The Impact of Multidimensional Innovation on Brand Evangelism: Empirical Evidence from Starbucks

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Using data from Telkom University Bandung students, this study seeks to determine the relationship between menu innovation, packaging innovation, experience innovation, and consumer engagement and brand evangelism. Utilizing Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) method, the research model is constructed. The findings of the study indicate that brand evangelism can be impacted by consumer engagement, which is reciprocally influenced by multidimensional innovation. The relationship between brand evangelism, menu innovation, packaging innovation, and experience innovation is mediated by customer engagement. This study possesses numerous ramifications for organizations seeking to cultivate brand evangelism. Organizations must persist in their efforts to innovate menus, merchandising, and deliver enhanced consumer experiences.
INTRODUCTION

Since the mid-sixteenth century, coffee has been one of the most widely consumed beverages on a global scale, and its influence on culture and the lives of consumers has been substantial. Developments in coffee consumption reflect a complex evolution in consumer preferences and behavior (Samoggia & Riedel, 2018). Coffee is no longer just considered a functional beverage, but has been elevated to a high-quality culinary art experience, often compared to wine. Coffee consumption is not just about drinking the beverage, but also expressing pleasure, lifestyle and social status. This change in consumer behavior is driven by three key aspects of today’s coffee consumer products: enjoyment, health, and sustainability (Global Coffee Forum, 2015). The 1960s marked the emergence of the first generation of coffee consumption, which was distinguished by the exponential expansion of mass coffee consumption and its extensive market availability. The second phase then began in the 1990s with the emergence of coffee shop chains, Starbucks being the most prominent. Innovative brewing techniques and small coffee roasters that promoted particular regions marked the beginning of the third generation of coffee (Samoggia & Riedel, 2018).

The coffee industry's expansion is reflected in the daily consumption of over 2.25 billion cups of coffee worldwide, according to data from the International Organization of Coffee, which demonstrates the beverage's immense popularity. Furthermore, Indonesia ranked third globally in terms of coffee production with 11.85 million sacks in 2022/2023, behind Brazil and Vietnam, according to data from Katadata (Annur, 2023). This substantiates the notion that the coffee sector not only sustains the nation's economy but also generates substantial employment opportunities for millions of coffee producers and companies operating throughout the coffee supply chain. A comprehensive comprehension of coffee trends and dynamics in Indonesia is thus crucial for all parties involved, including producers and consumers.

![Figure 1. Coffee Producers in the World](image)

Starbucks, one of the largest participants in the global coffee industry, has effectively established a solid brand image and earned customer confidence by emphasizing product quality and customer experience via robust interpersonal
interactions (Gao et al., 2021). One example of the strategy used by Starbucks is through employee training that aims to help customers choose products based on their personal tastes (Zhang, 2012). Through this training, Starbucks employees are equipped with in-depth knowledge of products and how to cater to each customer's individual preferences. Starbucks maintains a commitment to menu innovation through the consistent introduction of novel beverages, such as single-origin coffees, non-dairy alternatives, and seasonal concoctions, which serve to expand the company's allure to a wide range of consumers. Additionally, Starbucks demonstrates its commitment to sustainability through the implementation of alluring designs and eco-friendly materials in its packaging. These advancements not only furnish consumers with additional benefits but also contribute to fortifying their emotional connection to the brand. All these contribute to the formation of brand evangelism where customers not only become loyal Starbucks buyers but also recommend to others (Becerra & Badrinarayanan, 2013). Thus, Starbucks is able to provide a memorable experience to every customer who comes. Starbucks' rapid revenue growth over the past 30 years is also clear evidence that customers trust the products and services provided by Starbucks (Stock Analysis, 2023).

This revenue growth also reflects Starbucks' dominance as the coffee shop leader in Indonesia by 2022, demonstrated by its sales performance. Starbucks topped the list of leading coffee shops in Indonesia by sales value. PT Sarı Coffee Indonesia, the owner of the Starbucks brand, recorded revenues of approximately USD 154.9 million that year. On the other hand, Kopi Kenangan, a local coffee shop brand, took second place with sales of around US$93.3 million. This confirms Starbucks' dominance in the Indonesian coffee shop market, although competition from local brands is also significant (Nurhayati, 2022).
A foundational knowledge of the principles underlying brand evangelism and innovation is essential for comprehending the intricacies of the consumer-brand relationship within the coffee industry, with a specific focus on Starbucks. As the process of introducing new or altered menu items into a restaurant or food service establishment, menu innovation is formally defined. Mifli et al. (2015) define it as a strategic methodology with the following objectives: increase sales, attract new customers, and enhance customer satisfaction. Packaging innovation is the creation of novel or altered packaging solutions with the objective of enhancing the environmental friendliness of the entire packaging life cycle (Lau & Wong, 2024). Experience innovation is defined as the process of creating new, innovative, more engaging, meaningful and sustainable tourism experiences. It involves using design thinking principles to understand travelers' needs and wants, developing creative concepts, and implementing and evaluating new experiences (Jernsand et al., 2015). These innovations are associated with contributions made voluntarily by customers to the company's marketing activities, which are not only limited to financial aspects (Harmeling et al., 2017). And ends in Brand evangelism which is a concept where consumers show continuous support for a brand by buying its products consistently, giving positive references about the brand, and showing disapproval of competing brands (Becerra & Badrinarayanan, 2013). In the context of the coffee industry, where competition is intensifying and consumer preferences are constantly changing, brand evangelism has an increasingly important role in influencing consumers' perceptions and preferences for certain coffee brands.

