. Theoretical framework

3.1 Modules of theoretical model

The first part of the model is with three independent variables affecting Attitude Toward Extension of the Digital Brand. The second part of the model is directly linked to Intention to Adopt Extensions of the Digital Brand.

3.1.1 Evaluation of parent brand

This set of attributes grouped under the evaluation of the parent brand consists of quality of the parent brand, trustworthiness of the parent brand, familiarity with the parent brand, favourability toward parent brand, and loyalty to the parent brand. These attributes have shown to have a positive affect attitude toward extensions of the digital brand.

1. Perceived overall quality of parent brand: The perceived quality of the parent brand is both a main characteristic used to evaluate the parent brand as well as one of the most commonly cited attributes in literature reviews. High quality brands tend to affect brand extensions positively.

2. Perceived trustworthiness of parent brand: This characteristic is another evaluative attribute of the parent brand. Parent brands with reputable and trustworthy reputations are more likely to have a positive impact on attitude toward brand extensions.

3. Familiarity with parent brand: This characteristic is intended to measure how familiar the consumer is with the parent brand. This includes an evaluation of how familiar the consumer is with the products and services offered, as well as whether they have any prior experience with the brand.

4. Favourability toward parent brand: This characteristic evaluates whether the consumer has an overall positive feeling surrounding the parent brand. Favoured brands have a higher likelihood to have favoured brand extensions.

5. Loyalty to parent brand: Loyalty is the tendency of the consumer to return to the same brand over others under changing circumstances. This characteristic aims to pinpoint whether a loyal consumer of the parent brand will continue to have a positive attitude toward a digital brand extension of the parent brand.

3.1.2 Fit of extension with parent brand

Fit perceptions with the parent brand are the second set of attributes affecting attitude toward extensions of the digital brand. Another important effective variable is the fit between the parent brand and the brand extension. In this study, fit perception is divided into the following variables for measurement: similarity with existing products, perceived capability, requiring new skills from consumers (adaptive learning), fit with current image, improvement of brand power, and acceptability.

1.Similarity with existing products: This characteristic evaluates whether the extension is similar to the existing product. For this study, similarity refers to the product category similarity commonly cited in literature reviews. Similar product classes are expected to have a more positive impact toward brand extensions.

2. Perceived capability: This characteristic is defined as the capability of the parent brand to successfully adopt a brand extension. Perceived capability positively affects attitude toward brand extension.

3. Requiring new skills from consumers: This characteristic refers to the consumers need to learn new skills, information, or additional knowledge to use this extension.

4. Fit with current image: Image fit is commonly cited as an important aspect of brand extensions in literature reviews. It is important to ensure fit with current image in order to avoid a dilution of the parent brand. Successful brand extensions have tendencies to affect attitude toward brand extensions.

5. Improvement of brand power: Brand power is how strongly the consumer thinks about the parent brand. It is assumed that successful brand extensions will continue to strengthen the perceptions of the parent brand. Therefore, one of the fit perceptions regarding the parent brand is how much the extension improved the brand power of the parent brand.

6. Acceptability: The proposed brand extensions will appear to be supplied by the brand and will not surprise the consumer.

3.1.3 Type of extension

Type of extension independent variable refers to whether the type of extension is a close(concentric) extension or far(conglomerate) extension. It is expected that there will be a difference in attitude toward digital brand extensions between concentric and conglomerate brand extensions.

3.1.4 Consumer characteristics

Consumer characteristics play an important role in decision making and such characteristics are directly linked to the intention to adopt digital brand extensions. To evaluate this variable's effect in this study, a few of the consumer characteristics provided in literature reviews are selected. Two characteristics of the consumer that are accepted to have high relevance are consumer innovation and market mavenism and opinion leadership of the consumer.

1.Exploratory tendency in consumer behaviour: This characteristic is used to scale the innovation level of the consumer. Further details about the exploratory tendency in consumer behaviour can be found in Chapter 4. From this scale set of various behaviours, those that encourage consumer innovation are selected. In this study, the exploratory tendency in consumer behaviour(innovation) is assumed to have a positive influence on the intention to adopt digital brand extensions.

2.Market mavenism and opinion leadership: Another consumer characteristic that commonly appears in literature reviews citing consumer behaviour in marketing studies is market mavenism and opinion leadership of the individual. Consumer behaviour is measured with a mixture of variables from this scale set, which is detailed in chapter 4. A consumer with these characteristics is believed to have higher intention to adopt digital brand extensions.

3.1.5 Attitude toward extension of the digital brand

Attitude toward extension of the digital brand is related to three independent variables but is linked to intention to adopt digital brand extensions. These three independent variables (evaluation of parent brand, fit of extension with parent brand, type of extensions) have an impact on attitude toward digital brand extensions. If the consumer has a positive attitude toward the brand, then the intention to adopt will be more likely.

3.1.6 Intention to adopt extensions of the digital brand

In this study the main objective is to quantify the intention to adopt digital brand extensions. One of the main theories, consumer attitude toward brand extension has a positive influence on intention behaviour. Furthermore, it is theorized that there is a direct link between consumer characteristics such as innovation and market mavenism, opinion leadership characters have, too, high intentions to adopt the digital brand extensions.

3.2 Hypotheses

Based on the structured theoretical model, 16 hypotheses are created.

Hypotheses 1-5 is about the evaluation of the parent brand affects attitude toward extensions of the digital brand positively.

Hypothesis 1: Perceived overall quality of parent brand affects attitude toward extensions of the digital brand positively.

Hypothesis 2: Perceived trustworthiness of parent brand affects attitude toward extensions of the digital brand positively.

Hypothesis 3: Familiarity with parent brand affects attitude toward extensions of the digital brand positively.

Hypothesis 4: Favourability toward parent brand affects attitude toward extensions of the digital brand positively.

Hypothesis 5: Loyalty to parent brand affects attitude toward extensions of the digital brand positively.

Hypotheses 6-11 claims fit perception of parent brand affects attitude toward extensions of the digital brand positively.

Hypothesis 6: A similarity between the extension with parent brand affects attitude toward extensions of the digital brand positively.

Hypothesis 7: The perceived capability of the parent brand to offer the extension affects attitude toward extensions of the digital brand positively.

Hypothesis 8: Not requiring consumers to learn new skills affects attitude toward extensions of the digital brand positively.

Hypothesis 9: Extension's fit with current image affects attitude toward extensions of the digital brand positively.

Hypothesis 10: The contribution an extension has to the company’s brand power will positively affect attitude toward extensions of the digital brand positively.

Hypothesis 11: Extension's acceptability affects attitude toward extensions of the digital brand positively.

Hypothesis 12: There is a difference in attitude toward extensions for concentric and conglomerate extensions.

Hypothesis 13: There is a difference between intention to adopt concentric and conglomerate extensions.

Hypothesis 14-15 states that consumer characteristics affect the intention to adopt digital brand extensions

Hypothesis 14: An exploratory tendency in the consumer behaviour has an affect on the intention to positively adopt digital brand extensions.

Hypothesis 15: Market mavenism & opinion leadership affects intention to adopt extensions of digital brands positively.

Hypothesis 16: Attitudes toward digital brand extensions have an effect on the intention to positively adopt extensions.

CHAPTER 4

RESEARCH METHODOLOGY

In this chapter, the data collection tools, tool components, evaluation scales, sampling method, procedures, and data analysis are explained in detail.

4.1 Data collection tool

A questionnaire was the preferred quantitative data collection tool for this study. The Surveymonkey platform was used to structure this questionnaire.

4.1.1 General information

The questionnaire was prepared following detailed review of published literature and consultation of Management Information Systems department faculty. The questionnaire was prepared solely in English to eliminate translational bias.

According to data provided by survey monkey, the average time to complete the questionnaire was 10 minutes. The questionnaire had a total of 71 questions and nine pages, including the page containing the introduction.

The questionnaire can be found at the following link: https://www.surveymonkey.de/r/HMRCRBL.

A transcript of the questionnaire can be found in Appendix A.

The questionnaire begins with an introduction which summarizes the purpose of the study, information regarding the researchers, statement of data privacy, and notice of appreciation for participation.

The main objectives of this study are: (1) to evaluate parent brand characteristics affect the attitude toward the digital brand extension; (2) to examine fit perception of the extension with parent brand and the affect toward the digital brand extension; (3) to determine if type of extension(conglomerate/concentric) has a difference intention to adoption; (4) to examine exploratory tendency in consumer behavior interrelation with intention to adopt extensions of digital brands; (5) to explore market mavenism and opinion leadership interrelation with intention to adopt extensions of digital brands; (6) to determine if attitude toward digital brand extension has effect to intention to adopt digital brand extension. The questionnaire asks for demographics such as gender, age, education level, and monthly income(optional).

4.1.2 Components of the questionnaire

As indicated in the introduction, two significant digital global brands are selected to perform as main brands in this questionnaire. Both brands, Google and Amazon, rank as the second and third Top Ten Best Global Brands according to Interbrand 2018 report. Brands were carefully selected based on reputation, international familiarity, strength as a power brand, and use by online consumers. In this questionnaire, two fictional extensions per parent brand are created to make evaluations of the possible brand extensions.

The questionnaire consists of five parts: (1) consumer evaluations regarding parent brands Amazon and Google; (2) structuring consumer behavioral profile using ECTBS, (3) determining consumer behavioral profile using Market Mavenism and Opinion Leadership approaches, (4.1) attitudes and intentions about fictional extension Amazon Outfit, (4.2) attitudes and intentions about fictional extension Amazon Travel, (4.3) attitudes and intentions about fictional extension Google SM Search; (4.4) attitudes and intentions about fictional extension Google School, (5) demographic characteristics.

The first component of the questionnaire quantifies consumer evaluations of the parent brands.

The same set of questions are applied arbitrarily to both Amazon and Google brands.

The set includes the following questions:

1. How would you rate the overall quality of the parent brand as a digital business?
2. How would you rate the trustworthiness of parent brand as a digital business?
3. What is your level of familiarity with parent brand as a brand?
4. How much do you like parent brand as a brand?
5. What is your level of loyalty to parent brand as a brand?

Perceived quality of the parent brand and likelihood scale driven from the Source: Aaker and Keller (1990) and Volkcner and Sattler (2006) scales.

