Impact of Sports Sponsorship on Brand Image and Purchase Intention

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ABSTRACT
This thesis seeks to analyze the impact of sports sponsorship on brand image and purchase intention. The study investigates the attitude of a consumer towards brand image and leading it to purchase intention regarding sports sponsorship. Survey method approach is taken in which data is collected through questionnaires.

KEYWORDS: Sports sponsorship, Brand image, Purchase intention, Brand publicity.

INTRODUCTION
Today sponsorship becomes an essential tool for the marketing strategies and targeting the consumers. Sponsorship has a share of 67% in making marketing strategies. Sponsorship has become an effective and necessary tool for the marketer in capturing the maximum market share and targeting the huge market (Thwaites, 1998). Main purpose of the sponsorship is to capture or target the huge consumers and the other one is to enhance the image of the corporation through different modes and ways of advertising, promotion and media exposure. Sponsorship shows the alliance and relationship of the organization with the sports event (Stipp, 1998). Due to rapidly increase in media exposure companies try to target the huge consumers in short period of time. For this purpose companies adopted the sponsorship to capture the huge consumers, communicating the brand information and image, inform the consumers about the company and its offerings and building the long term relationship with the consumers (Simmons & L. Becker-Olsen, 2006).

Sports sponsorship is very effective tool to associate brand with the sports in creating the strong feelings about the brand in the heart of consumers. Sponsorship shows the passion, excitement, spirit, emotions, feelings and
excellence when the brand values associate with the values of sport. From this we identify the overall analysis and determine from sponsors their impact on brands and consumers involvement in purchase intention.

PURPOSE

Purpose of my study is to analyze the impact of sports sponsorship on brand image and purchase intention and what are the factors leading to higher or lower impact on both variables.

SIGNIFICANCE

This report helps out the marketers to understand the value and credibility of sports sponsorship towards consumers in building the brand image. It describes the functions, importance and its uses in current environment both at national and international level. How a marketer can affiliate himself with an offering that has worth towards target audience to attract their attention towards him and draw a positive image of the corporation. This report helps the sponsor (marketer) in the implementation of sponsorship functions, technique, procedures, process and strategies in an effective way. Main purpose of this study is to determine whether sports sponsorship has impact on brand image and enhance purchase intention or not. If the sports sponsorship impacts the brand image and enhances purchase intention then which are the factors that can build and strengthen the brand image to increase the purchase intention. Findings of this report help the marketers to find out the factors that can enhance the brand image and increases the sale for the corporations.

OBJECTIVES

The following would be the objective of the research study

- Can sponsorship fulfill the objectives of the corporation?
- Measuring the importance of sports sponsorship
- To statistically analyze the impact of sports sponsorship on brand image
- To statistically analyze the impact of sports sponsorship on purchase intention
- Which factors increases the brand image during sponsorship
- Which factor is more credible in front of consumers in enhancing brand image during sponsorship?
- Analyzing the relationship between sponsorship, brand image and purchase intention.

LIMITATIONS

There are some limitations that have made the research difficult to do a more detailed analysis.

- Time for the research was limited due to which all respondents could not be targeted properly.
- As I’m using a survey method, so a problem was aroused that, respondents of my sample refused to cooperate and those respondents who provided answers responded in a certain direction which might make my research biased.
- Research findings are based on the subjective explanations of the respondents.
HYPOTHESIS

- Sports sponsorship has an impact on brand image or not.
- Sports sponsorship has an impact on purchase intention or not.
- Impact of age, gender and income on sports sponsorship.

LITERATURE REVIEW

- A well established and recognized brand promotes restate buying. Brand is a mixture of multiple associations build on a consumer’s memory about its characteristics and use. (Peter and Olson, 1994).
- Brand is very much involved in the process of developing of brand equity, which includes its awareness and attributes (Keller, 1993). The image of the brand depicts consumer’s knowledge and belief about brands various merchandise and its attributes.
- To build the relationship between brand and consumers the organizations must have to communicate brand character and defines the benefits for the consumers in the form of offering, feelings, emotions and association (Lin, 2004)
- Sponsorship works better than promotional activities and it creates a strong perception in the minds of people because of its affiliation with the offering. People remember that sponsor when he thinks about the offering. Sponsorship works for the both promotional tool as well as building the association in the minds of consumers (Rifon, Choi, Trimble & Li, 2004).
- In sponsorship the main purpose of the marketer is to increase the awareness of his brand which leads to enhance the overall brand image and equity of the corporation (Smith 2008). Every sponsor wants to get the maximum benefit from the investment that he made in sponsorship and ensures that it will gives him benefits more than other investment (Huda 2001; Fan 2001).
- Purchase intention is composed of consumer’s feelings, thoughts, experience and external factors that he considered before making any purchase. Purchase intention of the consumers depicts and expresses their behavior and the way they making decisions about their buying process (Fishbein & Ajzen, 1975).
- Purchase intentions describe and determine the consumer response to purchase the offering. The higher the intention leads to elevated purchase of that offering. Consumers purchase intention can be determine through their responses, feedback and their involvement. Highly involved consumers shows high rate of purchase (Dodds, et al., 1991; Schiffman & Kanuk, 2000).
RESEARCH METHODOLOGY

- The research methodology would start from intense literature review and it includes the study of researches and journals which are related to impact of sports sponsorship on brand image and purchase intention.
- For the collection of secondary data, related books and publications about sports sponsorship were used whereas for primary data survey method is used which includes questionnaires.
- Study is descriptive and explanatory in nature.
- For primary research I am doing field survey and use questionnaire as a tool for data collection.
- A sample of 310 respondents from the city of Lahore was drawn to carry out the research.
- The sample exhibited differences in various demographics characteristics such as age(below 20 and above), income (more than Rs 20,000) and gender (male and female).