Thus, the high consumer interest and changes in consumer preferences encourage companies to continue to innovate. The company's ability to provide innovation in terms of products, services, experiences, and promotions contributes greatly to the company's image as an innovative company (Abril & Martos-Partal, 2013). Once innovation is successfully introduced, customer interaction can trigger greater customer engagement (Berry et al., 2006). Customers who are extremely engaged are ardent supporters of the organization, product, or brand. Their high level of engagement motivates others to try the product and transforms them into active advocates for a company's long-term
success (Moliner et al., 2018). However, the question that arises is how much the role of innovation in the menu, packaging, and experience at Starbucks affects consumer engagement and ultimately, Brand Evangelism at Starbucks.

In order to substantiate this investigation, scholars employed bibliometric analysis in conjunction with the VOSviewer software. This approach facilitates the examination of patterns within specific research endeavors or within a particular academic domain. It also provides evidence on the impact of individual research or fields of study as a whole, as well as assisting in discovering new emerging areas of research. The results of this analysis provide valuable insights for researchers to understand the dynamics and development of research related to the topic under study.

![Figure 4. Co-Occurrence Network Visualization](image)

**LITERATURE REVIEW**

A theoretical review is a critical analysis and synthesis of existing theories, concepts, and research relevant to the topic of interest. It serves as the intellectual foundation for a study, providing context, theoretical grounding, and insights that inform the research questions, hypotheses, or arguments presented in the paper.

**Brand Attachment Theory**

Brand attachment is a psychological construct that denotes a profound emotional bond between consumers and a brand, in which the consumers perceive the brand as an integral component of their sense of self (Malär et al., 2011). In this context, brand attachment also plays an important role in spreading positive word of mouth, strengthening the bond through recommendations and experiences between individuals (Magnoni et al., 2021). Therefore, brand attachment will make a positive contribution to the company’s financial well-being as well as brand reputation which then allows the company to build a strong emotional bond with consumers (Heinberg et al., 2020). Brand attachment, according to prior research, is the degree of intensity in the connection between a brand and an individual's identity (Park et al., 2010). The conceptualization of brand attachment is divided into four research approaches. One potential strategy places emphasis on the
manner in which an individual's identity can be enhanced via a connection with the brand by means of a sense of self and proprietorship of an object. The second approach emphasizes the direct relationship between consumers and brands, as well as the processing of information about brands by individuals. The third approach highlights the importance of brand attachment in shaping consumer self-perception. The extent of an individual's attachment to an object is impacted by the interaction between the individual and the object, according to the fourth research approach. Put simply, the greater the frequency of brand interaction, the more firmly individuals become attached to the brand (Shimul, 2022). Strong brand attachment with consumers allows Starbucks to continuously innovate to strengthen the emotional connection with customers.

**Menu Innovation on Customer Engagement**

Menu innovativeness pertains to the perception of consumers regarding the capability of a business or establishment to consistently introduce novel menus or products to the market (Lin, 2016). Menu innovation involves thorough research and analysis of various aspects, from company goals and strategies, menu planning process, menu selection and design, to pricing. Menu innovation also includes a continuous cycle of new menu development, assessment of its effectiveness, and periodic review to evaluate performance and adjust to market trends (Mifli, 2000). With periodic reviews and the flexibility to adapt menus to changing market needs, companies can remain relevant and competitive amidst intense competition in the food industry. Companies must be able to choose the innovation strategy that best suits the company's goals to achieve success in menu innovation. There are four types of approaches to menu innovation in the food service industry. First, creating a completely original product. Second, adopt products from outside the company without making significant changes. (Mifli et al., 2017). Customer engagement and menu innovation are intricately intertwined. Prior research has suggested that consumer engagement and appreciation can be increased through innovation in the food and beverage sector. Significant impact of product/menu innovation on customer engagement (Omar et al., 2021). In other words, innovations implemented by restaurants can increase customer engagement.