1.The perceived overall quality of the parent brand.

2. The likelihood of using parent brand.

Favorability (not at all favorable/extremely favorable), familiarity (not at all familiar/very familiar) and liking (extremely negative/extremely positive) scales are also mentioned in study of Milberg, Sinn and Goodstein (2010), indicating measured by a seven-point interval scale.

'The perceived trustworthiness of the company' with a seven-point interval scale (not at all trustworthy/very trustworthy) derived from scale of Aaker and Keller (1992) study.

From Lam, Ahearne, Hu and Schillewaert (2010) study the concept loyalty taken but the scale for this study is self-structured.

All the questions set for the first group consume evaluations of the parent brand is scaled via seven-point interval scale "1-Very Low", "4-Neutral" and "7-Very High". This section aims to measure the parent brand notion in general.

The second group of attributes measures consumer behavior profile. The first part examines consumer innovation with the Raju scale (1980). From Raju's Exploratory Tendency in Consumer Behavior scale, a representative pool of items selected, avoiding the repetitive items on the scale and try to choose the differentiated items. The list has different subgroups such as Repetitive Behavior Proneness, Risk Taking, Innovativeness, Information Seeking, and Brand Switching. The goal is to achieve a healthy balance within these subgroups. This selection based on judgement of relatedness and finally 12 statements are listed for consumer innovativeness:

(1) "Even though certain food products are available in a number of different flavors, I always tend to buy the same flavor." (Repetitive Behavior Proneness);

(2) "When I eat out, I like to try the most unusual items the restaurant serves, even if I am not sure I would like them." (Risk Taking);

(3) "I am very cautious in trying new/different products." (Risk Taking/Innovativeness);

(4) "If I like a brand, I rarely switch from it just to try something different." (Repetitive Behavior Proneness);

(5) "When I see a new brand somewhat different from the usual, I investigate it." (Innovativeness);

(6) "I never buy something I don't know about at the risk of making a mistake." (Risk Taking);

(7) "I would get tired of flying the same airline every time." (Repetitive Behavior Proneness);

(8) "If I buy appliances, I will only buy well established brands." (Risk Taking);

(9) "When I hear about a new store or restaurant, I take advantage of the first opportunity to find out more about it." (Information Seeking);

(10) "I would prefer to keep using old appliances and gadgets even if it means having to get them fixed, rather than buying new ones every few years." (Repetitive Behavior Proneness);

(11) "A lot of the time I feel the urge to buy something really different from the brands I usually buy." (Repetitive Behavior Proneness);

(12) "I enjoy exploring several different alternatives of brands while shopping." (Brand Switching).

These 12 statements scaled with a seven-point interval scale "1-Strongly Disagree", "4-Undecided", "7-Strongly Agree".

The complete list of Raju (1980) Exploratory Tendency in Consumer Behavior scale is added in Appendix B.

The second part of the Consumer Behavioral Profile, which is also the third group of variables, is based on Market Mavenism and Opinion Leadership mixture of scales. Market Mavenism attributes along with Opinion Leadership attributes taken from a representative pool of items, based on judgement, the statements are directly put in the survey after the elimination of items, no additional deriving has been applied. Four item scale from Feick, Price and Al (1987) for Market Mavenism and Reynolds and Darden (1971) item scale for Opinion Leadership is selected.

The second part of the Consumer Behavioral Profile statements is listed below:

(1) "I like introducing new technology products and services to my friends." (MM);

(2) "People ask me for information about new technology and products and services." (MM);

(3) "My friends often ask my advice about new technology products or services. "(OL);

(4) "If someone asked to find the best technology product or service for a specific purpose, I could guide them to find one." (MM);

(5) "I can think of at least two people whom I have told about some new technology product or service in the last six months." (MM).

7-point interval scale used for these five statements: "1-Strongly Disagree", "4-Undecided", "7-Strongly Agree".

The Market Mavenism item scales of Feick, Price and Al (1987) is added on Appendix B.

The Opinion Leadership item scales selection pool of Reynolds and Darden (1971) is added on Appendix B.

The fourth group is divided into four subgroups. All set of questions are asked for all the four fictional digital brand extensions for the main brands Amazon and Google.

First fictional extension to be evaluated is Amazon Outfit. A brief information about this fictional digital brand extension is defined and shown to participants and participants are asked to evaluate the following set of questions based on the data given earlier.

The definition of the fictional digital brand extensions is self-constructed and is defined as the following:

Fictional Extension 1: Amazon Outfit

Amazon Outfit is a styling guide and service which offers various looks for any occasion, i.e. job interview, summer cocktail party or a night at the opera or an overall style such as business casual or black tie. The catch is that consumers can buy the whole look including all accessories as a package.

Second and final fictional brand extension for Amazon is defined as the following:

Fictional Extension 2: Amazon Travel Smart

Amazon Travel Smart lists all the attractions, events and social and cultural activities in a city and acts an intermediary that sells tickets and passes to tourists who will travel to that city.

The first fictional digital brand extension for Google is defined as the following:

Fictional Extension 3: Google SM-Search

Google Social Media Search is a new service that generates only posts or content from social media sites such as Facebook, Twitter, Instagram, Pinterest, etc. as a result of a search query. These social media search results include only open and publicly accessible posts.

The second fictional digital brand extension for Google is defined as the following:

Fictional Extension 4: Google School

Google School is a new service that offers educational videos about a very wide range of topics. It includes professionally prepared videos of various lengths that can be rated by users. It is like a video version of Wikipedia.

Following the definition of the first digital brand extension, the first set of questions are listed. The same logic is followed for the other three digital brand extension question sets. For clearer understanding, the questionnaire can be referenced in Appendix A.

Agreement level is asked for the following statements with a seven-point interval scale, used for these six statements: "1-Strongly Disagree", "4-Undecided", "7-

Strongly Agree", which measures the attitude toward digital brand extension along with fit perceptions between parent brand and the digital brand extensions, in this case referring to Attitude Toward Amazon Outfit.

The set of statements are as follows:

1. Amazon Outfit is similar to other Amazon products or services.
2. I think Amazon is capable to offer a service like Amazon Outfit.
3. Amazon Outfit would not require consumers to learn new skills.
4. Amazon Outfit fits with Amazon's image.
5. Amazon Outfit would improve Amazon's power as a brand.
6. It would not be surprising to see Amazon offering such a service.

These set of six items scale is derived and examined for the other three digital brand extensions with the following order; Amazon Travel Smart, Google SM-Search and Google School.

Component four involves the same scale set for all four hypothetical extensions: Amazon Outfit, Amazon Travel, Google SM Search, and Google School. This part is separated with the fit between the extension and parent brand: (1) similarity with existing products; (2) capability; (3) requiring new skills from consumers; (4) fit with current image; (5) improvement of brand power; (6) acceptability. (7-point interval scale used for these five statements: "1-Strongly Disagree", "4-Undecided", "7-Strongly Agree".) to measure attitude toward digital brand extension, while the second part of the brand extension set targets to measure intention to adopt digital brand extensions.

Fit perceptions similarity is derived from the source, Bottomley and Doyle (1996); Völckner and Sattler (2006) Perceived Fit (FIT) attribute.

1.Global similarity between parent brand and brand extension.

Aaker and Keller (1990) Category FIT (CAFI) states the following:

1.The extension is similar to the brand’s products.

Another item is derived from the Aaker and Keller (1990) Category FIT scale is to build capability in this study as follows:

2.The firm’s resources are helpful to make the product extension.

Both similarity and capability attributes items are taken from the same set of items.

Learn new skills attribute for consumer is a self-constructed attribute, which is judgmentally decided to be relevant for this fit perception between parent brand and digital brand extensions to examine the effect attitude toward brand extension.

In Aaker and Keller description of variables and measures table, please see Appendix B, full list of items is listed. Many attributes for fit measures are inspired from this main study. Attribute of TRANSFER used under other means but has the same logic with the capability variable of this study. TRANSFER variable of Aaker and Keller (1990) definition is the following:

“The usefulness of manufacturing skills and resources in the original product for developing, refining and making the new product.”

Another Aaker and Keller (1990) as well inspired the capability scale used in Völckner and Sattler (2006) study for fit between parent brand and extension product scale is as follows:

1.High ability of the owner of the parent brand to make a product in the extension product class.

Image fit attribute is derived from Taylor and Bearden (2002) Image Fit three item scale, only the first item is selected for this study.

1.The product extension fits with the brand image.

2.Launching the extension is logical for the company.

3.Launching the extension is appropriate for the company.

Pitta and Katsanis (1995) mentions the major significance of brand strength for the image, along with uniqueness and favorability of the parent brand. This study does not include any measurement items however it gives the idea to include brand power to the measures although the item is self-constructed.

Acceptability attribute is derived from Villarejo (2002) three items Affective image scale, the third item scale is selected:

1. The brand is nice.

2.The brand has a personality that distinguishes itself from competitors.

3.It’s a brand that doesn’t disappoint its customers.

The seventh measure for the brand extensions under the group Fictional Extension is perceived digital brand extension hedonic and utilitarian consumer attitudes. Again, these set of attributes are asked to be evaluated for all four fictional digital brand extensions. Scale for the attributes are seven-point interval scale, indicating "1-not at all" and "7-extremely".

Here are the attributes that is selected from a representative pool of Spangenberg, Voss, Crowley (1997) Hedonic and Utilitarian Consumer Attitudes Scale, and a full list of the attributes can be seen at Appendix B.

- useful -utilitarian-
- practical -utilitarian-
- sensible -utilitarian-
- problem solving -utilitarian-
- interesting -hedonic- (self constructed)
- exciting -hedonic-
- enjoyable -hedonic-
- engaging -hedonic- (self constructed)

The last part of the fictional brand extension statements is to evaluate the intention to adopt of the digital brand extension. The following three statements are summed for this evaluation.

(1) "My likelihood to try brand extension is very high.";

(2) "I would use brand extension on a regular basis without hesitation.";

(3) "I would recommend brand extension to my friends.".

7-point interval scale used for these three statements: "1-Strongly Disagree", "4-Undecided", "7-Strongly Agree".

Inspirations are taken from other Intention to Use the Extended Product sources Wixom and Todd (2005) two items scale. The following two items scale is the following:

1.I intend to use the extended product at every opportunity in the future.