KEY FINDINGS

Following are the key findings of the research process.

SPORTS SPONSORSHIP AND BRAND IMAGE

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPORTS SPONSORSHIP</td>
<td>2.2949</td>
<td>.64143</td>
<td>310</td>
</tr>
<tr>
<td>BRANDIMAGE</td>
<td>2.2912</td>
<td>.79931</td>
<td>310</td>
</tr>
</tbody>
</table>

Table shows the mean of sports sponsorship is 2.2949 and its standard deviation is .64143 from its mean. The mean value of brand image is 2.2912 and its standard deviation is .79931 from its mean.
Correlations

<table>
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<th>BRANDIMAGE</th>
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</thead>
<tbody>
<tr>
<td><strong>SPORTS SPONSORSHIP</strong> Pearson Correlation</td>
<td>1</td>
<td>.716**</td>
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<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
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**. Correlation is significant at the 0.01 level (2-tailed).

Table shows the value of Pearson correlation is .716 which is > .7 which indicates that there is a strong relationship between sports sponsorship and brand image. The value of significance between sports sponsorship and brand image is .000 which means that the relationship is significant to .01 confidence level. So we are accepting H1 and rejecting H0.

**SPORTS SPONSORSHIP AND PURCHASE INTENTION**

Descriptive Statistics

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<td>.74231</td>
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</tr>
</tbody>
</table>

Table shows the mean of sports sponsorship is 2.2949 and its standard deviation is .64143 from its mean. The mean value of purchase intention is 2.5797 and its standard deviation is .74231 from its mean.
Table shows the value of Pearson correlation is .595 which is <.7 which indicates that there is a moderate relationship between sports sponsorship and purchase intention. The value of significance between sports sponsorship and purchase intention is .000, which means that the relationship is significant to .01 confidence level. So we are accepting H2 and rejecting H0. So sports sponsorship has great impact on consumers purchase intentions.

**SPORTS SPONSORSHIP AND BRAND IMAGE**

Table shows the value of R square describes the change in dependent variable due to independent variable. Brand image is dependent on sports sponsorship. The rate of change in brand image due to sports sponsorship is 51%.
Table represents the values to formulate the regression equation. In the table, the coefficient for constant .244 is the intercept and the coefficient for variable .892 is the slope. The regression equation will be:

**Predicted variable (dependent variable) = slope*independent variable + intercept**

Brand image = .892 * sports sponsorship + .244

**SPORTS SPONSORSHIP AND PURCHASE INTENTION**

Table shows the value of R square describes the change in dependent variable due to independent variable. Purchase intention is dependent on sports sponsorship. The rate of change in purchase intention due to sports sponsorship is 35%.
Table represents the values to formulate the regression equation. In the table, the coefficient for constant 1.001 is the intercept and the coefficient for variable .688 is the slope. The regression equation will be:

\[
\text{Predicted variable (dependent variable) = slope*independent variable + intercept}
\]

\[
\text{Purchase intention} = .688 \times \text{sports sponsorship} + 1.001
\]

**RECOMMENDATIONS**

Following are the recommendations for the companies sponsoring in sports,

- Companies can use sports sponsorship as a tool to promote their image and create awareness among consumers.
- Sponsoring in sports leads to a higher level of purchase intention.
- Companies can capture large audience through sponsoring in sports events.
- Companies can cover wide range of media through sports sponsorship because it is an effective tool in creating brand image among consumers as compared to other tools of promotion.
- Marketers must have to develop different strategies and tools and techniques to target male and female respondents and enhancing brand image and purchase intention in an effective way.
- Sports sponsorship is also impacting the respondents according to their age group and marketers must have to develop ideas to target those age groups whose has less value towards sports sponsorship.
- Purchase intention of the respondents varies with respect to their age. Marketers have to analyze effectively and efficiently which age group is less or more influence and develop techniques and methods according to their needs and wants.
- Marketers must have to develop strategies in such a way that impact the brand image of the corporation and enhancing purchases of the corporation’s offerings.

**CONCLUSION**

In today’s environment sports sponsorship plays a very significant role towards consumers and people give a lot of value. Purpose of this report is to analyze the impact of sports sponsorship on brand image and purchase intention. This report concludes that sports sponsorship plays a tremendous role on building higher brand image which leads to more purchase intention. The companies who are sponsoring the sports can influence the demand of purchasing products more effectively as compared to other modes of promoting tools.
References


