

Brand equity and event image: Moderating effect of sponsorship

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Nurliana Idaini Shamsol*

Hassnah Wee

Nuramirah Mohd Yusoff

Faculty of Hotel and Tourism Management,
Universiti Teknologi MARA Cawangan Selangor, Malaysia
nurliana_4c@yahoo.com

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Abstract

The paper discusses the conceptual understanding of the moderating role of sponsorship on brand equity towards event image. There are many factors that can influence attendee's perceptions in the event, for instance, the brand of product and services, activities, past experience, and sponsorship. Sponsorship is the most popular investment tools used by the owner of brands or organization nowadays for them to be recognized among the public. However, there is still unclear understanding if brand equity or sponsorship can influence and attract the consumer to attend the event and give positive perception (image). This paper specifically focuses on examining the effect of brand equity (brand awareness and brand image) on event image when sponsorship is the moderating factor. A Multiple Regression Analysis will apply to examine the direct and moderating effects hypotheses. The sampling design is using convenience sampling for respondents from the MATTA Fair 2017 visitors. The conceptual framework used in this paper offers a good point for examining sponsorship dimension are important in the event, especially in event tourism research. The study outcomes provide implications for academic and practical perspectives.

Keywords:

Brand equity, event image, sponsorship, visitor, moderating effect

1 Introduction

The event is considered as an industry that contributes to a major positive economic impact and performs an important role in the tourism industry (Kose, Argan, & Argan, 2011). There are limited research and statistic for event tourism in Malaysia. The final statistic for event tourism was in 2000, the number of event tourism reported by Tourism Malaysia has increased 207% since the beginning of 1990. In 1990, a total of 69 or 6% of events were organized compared 212 or 20% events in 2000. Commonly, the event can be divided into some different characteristics namely the mega event and local event (Kim, Kim, Ruetzler & Taylor, 2010). Supported by Bowdin, Allen, O’Toole, Harris and McDonnell (2011), the event industries appeared and the business area totally acknowledged the economic, tourist or traveler and publicity value of events, especially in sponsorship event for the last two decades.

Arcodia and Novais (2012) noted that sponsorship is one of the popular tools for building or creating and improving the organization image or the name of brand or event itself. As reported by International Event Group [IEG] (2013), in 2013 approximately worldwide sponsorship spending (financial or others) increased 3.9% and estimates 4.1% sponsorship spending growth to \$55.3 billion from different companies particularly dealing with small event alone. Sponsorship involves an exchange of some resources, as the event company seeks to transfer itself to the positive and good image of the event. Supported by Florian (2017), the important goal of the event which has sponsorship is to transfer the image of sponsored brand equity of products and services to the event, as a result, and helpful to influence attendees to give good perceptions. According to Gwinner (1997), an event’s image is a demonstration of the overall personal perceptions by specific attendees. A research conducted by Song (2008) indicated that clear event-sponsor brand fits significantly influences the image of the event. Nevertheless, there is no general agreement on what creates event image, either brand equity, sponsorship or both.

1.1 Problem Statement

The popularity sponsorship and growth happen because of some reasons such as organizations concern about their effectiveness of traditional media, increasingly fragmented markets, and limitations of rules and procedure by government on advertising some products or brand, increased events popularity that attracts attendees, improving of brands and relationship of marketing trends (Nufer & Buhler, 2010; Tufail, Saeed, Zameer, Bilal & Naeem, 2014). Cornwell and Roy (2003) contended that sponsorship involved in resources exchange such as money or in kind. Moreover, sponsorship will help event organizer to transfer the positive image of the event, but such transfer of images can be possible if the attendees recognize the well-known brands that attribute to the event rather than less-known brand. In short, there is still unclear understanding if by good brand equity can influence and attract the consumer

to attend the event and give positive perception (image) to the event (Christodoulides & De Chernatony, 2010).

In addition, there has been a very limited study and information for looking the sponsorship as the moderating effect of the event image and the existing literature does not give or explain a specific explanation or measurement scale for this construct (Florian, 2017). For event tourism, the sponsorship plays an important role for the event to attract tourists and local people to attend and give positive perception. In view of this phenomenon, it is reasonable that the current research focuses on examining the moderating effect of sponsorship on brand equity towards event image would add to the importance of research in strengthening the event tourism industry. Since limited of such study undertaking in Malaysia contextual setting, especially in Klang Valley area, the originality of this research would surely contribute to creating a new body of knowledge in Malaysia about event management research. Moreover, the result from this research benefits event organizer and management in knowing and acknowledge brand equity for their future event so that they understood their attendee's needs and wants. The event management also knows how to establish their attendee's needs and wants to gain profits in a way that to attract more attendees and influence them to give good perceptions.

2 Literature Review

2.1 Theory underpinning

The study objective is to identify the relationship between brand equity and event image, also to examine the moderating effects of sponsorship towards event image. To ground this objective, there are many theories have defined brand equity elements, such as the Resource-Based View (RBV) and Signalling Theory. Specifically, the signalling theory describes brands as effective signals (Erdem & Swait 1998). Despite, many methods have no developed theory applied in the promoting area. Signalling theory is the most suitable theory for this conceptual paper.