2.I plan to increase my use of the extended product in the future.

However, these scales are adapted, and a self constructed three items scale as mentioned above are decided to apply in the questionnaire.

The last group of the questionnaire is the demographics, a regular set of demographics questions are taken into the questionnaire. Four demographic questions are present, yet monthly personal income is not a required field. The other three demographics are gender, age and education level.

Gender has the answering options of "Female", "Male" or "Other".

Age is divided into 7 categories: "Less than 18"; "18-25"; "26-35"; "36-45"; 46-55"; "56-65" and "65+".

Education Level is divided into the following categories: "Primary or secondary school"; "High school"; "University student"; "University graduate"; "Postgraduate student" and "Graduate student".

And the final demographics, which is not obligatory, income level has the following divisions:

"$500"; "$500-$1000"; "$1001-$2000"; "$2001-$3000" and ">$3000".

4.2 Sampling

This section consists of sampling information about the questionnaire. Questionnaire held only on online and for this reason probability sampling has not been preferred. We have chosen to apply, one of the non-probability method convenience samplings. Personal connections are used to gather respondents. Platforms such as Facebook, Linkedin, Instagram as well as messages to student groups are used to share the online link. Survey respondents included many foreigners as well as individuals from the three most populated cities in Turkey. The online questionnaire was held for approximately three weeks between May 20 to June 10. 539 total respondents opened the survey and 445 respondents completed all the questions and 432 data samples are analysed till that time frame. Additional participation has been observed till 547 of total participants, however the selection of analysis has been made with the 432 data samples. During the data collection period, there was a disruption as the link was not available for a small period, which increased the incomplete survey responses.

4.3 Data editing and analysis

This chapter reveals the validity and reliability of the overall analysis of this study. After editing the sample data during that time interval, a total of 432 answers remained for the evaluation of this questionnaire. Negative items in Consumer Characteristics scales are reverse coded.

A standard survey is pertained to respondents and analysis made by SPSS 26.

A descriptive analysis evaluates the demographic profile of respondents. Reliability tests examine the scales of consumer characteristics, to ensure the variables have high accuracy and effect. Negative statements are reverse coded, and deletions are made to increase Cronbach's Alpha.

T-tests are completed to analyze whether there is a difference in the type of extension. (conglomerate / concentric). Multiple regression analysis measures the characteristics of the brand extension with respect to attitude toward the digital brand extension to check the fit of the extension. This regression test is applied to all brand extensions, respectively. Multiple regressions are applied to measure consumer characteristics dependent on intention to adopt digital brand extension. One-way ANOVA analysis checked for the variables, to ensure the significance. ANOVA does not apply to demographic variables. Correlation analysis was used to improve Cronbach's Alpha`s of Consumer Characteristics scales.

CHAPTER 5

ANALYSES AND FINDINGS

Hypotheses stated based on the theoretical model needed to be validated. To prove these hypotheses; descriptive, reliability, correlation, multiple regression, one-way ANOVA and t-test has been performed. In this section, based on the results conducted from all these tests are discussed.

5.1 Descriptive findings

Descriptives profile is decipted within the tables in this part.

As Table 1 depicted, the respondents are approximately 1/3 of women and 2/3 of men. It is in a way anticipated, while respondents are collected from a sample of friend/ work circle. Since the IT industry, men have most of the positions, it is reflected in the questionnaire with high percentage of men presence.

Table 1. Descriptives of Gender

Gender	Female	34.38%	153
	Male	65.39%	291
	Other	0.22%	1
Total			445

Table 2 shows, 60.90% of the respondents are at the age of 26-35, this is expected too, while direct contact from online platforms has been made, starting from personal relations such as highschool, university friends has taken the survey. It is asked people to share it within their friend circles too.

Table 2. Descriptives of Age

Age	Less than 18	0.22%	1
	18-25	6.97%	31
	26-35	60.90%	271
	36-45	17.30%	77
	46-55	11.91%	53
	56-65	2.47%	11
	More than 65	0.22%	1

Succeeding this high percentage age group of 26-35 interval, work connections, previous and current work colleagues has been kindly asked to participate. Since IT business and overall businesses in Germany has the need for young employees. It is also reflected in the survey. That this participant groups have increased the middle age group interval to some extent, which is 36-45 as 17.30% and 46-55 interval as 11.91%. Within these age group, family and family circle of friends are contained.

Survey has been carried to people with English knowledge, which entails that for Turkish people, they need to have some certain degree of education level to fulfill. It has not been asked randomly to people but privately on social platforms, to whom has the potential knowledge and interest within this field. Because of this fact, as decipted in Table 3, education level turned out to be quite high ratios among the participants. 51.91% of the respondents owns a bachelor’s degree, 13.71% post graduate degree and 26.52% graduate degree. The high percentage of postgraduate and graduate degree of the respondents are also related to having Academicians in the family circle and still having contact with previous universities academic staff.

Table 3. Descriptives of Education Level

Education Level	Primary or secondary school	0.90%	4
	High school	2.25%	10
	University student	4.72%	21
	University graduate	51.91%	231
	Postgraduate student	13.71%	61
	Graduate student	26.52%	118

Income part has not been a mandatory field and currency of dollars used, owing to many international friends, that has been taken part in the questionnaire. It can be assumed from the income percentages; high number of internationals and expats have been engaged in the survey, which is observable from Table 4.

Table 4. Descriptives of Income

Income	<$500	4.68%	17
	$500-$1000	19.28%	70
	$1001-$2000	24.52%	89
	$2001-$3000	19.28%	70
	>$3000	32.23%	117

More than fifty percent of the respondents among the ones, who chose to answer this question earns minimum of $2001. 32.23% of the respondents who stated to earn the income level >$3000, can be directly presumed to be expat or a non-Turkish respondent.

Table 5 depicts the reliabilities of Multi-Item Scales, Cronbach's Alpha for the scales are .90 whereabouts, which means highly reliable. Only ETCBS has a lower Cronbach's Alpha.

Table 5. Reliabilities of Multi-Item Scales

Name of Scale	Number of Items in Scale	Cronbach's Alpha
Attitude Scale for Amazon Outfit	8	0.935
Intention Scale for Amazon Outfit	3	0.895
Attitude Scale for Amazon Travel	8	0.948
Intention Scale for Amazon Travel	3	0.915
Attitude Scale for Google SM Search	8	0.951
Intention Scale for Google SM Search	3	0.919
Attitude Scale for Google School	8	0.965
Intention Scale for Google School	3	0.927
Exploratory Tendencies in Consumer Behavior	7	0.633
Market Mavenism and Opinion Leadership	5	0.903

Initial reliability of Exploratory Tendencies in Consumer Behavior scale Cronbach's Alpha is 0.594 for original item value 12 items. To improve reliability of ETCBS, deletion of items is performed till there is no negative correlations left in inter-item correlations table and the highest available Cronbach's Alpha value is reached. Preferred value bound for reliability is .70, yet .60-.70 is still acceptable range for Cronbach's Alpha. After the deletions of the ETCBS items, 7 items remained, and Cronbach's Alpha is reached to 0.633.

Parent Brand Evaluations are associated to have a positive influence on Attitude Toward Extension of the Digital Brand. In Table 6 depicts the Parent Brand Evaluations attributes mean values and Standard Deviations for brand Amazon. As it has been stated previously, parent brand evaluations are measured with the following five items: perceived overall quality of Amazon, perceived trustworthiness of Amazon, familiarity with Amazon, like Amazon and loyalty to Amazon. This evaluation concludes that Mean values from scale 1-7, has the highest value as 5.71 and the lowest value as 4.19. Standard Deviations for these items are between the range 1.10 to 1.58. All the items standard deviations are above 1, which indicates that the respondents are quite far from mean and scattered within this result set. Table 6 can be summed up as follows: perceived overall quality has the highest mean value with 5.71 over 7, following up with perceived trustworthiness of Amazon with 5.44, familiarity with Amazon has 5.36, likelihood of Amazon has 5.13 and loyalty to Amazon attribute has the lowest mean with 4.19.

Table 6. Descriptives for Amazon as a Brand

	Mean (over 7)	Std. Dev.
Overall quality of Amazon	5.71	1.10
Trustworthiness of Amazon	5.44	1.22
Familiarity with Amazon	5.36	1.52
Level of liking Amazon	5.13	1.33
Level of loyalty to Amazon	4.19	1.58

Next table, Table 7 evaluates the same attributes for brand Google. Standard Deviations for Parent Brand Evaluations of Google is also higher than 1, which means huge differences with mean values. Google's overall mean values are higher than Amazon brand, except for the trustworthiness Amazon has higher values than Google. It is likely to assume that the attitude towards Huawei may affect the consumer's trust image towards Google negatively, which is also the lowest mean value among all the google items as well for this attribute set with 4.84. Highest mean value attribute is familiarity with Google with 6.06, slightly close follow up with perceived overall quality attribute with 6.03, likelihood of Google still high with 5.54 and loyalty to Google is 5.19. The standard deviations differ between 1.60 to 1.07.

Table 7. Descriptives for Google as a Brand

	Mean (over 7)	Std. Dev.
Overall quality of Google	6.03	1.07
Trustworthiness of Google	4.84	1.60
Familiarity with Google	6.06	1.15
Level of liking Google	5.54	1.37
Level of loyalty to Google	5.19	1.55

Consumer Characteristics are evaluated in two parts based on the Theoretical Model and both parts are assumed to affect intention to adopt extensions of the digital brand. First part of the consumer characteristics is selected from a pool of items from Raju's Exploratory Tendency in Consumer Behavioral Profile item set to evaluate innovativeness of the consumer. Previously selected 12 items are evaluated, and mean values are depicted in Table 8.