**Packaging Innovation on Customer Engagement**

Packaging plays an important role in consumer purchasing decisions as it is a physical representation of the product. Sustainability is an important consideration today, where consumers tend to prefer products with environmentally friendly packaging. Consumer preferences and requirements should inform the design of effective packaging, which should also reflect the brand's dedication to quality and sustainability (van Herpen et al., 2016). Currently, companies are starting to implement new strategies for environmentally friendly packaging because they are influenced by two main factors, namely government regulations related to environmentally friendly packaging and consumer preferences for sustainable packaging (Wandosell et al., 2021). Recent years have seen increased interest in green packaging on account of its substantial contribution to the attainment of global development objectives.
Packaging innovativeness focuses on developing new environmentally friendly packaging solutions and aims to reduce packaging waste, increase recyclability, and extend product life (Zhu et al., 2022). Packaging innovation into eco-friendly packaging offers attractive and environmentally responsible designs, without compromising product quality. By using recyclable materials, packaging can reduce waste and have minimal impact on the environment (Sumrin et al., 2021). The innovations made show customers that the company has the creative ability to adopt innovative perspectives in business practices (Heidenreich, S., Handrich, 2015). One of them is also influenced by packaging innovation, because creative packaging tends to attract attention, trigger curiosity, and encourage consumers to process further information so that it can increase consumer involvement in making purchasing decisions (Shukla et al., 2022).

**Experience Innovation on Consumer Engagement**

The degree to which consumers perceive that a business has effectively developed novel and stimulating experiences during their engagements with a specific brand or product is referred to as "experience innovation." (Lin, 2015). With experience innovation, it is expected to produce a better experience for customers. Experience innovation focuses on creating memorable, emotional, and meaningful interactions for customers and is characterized by collaboration and integration between various parties involved in work in a work environment (Jernsand et al., 2015). Innovation is not only important for producing new and unique products, but also for creating engaging customer experiences and actively involving customers (Yen et al., 2020). The importance of innovation in creating customer experiences lies in its ability to meet and even exceed customer expectations. By deeply understanding customer needs and preferences, companies can provide personalized and enjoyable experience innovations. Previous studies say that experience innovation and customer engagement are interconnected with each other. Innovation in customer experience has a positive impact on customer engagement. When a company brings innovation to services, it can make customers more interested, engaged, and attached to the company (Yen et al., 2020). The perceived value of service innovation can influence customer interaction and engagement in creating new experiences for customers, which is an important aspect of the concept of experiential innovativeness (Tuzovic et al., 2018). Once a service innovation is successfully introduced, customer interaction with the service can trigger greater customer engagement (Berry et al., 2006).

**Customer engagement on Brand Evangelism**

Customer engagement is a state that reflects the disposition of individual consumers towards a context-specific focus of engagement (Dessart et al., 2016) and refers to the contributions made voluntarily by customers to the company's marketing activities, which are not only limited to financial aspects (Harmeling et al., 2017). Customer engagement that occurs naturally in response to product experiences without company intervention will create stronger and more memorable trust in the eyes of customers than communication initiated by the company itself (de Matos & Rossi, 2008). In other words, strengthening customer engagement can be an effective strategy in building good and sustainable
relationships with customers. Brand evangelism can be regarded as an enhanced form of word of mouth due to its ability to persuade others to interact with the same brand, stimulate interest in purchasing, and reduce market competition (Matzler et al., 2007).

In research conducted by (Rungruangjit & Charoenpornpanichkul, 2022), it is said that customer engagement has an important impact on brand evangelism. Customer engagement and brand evangelism have a close relationship. When customers actively and voluntarily interact with a brand, they tend to have a greater sense of ownership of the brand. Customers not only buy products or use services, but also feel emotionally attached to the brand. Thus, it will be more likely for customers to contribute to brand evangelism. Therefore, building a marketing strategy that prioritizes customer engagement can be the key to strengthening brand evangelism.

The theoretical framework presented in this study is illustrated in Figure 5. Menu innovation, packaging innovation, and experiential innovation are crucial in determining consumer engagement, which in turn affects brand evangelism, according to the framework. Menu innovation refers to changes in the menu that take into account customer preferences, packaging innovation refers to the development and use of environmentally friendly or recyclable packaging, while experiential innovation focuses on creating unique and memorable experiences for customers. By encouraging increased support and propagation of the brand, customer engagement mediates the connection between these innovations and brand evangelism.