Table 8. Descriptives for Exploratory Tendency in Consumer Behavior Scale Items

	Mean (over 7)	Std. Dev.
Even though certain food products are available in a number of different flavors, I always tend to buy the same flavor.	*4.55*	*1.62*
When I eat out, I like to try the most unusual items the restaurant serves, even if I am not sure I would like them.	4.01	1.65
I am very cautious in trying new/different products.	*3.99*	*1.66*
If I like a brand, I rarely switch from it just to try something different.	*4.69*	*1.48*
When I see a new brand somewhat different from the usual, I investigate it.	5.08	1.38
I never buy something I don't know about at the risk of making a mistake.	*3.84*	*1.68*
I would get tired of flying the same airline every time.	2.88	1.67
If I buy appliances, I will only buy well established brands.	*4.96*	*1.45*
When I hear about a new store or restaurant, I take advantage of the first opportunity to find out more about it.	4.89	1.41
I would prefer to keep using old appliances and gadgets even if it means having to get them fixed, rather than buying new ones every few years.	*4.43*	*1.64*
A lot of time I feel the urge to buy something really different from the brands I usually buy.	3.61	1.40
I enjoy exploring several different alternatives of brands while shopping.	4.71	1.41

Note: Table 8 reverse coded items are displayed in *Italic* style.

All the standard deviations of the item set are above 1, ranging from 1.38 to 1.68. Thus, the standard means vary heavily from the mean. Mean values of the attributes range from 2.88 to 5.08. Mean values scales differ from 1-7 scale. Thus, scale of 2.88 is not a good influence. This scale set has reverse coded for some elements, which will be detailed in the next part of this chapter. The highest mean value item is ‘When I see a new brand somewhat different from the usual, I investigate it.’ The lowest mean value item is ‘I would get tired of flying the same airline every time.’. While the highest mean value indicated that consumers are open to some new product, in the airline example consumers tend to remain loyal to the airlines, prefer to repeat the known experience than changing it. Such attitude differences create discrepancies; high standard deviations too conclude that the mean values are various. Most of the items in this scale tend to have approximately 4 or less than 4 over 1-7-point scale, which is a low mean value for innovation consumer behavior is observed.

Second part of the Consumer Characteristics measure is the item scales mixture of Market Mavenism and Opinion Leadership. Table 9 depicts the mean values of the items. All the items have high standard deviations ranging from 1.49 to 1.79, indicating the huge variance between mean values. The scale is between 1-7 interval scale and the minimum mean value for this item set is 4.78 with ‘My friends often ask my advice about new technology products or services.’. Item and the highest mean valued item are with mean value of 5.21 is ‘I can think of at least two people from whom I have told about some new technology product or service in the last six months.’. This item set is significant and can assume to be influence the intention to adopt extensions of digital brands, which will be proved in the later sections of this chapter.

Table 9. Descriptives for Market Mavenism and Opinion Leadership

	Mean (over 7)	Std. Dev.
I like introducing new technology products and services to my friends.	5.16	1.49
People ask me for information about new technology and products and services.	4.93	1.60
My friends often ask my advice about new technology products or services.	4.78	1.64
If someone asked to find the best technology product or service for a specific purpose, I could guide them to find one.	4.85	1.54
I can think of at least two people whom I have told about some new technology product or service in the last six months.	5.21	1.79

Next set of attribute group is the perceived fit perceptions between parent brand and the brand extension. This group of attributes are evaluated separate for all set of brand extensions. Perceived fit attributes are measured with the following item sets: similarity, capability, require new skills, fit image, improve brand power and not surprising (acceptability).

Table 10 depicts the mean values and standard deviation values for all the fictional brand extensions of the fit perception items scale. Standard deviations for all the brand extension and item values are over 1, quite high and diverse from the mean values. These items are scaled with seven-point interval scale.

First digital brand extension is Amazon Outfit, except mean value of ‘similarity’ item with 3.94, all the other items are over 4.50. ‘Not surprising for the company to offer such a service’ value has the highest mean value with 5.

Second brand extension evaluation for the mean values of Attitude toward brand extension is the Amazon Travel, mean values are ranging between lowest with 4.04 and highest with 5. The lowest mean value is ‘similarity’ and the highest mean valued item with 5 is ‘capability’.

These results indicate, consumers mostly believed that Amazon is capable of doing such a brand extension as Amazon Travel and it will not be surprising for Amazon to offer such a service.

Fit perceptions between parent brand and brand extension Google Social Media Search Items means are ‘similarity’ with 4.97, and ‘capability’ with 5.60. Consumers tend to think that Google is capable of making a brand extension as Google Social Media Search and it will be easily accepted.

Fit perceptions between parent brand and brand extension Google School means are ‘similarity’ with lowest mean 4.73 and ‘capability’ with highest mean 5.57. Consumers tend to think that Google is capable of making a brand extension as Google School and Google School will improve brand power of Google.

Table 10. Mean Values for Four Fictional Brand Extensions

	Amazon Outfit	Amazon Travel	Google SM Search	Google School
Similarity to other Amazon / Google products	3.94	4.04	4.97	4.73
Company’s capability to offer the service	4.97	5.00	5.60	5.57
Requiring consumers to learn new skills	4.52	4.53	5.04	4.78
Fitting with current company image	4.51	4.46	5.38	5.26
Potential to improve the power of the brand	4.61	4.75	5.00	5.40
Not surprising for the company to offer such a service	5.00	4.85	5.47	5.32

Note: Mean values are over 7-point scales.

Table 11 depicts the utilitarian and hedonic consumer attitudes for fictional brand extensions mean and standard deviation values. Utilitarian and Hedonic consumer attitudes attributes are listed as the following: useful, practical, sensible, problem solving, interesting, exciting, enjoyable and engaging. First four attributes are utilitarian measures, while the last four items are aiming to measure the hedonism. All the items standard deviations once again greater than 1 and highly far away from the mean values. Same item scale seven-point interval scale is used. Item scale used is 7-point interval scale and the mean value is ranging between lowest 4.07 to highest 4.58 for Amazon Outfit. From highest to lowest, the items are listed as the following: practical, interesting, problem solving, useful, enjoyable, exciting, engaging and sensible.

Mean values are ranging like Amazon Outfit, quite close to an average value, ranging between 4.39 to 4.84. Lowest mean value exciting has 4.38 and the highest value of mean 4.88 has the item ‘practical’. It can be summarized that the utilitarian values have more importance such as useful, practical and problem solving for Amazon Outfit.

Amazon Travel with lowest mean value exciting has 4.38 and the highest value of mean 4.88 has the item ‘practical’. It can be summarized that the utilitarian values have more importance such as useful, practical and problem solving for Amazon Travel.

Google Social Media Search variable ‘exciting’ has mean value of 4.23 and ‘practical’ has the mean value of 4.82. Yet as stated earlier the means of these characteristics are close to 4, indicating that consumers are not contributing either positively or negatively, indicates that respondents are ‘Undecided’.

Google School has the highest mean value for the item sets compared to other fictional brand extensions. ‘Enjoyable’ has the mean value of 4.83 and ‘useful’ has the mean value of 5.44.

Google School has both for Hedonic and Utilitarian Averages has the highest among the four fictional brand extensions. All four fictional brand extensions, utilitarian averages are higher than hedonic averages.

Top attributes for the fictional brands are the following: practical, interesting, problem solving and useful.

Table 11. Mean Values for Utilitarian and Hedonic Attitude Items for Four Fictional Brand Extensions

	Amazon Outfit	Amazon Travel	Google SM Search	Google School
useful (UT)	4.35	4.84	4.70	5.44
practical (UT)	4.58	4.88	4.82	5.32
sensible (UT)	4.07	4.39	4.31	4.98
problem-solving (UT)	4.48	4.71	4.39	5.20
interesting (HED)	4.53	4.59	4.44	5.16
exciting (HED)	4.14	4.38	4.23	4.95
enjoyable (HED)	4.29	4.42	4.40	4.83
engaging (HED)	4.15	4.40	4.39	4.94
Average Utilitarian Attitude Score	4.37	4.71	4.55	5.24
Average Hedonic Attitude Score	4.28	4.45	4.37	4.97
Average Overall Attitude Score	4.32	4.58	4.46	5.10

Note: Mean values are over 7-point scales.

Last table for the mean values is the Intention to Adopt Attributes Table 12 for fictional brand extensions. Intention items are listed as follows: likelihood to try, intend to use on a regular basis without hesitation and Intend to recommend to friends. Standard deviations are indicating respondent's responses are far from the mean values. Seven-point interval scale is used. Items mean values for Amazon Outfit ranged between values 3.59 to 3.93.

Table 12. Mean Values for Intention to Adopt for Four Fictional Brand Extensions

	Amazon Outfit	Amazon Travel	Google SM Search	Google School
Likelihood to try	3.90	4.59	4.54	5.30
Intend to use on a regular basis without hesitation	3.59	4.22	4.24	4.97
Intend to recommend to friends	3.93	4.34	4.33	5.06
Average Intention Score	3.81	4.38	4.37	5.11

Note: Mean values are over 7-point scales.

Amazon Travel with a mean value of 4.22 to 4.59. Since seven-point interval scale, scale four has the definition of 'Undecided', these mean values does not signify a real intention to adopt the digital brand extensions.

Google Social Media Search mean values 4.24 to 4.54. Google School mean values 4.97 to 5.30. Google School has the highest intention item rates compared to other brand extensions.

5.2. Regression analyses

Parent brand evaluation

Goodness of fit R^2 values for regression effect for Table 13 is quite low. R^2 values indicates the correlation, the value is within the 0-1 range, however the values are far from 1 thus fit is weak. p-value needs to be evaluated together, it is less than <.05, indicated that is unlikely to happen randomly. F values are not so significantly different within each other, yet there is still some difference.

After the regression effect evaluations, Table 13 is depicted Evaluation of Parent Brand and Attitude Toward Digital Brand Extension, which includes the Hypotheses Test first group conclusions.

Table 13. Regression Effect for Parent Brands

		R	R^2	F	p-value
Evaluation of Amazon	Attitude toward Amazon Outfit	.347	.120	11,632	.000
Evaluation of Amazon	Attitude toward Amazon Travel	.276	.076	7,020	.000
Evaluation of Google	Attitude toward Google SM Search	.409	.167	17,113	.000
Evaluation of Google	Attitude toward Google School	.363	.132	12,918	.000

Hypothesis 1: Perceived overall quality of parent brand positively affects attitude toward digital brand extensions.

As it can be seen from the Table 14, quality of the parent brand does not have affect to the attitude for the brand extensions. In fact, has a slightly negative affect in Amazon Outfit brand extension.

Hypothesis 2: Perceived trustworthiness of parent brand positively affects attitude toward digital brand extensions.

Hypothesis 2 is supported partially, only for brand extensions Amazon Outfit and Google SM Search.

Hypothesis 3: Familiarity with parent brand positively affects attitude toward digital brand extensions. Hypothesis 3 is not affecting the attitude toward digital brand extensions.

Hypothesis 4: Favourability toward parent brand positively affects attitude toward digital brand extensions.

Favorability toward parent brand hypothesis is supported for all four brand extensions.

Hypothesis 5: Loyalty to parent brand positively affects attitude toward digital brand extensions.

Loyalty to parent brand does not affect attitude toward digital brand extensions.

Table 14. Evaluation of Parent Brand and Attitude Toward Digital Brand Extension

Regression Coefficient	Amazon Outfit	Amazon Travel	Google SM Search	Google School	
Constant	3.225	3.101	1.831	2.425	
Perceived Overall Quality of Parent Brand	-0.125	0.06	0.065	0.08	H1: Not supported
Perceived Trustworthiness of Parent Brand	0.139	0.102	0.116	0.028	H2: Partially supported
Familiarity with Parent Brand	-0.102	-0.069	0.053	0.111	H3: Not supported
Favorability toward Parent Brand	0.292	0.12	0.208	0.208	H4: Supported
Loyalty to Parent Brand	0.024	0.079	0.04	0.046	H5: Not supported

Fit of the extension with parent brand and attitude toward digital brand extensions

Fit of the extension with parent brand independent variables regression effect is depicted in Table 15. R^2 are within range 0-1, but not so significant, more in the middle point but still close to 0. p-value however is significant with, .000 for all the variables. Also, F value has higher significance, ranging from 27.654 to 65.279, indicating variance between means significantly differ. This set of fit variables evaluates the validation of the second group of hypotheses Hypothesis 6 to Hypothesis 11.

Table 15. Regression Effect for fit of the extensions with Parent Brand

		R	R^2	F	p-value
Fit of the Extension with Parent Brand	Attitude toward Amazon Outfit	.530	.281	27.654	.000
Fit of the Extension with Parent Brand	Attitude toward Amazon Travel	.693	.480	65.279	.000
Fit of the Extension with Parent Brand	Attitude toward Google SM Search	.620	.385	44.269	.000
Fit of the Extension with Parent Brand	Attitude toward Google School	.684	.467	62.016	.000

Table 16 depicts the validation of the Hypotheses as the following:

Hypothesis 6: A similarity between the extension with parent brand positively affects attitudes towards digital brand extensions.

Similarity between the extension with parent brand affects attitudes toward digital brand extensions is partially supported. Amazon Travel brand extension does not have any significant relevance fort his hypothesis.

Hypothesis 7: The perceived capability of the parent brand to offer the extension positively affects attitude towards digital brand extensions.

Capability, hypothesis 7 is again partially supported. Google SM Search does not have enough significant effect fort his hypothesis. Three other brand extensions support hypothesis 7 successfully.

Table 16. Evaluation Fit of the Extension with Parent Brand

Regression Coefficient	Amazon Outfit	Amazon Travel	Google SM Search	Google School	
Constant	1.551	1.086	.901	.877	
Similarity with existing products	.104	.039	.110	.089	H6 partially supported
Capability	.147	.193	.084	.124	H7 partially supported
Requiring new skills from consumers	-.014	.046	.073	.031	H8 not supported
Fit with current image	.141	.146	-.116	.061	H9 partially supported
Improvement of brand power	.313	.373	.507	.412	H10 supported
Acceptability	-.078	-.056	.047	.079	H11 not supported

Hypothesis 8: Not requiring consumers to learn new skills positively affects attitudes toward digital brand extensions.

Hypothesis 8 is not supported, none of the brand extensions have any significant relation with this. Besides Amazon Outfit shows negative but insignificant affect toward attitudes toward digital brand extensions.

Hypothesis 9: Extension's fit with current image affects attitude toward extensions of the digital brand positively.

Fit with current image hypothesis is partially supported. It has positive significant affect toward digital brand extensions for Amazon brand. Yet Google SM Search brand extension has a negative significant affect attitude toward brand extension, which is unexpected.

Hypothesis 10: The contribution an extension has to the company's brand power will positively affect attitudes towards digital brand extensions. Hypothesis 10 has full support from the all brand extensions positively.

Hypothesis 11: An extension found acceptable by the consumer will affect the attitude towards the digital brand in a positive manner. Acceptability attriute does not have any significant affect for any of the brand extensions. Thus hypothesis 11 is not supported.

Conglomerate vs. concentric difference tests

In this section Hypothesis 12 and 13 will be validated. These hypotheses are fictioned as exploatory (non-directional).

Hypothesis 12: There is a difference between individual's attitudes toward concentric extensions of digital brands and conglomerate extensions of digital brands.

In traditional marketing literature mostly, consumer acceptance is higher for concentric extensions. However, in digital brands consumers may see those brands as more innovative and can have positive feelings to such diversified attemps.

Paired sample t-tests applied as in Table 17, to check the difference between concentric versus conglomerate types of extensions for attitude toward brand extensions. According to the t-test results, it is seen that there is a difference and it is significant. Thus Hypothesis 12 is supported.

Table 17. Paired sample t-Tests for Attitude Toward Concentric vs. Conglomerate Difference

	t	sign.	
Pair 1: Attitude toward Amazon Outfit (concentric) & Attitude toward Amazon Travel (conglomerate)	-4.373	.000	H12 supported
Pair 2: Attitude toward Google SM Search (concentric) & Attitude toward Google School (conglomerate)	-9.303	.000	

It is already proved that there is a significant diffirence between Attitude Toward Concentric and Conglomerate type of brand extensions in Table 17. Table 18 depicts the mean values for those brand extensions to understand the direction of the brand extensions. It is clearly seen that conglomerate means for brand extensions have higher mean values than concentric type of brand extensions. Thus, digital brands have higher conglomerate diversification attempts than concentric ones.

Table 18. Mean Values of Attitude Toward Brand Extensions

Mean Attitude Toward Amazon Outfit (concentric)	4.32
Mean Attitude Toward Amazon Travel (conglomerate)	4.58
Mean Attitude Toward Google SM Search (concentric)	4.46
Mean Attitude Toward Google School (conglomerate)	5.10

Hypothesis 13: There is a difference between intention to adopt concentric and conglomerate extensions.

Based on the t-test values for Intention toward concentric versus conglomerate type difference values, there is a significant diffirence and Hypothesis 13 is supported in the Table 19. Directions for the brand extension types can be validated with mean values in Table 20.

Table 19. Paired sample t-Tests for Intention Toward Concentric vs. Conglomerate Difference

	t	sign.	
Pair 1: Intention Amazon Outfit (concentric) & Intention Amazon Travel (conglomerate)	-8.178	.000	H13 supported
Pair 2: Intention Google SM Search (concentric) & Intention Google School (conglomerate)	-9.354	.000	

Mean values indicate that conglomerate type of brand extensions has higher mean values than concentric type of brand extensions. Thus, digital brands have higher conglomerate diversification attempts than concentric ones also for the intentions to adopt.

Table 20. Mean Values of Intention Toward Brand Extensions

Mean Intention Toward Amazon Outfit (concentric)	3.81
Mean Intention Toward Amazon Travel (conglomerate)	4.38
Mean Intention Toward Google SM Search (concentric)	4.37
Mean Intention Toward Google School (conglomerate)	5.11

Consumer characteristics and intention to adopt digital brand extensions

Regression effect is depicted in Table 21. F value is low, but the p-value is low as well. Thus, it is not random, there is a difference.

Hypothesis 14: An exploratory tendency in the consumer behaviour has an affect on the intention to positively adopt digital brand extensions.

Hypothesis 15: Market mavenism & opinion leadership affects intention to positively adopt digital brand extensions.

Table 21. Regression Effect for Consumer Characteristics

		R	R^2	F	p-value
Consumer Characteristics	Intention to adopt Amazon Outfit	.140	.020	4.271	.015
Consumer Characteristics	Intention to adopt Amazon Travel	.164	.027	5.934	.003
Consumer Characteristics	Intention to adopt Google SM Search	.250	.062	14.285	.000
Consumer Characteristics	Intention to adopt Google School	.186	.035	7.700	.001

The Table 22 consumer characteristics intention to adopt relations result that, Hypothesis 14 is supported. It has a significant positive affect for all four brand extensions. While Market Mavenism and Opinion Leadership does not affect at least significant, so Hypothesis 15 is not supported.

Table 22. Evaluation Consumer Characteristics Intention relation

Regression Coefficient	Amazon Outfit	Amazon Travel	Google SM Search	Google School	
Constant	2.589	3.027	2.259	3.530	
Exploratory Tendency in Consumer Behavior	.203	.229	.416	.282	H14: supported
Market Mavenism and Opinion Leadership	.071	.076	.066	.074	H15: not supported

Attitude toward intention to adopt

Hypothesis 16: Attitudes toward digital brand extensions have an effect on the intention to positively adopt extensions.

F values are significantly high for all the fictional digital brand extensions along with low p-values. The Table 23 proves that Hypothesis 16 is fully supported, meaning attitutes affects intention to adopt intentions positively.

Table 23. Regression Effect for Attitude toward Intention to Adopt for Brand Extensions

	R	R^2	F	p-value	Coefficient
Attitude toward Amazon Outfit – Intention to Adopt Amazon Outfit	0.706	0.499	427.859	.000	0.872
Attitude toward Amazon Travel – Intention to Adopt Amazon Travel	0.767	0.588	610.334	.000	0.895
Attitude toward Google SM Search – Intention to Adopt Google SM Search	0.811	0.658	825.929	.000	0.905
Attitude toward Google School – Intention to Adopt Google School	0.839	0.704	1021.945	.000	0.878

Additional analysis about utilitarian and hedonic attitudes and intention

This section includes supplementary anaysis the affect of Utilitarian and Hedonic Attitudes toward Intention. To accomplish this Utilitarian and Hedonic mean values should be examined for reliability tests.