![Figure 5. Conceptual Framework](image)

**METHODOLOGY**

This research is a quantitative investigation employing a correlational methodology to examine the relationship between consumer engagement, brand evangelism, menu innovation, packaging innovation, and experience innovation. The sample population comprises Telkom University registered students who have engaged in Starbucks product purchases. To analyze the gathered data, structural equation modeling (SEM) will employ the Partial Least Squares (PLS) method. SEM-PLS is a statistical analysis technique utilized to validate latent variable-containing structural equation models.
RESULTS

Starbucks, in order to sustain its leadership position in the global coffee industry, places a premium on providing amicable customer service and establishing a pleasant ambiance for patrons. Starbucks also considers employees as partners so that employees feel valued as an important asset (Lemus et al., 2015). These efforts support the creation of a close relationship between Starbucks and customers, as well as employees, which in turn strengthens the brand image as the leader in the coffee industry (Zhang, 2012). Starbucks’ innovation strategy includes continuous product, technology, and packaging innovation, as well as employee engagement to enhance the customer experience (Starbucks, 2022). To maintain Starbucks’ position as a leader in the world coffee industry, Starbucks has a strategy to continuously bring innovations in products and beverages to meet the changing needs of customers. They also introduce new technologies, such as Clover VerticaTM, to enhance the customer experience. A strong commitment to environmental sustainability and employee engagement in the innovation process are also key focuses. Overall, Starbucks’ innovation strategy includes product innovation, sustainable technology and packaging, and employee engagement to improve the customer experience (Starbucks, 2022). By continuing to bring innovation in products and beverages, such as the use of new technologies like Clover VerticaTM, Starbucks can meet the changing needs of customers (Zhang, 2012). This also contributes to Starbucks’ increased appeal to new customers and an overall increase in sales. In addition, Starbucks creates a unique environment in its stores with regularly updated menus, attractive interior design, and plastic reduction to support sustainability. These efforts not only support customer engagement, but also build a strong emotional bond with the brand, creating a distinctive experience for customers and driving brand evangelism (Berry et al., 2006). By providing unique experiences and making customers feel welcome to engage, Starbucks manages to build strong relationships with customers, which in turn supports brand evangelism (Berry et al., 2006).
DISCUSSION

Starbucks' success lies in its ability to adapt to changing consumer preferences and innovate its offerings accordingly. Through menu innovation, Starbucks continuously introduces new beverages, including non-dairy options and single-origin coffees, catering to diverse consumer tastes. Moreover, Starbucks prioritizes packaging innovation by adopting eco-friendly materials, aligning with growing consumer demand for sustainability (Zhang, 2012). These innovations not only enhance the customer experience but also contribute to strengthening customers' emotional attachment to the brand, leading to brand evangelism. Furthermore, Starbucks' emphasis on experience innovation creates a unique and memorable environment for customers, fostering a sense of belonging and emotional connection with the brand. By providing engaging experiences and involving customers in the innovation process, Starbucks cultivates strong customer engagement, which, in turn, drives brand evangelism.

CONCLUSIONS AND RECOMMENDATIONS

The concept of this research examines the correlation between menu innovation, packaging and experience with consumer involvement at Starbucks Indonesia, as well as its influence on brand evangelism. As well as its influence on brand evangelism Starbucks Indonesia. It can be concluded, based on a review of relevant literature and the industry environment, that these innovations significantly influence consumer perceptions and preferences towards a particular coffee brand. Consumer preferences and perceptions towards a particular coffee brand. Starbucks, a pioneer in the coffee sector, has effectively built a strong brand identity by adopting an inventive approach in menu development, packaging design and customer engagement. Constantly introducing new products and other menu innovations to increase Starbucks' appeal to customers with diverse tastes. Starbucks caters to a wide range of consumer preferences. Packaging innovations that demonstrate dedication to environmental sustainability and aesthetic appeal not only create value for consumers, but also improve perceptions of the company. Starbucks against extinction. While innovation in experience, through employee training and the creation of unique experiences, strengthens customers' emotional bonds with brands. From a consumer perspective, high engagement with the Starbucks brand was sparked by these innovations, resulting in a brand evangelism phenomenon where consumers not only became loyal buyers but also became active brand ambassadors. Brand evangelism reflects consumers' continued support for a brand, whether through consistent purchases, positive references, or negative attitudes toward competing brands. Overall, this research highlights the importance of strategic innovation in menus, packaging and experiences in creating strong consumer engagement and fueling the brand evangelism phenomenon in the coffee industry. The practical implication of this research is that coffee companies, including Starbucks, must continue to innovate to maintain consumer loyalty and face increasingly fierce competition in the market.
REFERENCES