Table 24. Reliabilities of Utilitarian and Hedonic Attitude Scales for Four Extensions

Amazon Outfit – Utilitarian Attitude	.883
Amazon Outfit – Hedonic Attitude	.923
Amazon Travel – Utilitarian Attitude	.915
Amazon Travel – Hedonic Attitude	.931
Google SM Search – Utilitarian Attitude	.909
Google SM Search – Hedonic Attitude	.931
Google School – Utilitarian Attitude	.935
Google School – Hedonic Attitude	.953

Reliability Table 24 has the mean values for all four digital brand extensions for utilitarian attributes; useful, practical, sensible, problem-solving and hedonic attitudes; interesting, exciting, enjoyable, engaging.

Reliabilities for the four brand extensions both utilitarian and hedonic attitudes are high. Thus, regression is applied with the next table, to see which attitude type has more affect.

Additional research results depicted in Table 25.

Table 25. Regression of Utilitarian and Hedonic Attitude Scales for Four Extensions

	R	R^2	F	p-value	Coefficients	
Amazon Outfit: Utilitarian & Hedonic Attitude – Intention to Adopt	0.707	0.499	213.892	.000	Uti Hed	.479 .400
Amazon Travel: Utilitarian & Hedonic Attitude – Intention to Adopt	0.767	0.589	306.813	.000	Uti Hed	.416 .476
Google SM Search: Utilitarian & Hedonic Attitude – Intention to Adopt	0.812	0.659	414.737	.000	Uti Hed	.529 .380
Google School: Utilitarian & Hedonic Attitude – Intention to Adopt	0.839	0.705	511.880	.000	Uti Hed	.377 .497

Examinations of the Regression Table 25 for the brand extentions reveal that concentric digital brand extensions (Amazon Outfit and Google SM Search) utilitarian attitude has stronger affect toward intention. Close extension types, consumers value functionality and usefulness more. On Conglomerate digital brand extensions (Amazon Travel and Google School) hedonic attitude is more dominant for intention. Far extensions types, consumers credit more that the brand extension is exciting, interesting and fun.

CHAPTER 6

CONCLUSION AND IMPLICATIONS

This research indicates consumer attitudes toward extension of the digital brand and the effect of intention to adopt extensions of the digital brand. Three categories are selected to affect the attitude toward extension of the digital brand; evaluation of parent brand, fit of the extension with parent brand, type of extension and consumer characteristics. Further another attribute is measured the intention to adopt is brand extension types along with the difference between type of brand extensions.

First group of variable, evaluating parent brand has the following attributes; perceived overall quality of the parent brand, perceived trustworthiness of parent brand, familiarity with parent brand, favorability toward parent brand and loyalty to the parent brand.

Google and Amazon are selected as parent brands, both brands are high familiarity and positive brand image.

Second group of independent variables are the fit of extensions with parent brand category. This includes the extension similarity with the parent brand, whether the parent brand is capable to do such an extension, or require the consumer to learn a new skill set for this extension, the extension fits with the current image of the parent brand, the new extension improves brand power and it is not suprising that the parent brand has this extension attributes.

Second group of variables are operated for the fictional brand extensions of Amazon and Google brands. For both of the parent brand has one fictional conglomerate and one fictional concentric digital brand extension is created and the fit between parent brand has been evaluated within this group of variables.

Third group of variables measure the effect of consumer characteristics. Exploratory tendency in consumer behavior and market mavenism and opinion leadership attribute scales used to examine innovativeness of the consumer and the positive affect toward the attitude toward the digital brand extensions.

Type of the brand extensions, conglomerate and concentric is stated to have difference with the intention to adopt the digital brand extensions, is the last set of attributes.

Theoretical models built and hypotheses are formulated accordingly. A questionnaire is held online and only available in english. Approximately three weeks time allocated for the questionnaire and 432 valid samples are used for the analysis. Analysis used in this research are the following; descriptive, reliability, correlation, one-way ANOVA, independent paired sample t-tests and multiple regression tests.

The results indicate that one of the main driver of the brand extension success variable, perceived overall quality of the parent brand does not affect the digital brand extensions for digital brand extensions, even has a negative effect for Amazon Outfit. Bottomley and Holden (2001) study re-examines the Aaker and Keller study, along with Sunde and Brodie(1993) and Bottomley and Doyle(1996) studies and conclude with the mixture of hypothesis test results that quality of the parent brand has a positive direct influence of evaluation of the parent brand. (Jahangir et al., 2009) study also points the positive effect of the parent brand quality for the brand extension. While Bhat and Reddy(2001) examines that parent brand effects only on symbolic brands, this study proves that parent brand quality does not have a positive affect toward attitude toward digital brand extensions. Managers can rather have innovative brand extension ideas than holding on to the quality perspective of the parent brand. Both trustworthiness is a supportive argument only for concentric digital brand extensions, conglomerate risk deriven digital brand extensions have a strong tendency to return with potential pleasant results.

Favorability toward parent brand affects attitude toward extension of digital brand extensions positively hypothesis is supported for all four digital brand extensions.

Loyalty to parent brand does not have any significant affect toward extension of digital brand extensions.

One of the finding of this study is that, similarity of the extension with existing products affects attitude toward extension of digital brand extensions hypothesis partially supported for all the digital brand extensions, except Amazon Travel. In Bhat and Reddy(2001) study it is indicated that fit does not affect as category based but image fit has importance. For digital brand extensions, this study affects that the similarity has positive affect for digital brand extensions.

Perceived capability of the parent brand to offer the extension affects attitude toward extensions of the digital brand positively. Hypothesis is partially supported. This hypothesis was supported for all the digital brand extensions except Google SM Search.

Not requiring consumers to learn new skills affects attitude toward extensions of the digital brand positively hypothesis is not supported.

Extension's fit with current image affects attitude toward extensions of the digital brand positively. Hypothesis is supported for Amazon brand extensions however has a negative affect for Google SM Search and does not have a significant effect for Google School.

Extension's contribution to company's brand power affects attitude toward extensions of the digital brand positively. Supported for all brand extensions.

Extension's acceptability hypothesis is not supported.

Market mavenism and opinion leadership does not have any significant effect on any of the four digital brand extensions. While exploratory tendencies in consumer behavior scale has a positive effect on all of the digital extensions adoption.

Conglomerate and concentric type differences have affect on attitude toward brand extension.

Regarding this study, managers can observe that only favorability toward parent brand has the full support. Thus in case of a decision for a digital brand extension, as long as core brand is favorable, it is expected to have a positive attitude toward brand extensions. Another point revealed that concentric digital brand extensions differs from the conglomerate brand extensions and concentric brand extensions are favored more and has higher chance of success than to affect attitude toward brand extensions.

The results emphasized that similarity between brand and brand extension for digital brands, partially apply. Although previous studies indicate launching the brand extension only the perceived fit is high (Mitchell and Edelman, 2003; Salinas and Perez 2008).

Consumer hedonism and utilitarian attitude toward the brand extensions are also evaluated and concetenated with brand types concentric and conglomerate to build a better relation. A managerial implication is that, for concentric type of digital brand extensions functionality and usefulness is prioritized, while for conglomerate type of digital brand extensions hedonic attitude(interesting, exciting, enjoyable) is more favorable for intention to adopt. This can be a clue for managers to decide the brand extensions based on the hedonic and conglomerate for digital brands have higher tendency for adoption by the consumers.

Attitude toward the brand extension, consumer characterictics attributes has the following impact; that exploratory tendency in consumer behavior has positive impact, while market mavenism and opinion leadership do not have significant impact.

Attitude toward brand extension has positive affect to intention to adopt digital brand extension hypothesis has proven.

As stated in the (Song, Zhang, Xu and Huang) study, although technology adaptance is high, not many research has been made for digital brand extensions. However (Song, Zhang, Xu and Huang) study has the limitation that only based on search engine category. Song and Xu(2012) still has a narrow concept and need validation for the digital product’s brand extensions. This study has a widens the understanding and examination of fictional brand extensions.

In this study, there was a bias that brand Google is more known than brand Amazon at least for some amount of sample. While Google has been the main search engine, everyday product. Amazon starts making shipments to Turkey, quite recently, with time more brand awareness will be gained. Amazon and its products is quite new to Turkey and some Balcan countries. Thus, people have less experience with Amazon as a brand. However with the technology evolving and many innovative people has interest in new things, such gaps will be easily filled within few years.

Parent brand familiarity has importance in brand equity (Keller 1993, Volckner and Sattler 2006), which does not affect the attitude toward brand extension in this study. This can be summarized that in digital brand extensions brand familiarity does not have a significant effect.

One of the limitations can be stated that only two parent brands are studied. Also, further researches can be detailed with addition of less known digital brands to be evaluated.

Second there can be diffirent setting in a competitive and noncompetitive settings. Since (Milber, Sinn and Goodstein 2010) study also indicates that competitive settings should be considered to judge such a direct success determinant. Any reputed brand has the advantage compared to non-reputed brand is the brand trust, which highly impacts consumer acceptance (Raj & Roy, 2015). Although in this study trustworthiness only applied for concentric type of brand extensions.

Thus, this can be another investigation topic to test hypothesis in competitive and non-competitive settings.

Third, the survey has been only held in English. Yet there maybe intreperation bias for non-English speakers. Additionally, due to personal connections, approximately half of the survey has been answered by expats by wide variety of nations and German population. The other half is answered by Turkish people. This may have created a geographic diversity.

Further research can be related with the entrance of a market on time. Milberg, Sinn and Goodstein (2010) study indicated that the early entrance of a market has a higher chance of a brand extension to gain the market leadership. Researches toward the market leadership for the brand extension in a less known area can be a next study point for widening this research.

APPENDIX A

QUESTIONNAIRE

Digital Brand Extensions Survey

Introduction to the Survey

Dear Participant,

This survey is being carried out by Boğaziçi University Management Information Systems student Deniz Kut for her Master's Degree Thesis, under the supervision of Prof. Dr. Hande Türker. This survey is prepared to evaluate consumer attitudes toward brand extensions for digital brands. For this purpose, respondents will be asked to make evaluations of a total of four fictional brand extensions for Amazon and Google.

Completing the questionnaire will contribute greatly to this study. There is no need for identification or contact information within the scope of the survey. Your answers will be used for academic purposes only.

For your questions, comments and suggestions:

deniz.kut@boun.edu.tr

Thank you for your participation.

Consumer Evaluations About Amazon and Google

Please answer the following questions about Amazon and Google.

How would you rate the overall quality of Amazon as a digital business?

1-Very Low	2	3	4-Neutral	5	6	7-Very High
O	O	O	O	O	O	O

How would you rate the trustworthiness of Amazon as a digital business?

1-Very Low	2	3	4-Neutral	5	6	7-Very High
O	O	O	O	O	O	O

What is your level of familiarity with Amazon as a brand?

1-Very Low	2	3	4-Neutral	5	6	7-Very High
O	O	O	O	O	O	O

How much do you like Amazon as a brand?

1-Very Low	2	3	4-Neutral	5	6	7-Very High
O	O	O	O	O	O	O

What is your level of loyalty to Amazon as a brand?

1-Very Low	2	3	4-Neutral	5	6	7-Very High
O	O	O	O	O	O	O

How would you rate the overall quality of Google as a digital business?

1-Very Low	2	3	4-Neutral	5	6	7-Very High
O	O	O	O	O	O	O

How would you rate the trustworthiness of Google as a digital business?

1-Very Low	2	3	4-Neutral	5	6	7-Very High
O	O	O	O	O	O	O

What is your level of familiarity with Google as a brand?

1-Very Low	2	3	4-Neutral	5	6	7-Very High
O	O	O	O	O	O	O

How much do you like Google as a brand?

1-Very Low	2	3	4-Neutral	5	6	7-Very High
O	O	O	O	O	O	O

What is your level of loyalty to Google as a brand?

1-Very Low	2	3	4-Neutral	5	6	7-Very High
O	O	O	O	O	O	O

Consumer Behavioral Profile (1)

This question includes statements about your behavioral profile as a consumer.

Please show your agreement level with the following 12 statements.

1. Even though certain food products are available in a number of different flavors, I always tend to buy the same flavor.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

2. When I eat out, I like to try the most unusual items the restaurant serves, even if I am not sure I would like them.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

3. I am very cautious in trying new/different products.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

4. If I like a brand, I rarely switch from it just to try something different.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

5. When I see a new brand somewhat different from the usual, I investigate it.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

6. I never buy something I don't know about at the risk of making a mistake.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

7. I would get tired of flying the same airline every time.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

8. If I buy appliances, I will only buy well established brands.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

9. When I hear about a new store or restaurant, I take advantage of the first opportunity to find out more about it.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

10. I would prefer to keep using old appliances and gadgets even if it means having to get them fixed, rather than buying new ones every few years.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

11. A lot of the time I feel the urge to buy something really different from the brands I usually buy.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

12. I enjoy exploring several different alternatives of brands while shopping.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

Consumer Behavioral Profile (2)

This question includes statements about your behavioral profile as a consumer.

Please show your agreement level with the following 5 statements.

1. I like introducing new technology products and services to my friends.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

2. People ask me for information about new technology products and services.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

3. My friends often ask my advice about new technology products or services.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

4. If someone asked to find the best technology product or service for a specific purpose, I could guide them to find one.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

5. I can think of at least two people whom I have told about some new technology product or service in the last six months.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

Fictional Extension 1: Amazon Outfit

Amazon Outfit is a styling guide and service which offers various looks for any occasion, i.e. job interview, summer cocktail party or a night at the opera or an overall style such as business casual or black tie. The catch is that consumers can buy the whole look including all accessories as a package.

1. Amazon Outfit is similar to other Amazon products or services.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

2. I think Amazon is capable to offer a service like Amazon Outfit.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

3. Amazon Outfit would not require consumers to learn new skills.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

4. Amazon Outfit fits with Amazon's image.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

5. Amazon Outfit would improve Amazon's power as a brand.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

6. It would not be surprising to see Amazon offering such a service.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

7. Amazon Outfit is:

	1-not at all	2	3	4	5	6	7-extremely
useful							
practical							
sensible							
problem solving							
interesting							
exciting							
enjoyable							
engaging							

8. My likelihood to try Amazon Outfit is very high.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

9. I would use Amazon Outfit on a regular basis without hesitation.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

10. I would recommend Amazon Outfit to my friends.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

Fictional Extension 2: Amazon Travel Smart

Amazon Travel Smart lists all the attractions, events and social and cultural activities in a city and acts as an intermediary that sells tickets and passes to tourists who will travel to that city.

Please show your agreement level with the statements about Amazon Travel Smart.

1. Amazon Travel is similar to other Amazon products or services.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

2. I think Amazon is capable to offer a service like Amazon Travel.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

3. Amazon Travel would not require consumers to learn new skills.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

4. Amazon Travel fits with Amazon's image.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

5. Amazon Travel would improve Amazon’s power as a brand.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

6. It would not be surprising to see Amazon offering such a service.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

7. Amazon Travel is:

	1-not at all	2	3	4	5	6	7-extremely
useful							
practical							
sensible							
problem solving							
interesting							
exciting							
enjoyable							
engaging							

8. My likelihood to try Amazon Travel is very high.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

9. I would use Amazon Travel on a regular basis without hesitation.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

10. I would recommend Amazon Travel to my friends.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

Fictional Extension 3: Google SM Search

Google Social Media Search is a new service that generates only posts or content from social media sites such as Facebook, Twitter, Instagram, Pinterest, etc. as a result of a search query. These social media search results include only open and publicly accessible posts, not private personal ones.

1. Google SM Search is similar to other Google products or services.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

2. I think Google is capable to offer a service like Google SM Search.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

3. Google SM Search would not require consumers to learn new skills.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

4. Google SM Search fits with Google's image.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

5. Google SM Search would improve Google’s power as a brand.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

6. It would not be surprising to see Google offering such a service.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

7. Google SM Search is:

	1-not at all	2	3	4	5	6	7-extremely
useful							
practical							
sensible							
problem solving							
interesting							
exciting							
enjoyable							
engaging							

8. My likelihood to try Google SM Search is very high.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

9. I would use Google SM Search on a regular basis without hesitation.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

10. I would recommend Google SM Search to my friends.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

Fictional Extension 4: Google School

Google School is a new service that offers educational videos about a very wide range of topics. It includes professionally prepared videos of various lengths that can be rated by people. It is like a video version of Wikipedia.

1. Google School is similar to other Google products or services.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

2. I think Google is capable to offer a service like Google School.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

3. Google School would not require consumers to learn new skills.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

4. Google School fits with Google's image.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

5. Google School would improve Google's power as a brand.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

6. It would not be surprising to see Google offering such a service.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

7. Google School is:

	1-not at all	2	3	4	5	6	7-extremely
useful							
practical							
sensible							
problem solving							
interesting							
exciting							
enjoyable							
engaging							

8. My likelihood to try Google School is very high.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

9. I would use Google School on a regular basis without hesitation.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

10. I would recommend Google School to my friends.

1-Strongly Disagree	2	3	4-Undecided	5	6	7-Strongly Agree
O	O	O	O	O	O	O

Demographic Information

1. Your gender:

Female ______

Male ______

Other ______

2. Your age:

Less than 18 ______

18-25 ______

26-35 ______

36-45 ______

46-55 ______

56-65 ______

65+ ______

3. Your education level:

Primary or secondary school ______

High school ______

University student ______

University graduate ______

Postgraduate student ______

Graduate degree ______

4. Your monthly personal income level: (not required)

<$500 ______

$500-$1000 ______

$1001-$2000 ______

$2001-$3000 ______

>$3000 ______

APPENDIX B

SCALES

Evaluation of parent brand

1. How would you rate the overall quality of the parent brand as a digital business?

Three items Evaluations of core brand, item 1 is inspired for the first statement.

- Evaluations of the core brand (Aaker and Keller 1992)

Measured with three Items seven-point interval scales

low quality / high quality (inspire Q1)

not at all likely to try / very likely to try

inferios product / superior product

2. How would you rate the trustworthiness of parent brand as a digital business?

Three items the perceived trustworthiness of the company, item 1 inspire the Question 2.

- The perceived trustworthiness of the company (Aaker and Keller 1992)

  Measured with three Items seven-point interval scales:

  not at all trustworthy / very trustworthy (inspire Q2)

  not at all dependable / very dependable

  not at all concerned about customers / very concerned about customers

3. What is your level of familiarity with parent brand as a brand?

Parent Brand Evaluation four item scale, item 4 is inspired Q3.

4. How much do you like parent brand as a brand?

Parent Brand Evaluation four item scale, item 2 is inspired Q4.

- Parent Brand Evaluation (Milberg, Sinn and Googstein 2010)

favorability (1 = not at all favorable, 7= extremely favorable)

liking (1 = extremely negative, 7 = extremely positive) (inspire Q4)

perceived risk (1 = not at all risky, 7 = extremely risky)

familiarity (1 = not at all familiar, 7 = very familiar) (inspire Q3)

5. What is your level of loyalty to parent brand as a brand?

This question is self-constructed.

Consumer behavioral profile

Selection of representative pool of twelve items are noted below from Exploratory Tendencies in Consumer Behavior Scale.

Exploratory Tendencies in Consumer Behavior Scales: ETCBS *(Raju 1980)*

1.Even tough certain food products are available in a number of different flavors, I always tend to buy the same flavor. (ETCBS 1)

2. I have little interest in fads and fashion.

3. When I eat out, I like to try the most unusual items the restaurant serves, even if I am not sure I would like them. (ETCBS 2)

4. I like to shop around and look at displays.

5. I get very bored listening to others talk about their purchases.

6. I like to browse through mail order catalogs even when I don't plan to buy anything.

7. When I see a new or diffirent brand on the shelf, I often pick it up just to see what it is like.

8. I often read the information on the packages of products just out of curiosity.

9. I am the kind of person who would try any new product once.

10. I shop around a lot for my clothes just to find out more about the latest styles.

11. A new store or restaurant is not something I would be eager to find out about.

12. When I go to a restaurant, I feel it is safer to order dishes I am familiar with.

13. I am very cautious in trying new/different products. (ETCBS 3)

14. Even for an important date or dinner, I wouldn't wary of trying new or unfamiliar restaurant.

15. I generally read even my junk mail just to know what it is about.

16. I don't like to talk to my friends about my purchases.

17. I enjoy sampling different brands of commonplace products for the sake of comparison.

18. I like introducing new brands and products to my friends.

19. I would rather stick with a brand I usually buy than try something I am not very sure of.

20. I usually throw away mail advertisements without reading them.

21. If I like a brand, I rarely switch from it just to try something different. (ETCBS 4)

22. I don't care to find out what types or brand names of appliances and gadgets my friends have.

23. I hate window shopping.

24. I often read advertisements just out of curiosity.

25.I would rather wait for others to try a new store or restaurant than try it myself.

26. I get bored with buying the same brands even if they are good.

27. When I see a new brand somewhat different from the usual, I investigate it. (ETCBS 5)

28. I never buy something I don't know about at the risk of making a mistake. (ETCBS 6)

29. I would get tired of flying the same airline every time. (ETCBS 7)

30. If I buy appliances, I will buy only well established brands. (ETCBS 8)

31. Investigating new brands of grocery and other similar products is generally a waste of time.

32. My friends and neighbors often come to me for advice.

33. I rarely read advertisements that just seem to contain a lot of information.

34. When I hear about a new store or restaurant, I take advantage oft he first opportunity to find out more about it. (ETCBS 9)

35. I would prefer to keep using old appliances and gadgets evenit it means having to get them fixed, rather than buying new ones every few years. (ETCBS 10)

36. A lof of time I feel the urge to buy something really different from the brands I usually buy. (ETCBS 11)

37. I enjoy taking chances in buying unfamiliar brands just to get some variety in my purchases.

38. If I did a lot of flying, I would probably like to try all the different airlines, instead of flying just one most of the time.

39. I enjoy exploring several different altrnatives or brands while shopping. (ETCBS 12)

Market mavenism and opinion leadership scale

(1) "I like introducing new technology products and services to my friends." (MM);

(2) "People ask me for information about new technology and products and services." (MM);

(3) "My friends often ask my advice about new technology products or services. "(OL);

(4) "If someone asked to find the best technology product or service for a specific purpose, I could guide them to find one." (MM);

(5) "I can think of at least two people whom I have told about some new technology product or service in the last six months." (MM).

Market Maven: Propensity to Provide Marketplace and Shopping Information (Feick and Price 1987)

Market Maven six item scale has supported this study with item 1, 3 and 4.

1.I like introducing new brands and products to my friends. (MMOL 1)

2. I like helping people by providing them with information about many kinds of products.

3. People ask me for information about products, places to shop, or sales. (MMOL 2)

4. If someone asked where to get the best buy on several types of products, I could tell him or her where to shop. (MMOL 4)

5. My friends think of means a good source of information when it comes to new products or sales.

6. Think about a person who has information about a variety of products and likes to share this information with others. This person knows about new products, sales, stores, and so on, but does not necessarily feel he or she is an expert on one product. How well would you say this description fits you?

Opinion leadership and information seeking (Reynolds and Darden 1971)

Two items are chosen from Opinion Leadersip five item scales, to support this study, item 3 and 5.

Opinion leadership

1.My friends and neighbors often ask my advice about clothing fashion.

2. I sometimes influence the types of clothes my friends buy.

3. My friends come to me more often than I go to them for information about clothes. (MMOL 3)

4. I feel that I am generally regarded by my friends and neigbors as a good source of advic about clothing fashions.

5. I can think of at least two people whom I have told about some clothing fashion in the last six months. (MMOL 5)

Information seeking

1.I often seek out the advice of my friends regartding which clothes I buy.

2. I spend a lot of time talking with my friends about clothing fashions.

3. My friends or neighbors usually give me good advice on what brands of clothes to buy.

Perceived fit with brand extension with parent brand

1. [Brand extension] is similar to other [brand] products or services.

Perceived fit / Category fit (CAFI) two item scales, item 1 is applied.

Perceived fit / Category fit (CAFI) Aaker and Keller (1990)

CAFI1: The extension is similar to the brand's products. (S1)

CAFI2: The firm's resources are helpful to make the product extension.

2. I think [brand] is capable to offer a service like [brand extension].

The perceived expertise for the company three items scale, item 2 is inspired for statement 2.

The perceived expertise for the company Aaker and Keller (1992)

Measured with three Items seven-point interval scales:

overall low-quality products / overall high-quality products

not at all good at manufacturing / very good at manufacturing (S2)

overall inferior products / overall superior products

3. [Brand extension] would not require consumers to learn new skills.
4. [Brand extension] fits with [brand]s image.

Image fit (IMFI) Taylor and Bearden (2002)

Three item Image fit (IMFI) scale, item 1 is taken for statement 4.

IMFI1: The product extension fits with the brand image. (S4)

IMFI2: Launching the extension is logical for the company.

IMFI3: Launching the extension is appropriate for the company.

5. [Brand extension] would improve [brand]'s power as a brand.

Brand power is a self-constructed statement.

6. It would not be surprising to see [brand] offering such a service.

Affective Image three item scales, item 3 inspired statement 6.

Affective Image (AFIM) (initial/final) Villarejo (2002)

AFIMi /AFIMf : The brand is nice.

AFIMi / AFIMf: The brand has a personality that distinguishes itself from competitors.

AFIMi / AFIMf: It’s a brand that doesn’t disappoint ist customers. (S6)

Hedonic and utilitarian consumer attitudes (Spanberg, Voss, and Crowley 1997)

Four utilitarian Items are selected.

Two hedonic Items are selected. Two items Interesting and Engaging is self-constructed.

Utilitarian Items

useful / useless +

practical / impractical +

necessary / unnecessary

functional / not functional

sensible / not sensible+

helpful / unhelpful

efficient / inefficient

benefical / harmful

handy / not handy

unproductive / productive

problem solving / not problem solving +

effective / ineffective

Hedonic Items

dull / exciting +

not delightful / delightful

not sensuous / sensuous

not fun / fun

unpleasant / pleasant

not funny / funny

not thrilling / thrilling

not happy / happy

not playful / playful

enjoyable / unenjoyable +

cheerful / not cheerful

amusing / not amusing

Intention to adopt brand extension

1.My likelihood to try brand extension is very high.

Extension Attitude three item scales, item 3 is applied.

Extension attitude (EXAT) Aaker and Keller (1990), Pryor and Brodie (1998)

EXAT1: Favorability of the extension.

EXAT2: Perceived quality of the extension.

EXAT3: Likelihood of trying the extension. (INT 1)

2. I would use brand extension on a regular basis without hesitation.

3. I would recommend brand extension to my friends.

Intention (Wixom, Todd 2005)

Intention three item scales, item 2 inspired INT 2 item in this study.

1.I intend to use [brand extension] as a routine part of my job over the next year.

2. I intend to use [brand extension] in every opportunity over the next year. (INT 2)

3. I plan to increase my use of [brand extension] over the next year.

Supporting variables for the theoretical model

Scales that inspired and role model for the study is added as following:

Consumer's Evaluations of Brand Extensions

Aaker and Keller (1990) Model

Variable name	Variable description	Scale
QUALEXT	The perceived overall quality of the brand extension	1 = inferior, 7 = superior
TRY	The likelihood of trying the extension	1 = extremely unlikely, 7 = extremely likely
QUALITY	The perceived overall quality of the brand	1 = inferior, 7 = superior
TRANSFER	The usefulness of the manufacturing skills and resources in the original product for developing, refining and making the new product.	1 = extremely unhelpful, 7 = extremely helpful

COMPLEMENT	The complementarity of the original and extension products in use.	1 = extremely unlikely, 7 = extremely likely
SUBSTITUTE	The substitutability of the original and extension products in use.	1 = extremely unlikely, 7 = extremely likely
DIFFICULT	The difficulty in manufacturing and designing the extension product	1 = extremely easy, 7 = extremely difficult

Evaluations of the proposed brand extension Aaker and Keller (1992)

Measured with three Items seven-point interval scale

low quality / high quality

not at all likely to try / very likely to try

inferior product / superior product

The perceived fit of the proposed extension with the company Aaker and Keller (1992)

Measured with three Items seven-point interval scales:

bad fit between company and the product / good fit between company and the product

not at all logical for the company / very logical for the company

not at all appropriate for the company / very appropriate for the company

Perceptual fit *(*Tauber 1988; Völkner and Sattler 2006; Yorkston, Nunes and Matta 2010)

Measured with three Items five-point interval scales:

fit with the parent brand (does not fit at all / fits very well)

Measure of brand extensions success drivers Sattler and Ringle (2009)

Success drivers	Items	References
Parent brand quality	How would you rate the quality of PARENT BRAND CORE-PRODUCT? (1 = low, 7 = high)	Aaker and Keller (1990)
	PARENT BRAND is of higher quality than other brands. (1 = strongly disagree, 7 = strongly agree)	
Fit between parent brand and extension product	To what extent does EXTENSION PRODUCT fit the remaining products of PARENT BRAND? (1 = does not fit at all, 7 = fits very well)	Boush and Loken (1991)
	How similar is EXTENSION PRODUCT to the remaining products of PARENT BRAND? (1 = not similar, 7 = very similar)	Martin adn Stewart (2001, second item);
Perceived availability	EXTENSION PRODUCT is available in many supermarkets. (1 = strongly disagree, 7 = strongly agree)	Völkner and Sattler (2006)
	On my last shopping trip, EXTENSION PRODUCT really attracted my attention. (1 = strongly disagree, 7 = stronlgy agree)	
Perceived advertising support	EXTENSION PRODUCT is well supported in terms of advertising. (1 = strongly disagree, 7 = stronlgy agree)	Lane (2002); Völkner and Sattler (2006)
	How often did you notice advertising for EXTENSION PRODUCT in recent months? (1 = not at all, 7 = very often)	

Consumer experience in the extension category	How often do you shop within EXTENSION CATEGORY? (1 = never, 7 = very often)	Swaminathan et al. (2001)
Price consciousness	If I purchase a product in EXTENSION CATEGORY, I find myself checking the price even for small items. (1 = strongly disagree, 7 = strongly agree)	Ailawadi et al. (2001)
	Within EXTENSION CATEGORY, I compare prices of at least a few brands before I choose one. (1 = strongly disagree, 7 = strongly agree)	
	It is important for me to get the best prices from the products I buy in EXTENSION CATEGORY. (1 = strongly disagree, 7 = strongly agree)	

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