2.1.1 Signalling theory

The key idea behind signalling theory is analyzing the types of communicated and the feedbacks received from it. Signalling theory's primary elements include the Signaller, Signal, Receiver, and Feedback. In short, when signallers provide a high quality of the signal, it will give good information and meets their customer's needs; the signaller will get positive feedback as well as changing the relationship between signaller and receivers. It provides a very practical approach to understanding various processes, especially in marketing and consumer behavior. The theory of signalling is based on the idea of "asymmetric information". Asymmetric information occurs when one party holds more important information than the other, which can influence the good decision-making process for many businesses, government organizations, and

households (Connelly, Certo, Ireland & Reutzel, 2011). This theory's main focus is to reduce the information asymmetry between the two groups (buyers and sellers), focus on positive information to show good quality of the brand to catch the attention of the buyers. In addition, signalling theory can also be used to examine consumers' perceptions in event sponsorship (IEG, 2010).

2.1.2 Research model

Keller's Customer-Based Brand Equity (CBBE) model is known as a basic concept of brand equity (Netemeyer, Krishnan, Pullig, Wang, Yagci, Dean, Ricks, & Wirth, 2004; Yoo, Donthu & Lee, 2000). Keller (1993) and Raithel, Taylor and Hock (2016) defined brand equity as thought, feelings, perceptions, images, experiences and there are three key components to this definition, which are "differential effect", "brand knowledge", and "consumer response to marketing". Specifically, brand knowledge is known as the important subject in creating (CBBE) and it can be conceptualized as consisting of a brand connect in memory with a variety of brand associations. The main elements of brand knowledge are brand awareness and brand image. In short, (CBBE) clearly defined antecedents and consequences, brand equity components can be easily adapted to any object of study. That is the reason why this model is used here to study brand equity effect event image.

2.2 Brand equity and event image

Brand equity plays an important role in marketing concept, especially in academic and practice. The purpose of brand equity for academic is to understand how brand equity is measured and why business companies need brand equity and for practitioners who would want to understand how to influence consumer purchase decision-making. There are many different definitions of brand and brand equity. According to Bastian (2015), a brand defines as 'a name, term, design, symbol, or any other specific characteristic that can identify and differentiate the company good or service with another competitor. Therefore, supported by Keller (2013) and Bastian (2015), the brand plays an important role in to separate the organization identity in marketing and at the same time to differentiate their market offerings. Next, definitions for the term equity get from the finance section as 'ownership in any asset after all debts associated with that asset are paid off'. Worth mentioning by Aaker (1991) and Bastian (2015), that the combination of both terms which is brand and equity is defined as a set of brands of the company's assets and liabilities linked to a brand, its name, and symbol or characteristic, those add to or take from the product or services value provided to a firm and to the customers.

From brand equity elements, the researcher Paproski (2011) and Bastian (2015), have examined the effects event image has on brand equity itself and from a consumer's point of view, the importance of brand equity in event represents attributes such as better product performance and gives a positive image of the product and services. Previous research by Zarantonello and Schmitt (2013), there is

evidence that brand equity can influence the perceptions that consumers or attendees have of its image toward such a brand in the event. The goal of the paper is to analyze the moderating effect of sponsorship on brand equity and its impact toward the image of the event. Thus, a hypothesis is proposed:

H₁: There is a significant relationship between brand equity and event image.

2.3 Brand awareness and event image

Before consumers make any perceptions about a brand, they need to have some brand knowledge. Having said that, brand awareness as a concept for marketing that enables the marketers to measure trends in consumer knowledge of a brand existence and consumer ability to aware the brand to a certain product or services (Aaker, 1991). Moreover, supported by Huang and Sarigollu (2012), brand awareness is customer's brand knowledge which represents brand equity in the customer's mind. In short, this brand making sure that customer recognizes and recalls the specific brand when they have a high level of awareness with the strong, unique and favourable brand of product and services in memory (Keller, 2008).

In event industry, awareness can affect customers' perceptions of a brand in the event, it is important for event companies to investigate which brand has in customers' consideration set, and how wide their brand awareness among customers because customers attract to familiar brands of product and services (Aaker & Joachimsthaler, 2000). Disagreed by Jaravaza and Guveya (2016), they said that brand awareness is difficult to achieve broader marketing objective since visitors feel better about the sponsor's brand because of the exposure influence inside the event. Thus, the hypothesis is established:

H_{1a}: There is a significant relationship between brand awareness and event image.

2.4 Brand image and event image

Brand image is the perception or point of view of the customers about a brand itself either positive or negative view. It can be defined as a unique or different image than others competitors of links within the minds of target customers or consumer. Supported by two researchers which are Gronroos (2007) and Keller (2008), they define a brand image as the image of product and services which are formed in the consumer's mind. Keller and Kotler (2012) and Bastian (2015) identified brand image is about consumers perceptions create in their minds that are created from all resources and develops and express the product's character in a different and unique manner from other organization or brand competitors. Consumers get the brand message by many ways from companies.

For example, based on research by Gwinner (1997), with regard to implications for the brand in the event, support by popular celebrities is similar on two levels, which are consumers can associate celebrities with particular meaning by their various public activities such movies and politics. Second, events may act in a manner similar to

celebrity endorsers in the transfer of the image from exhibitor's brands who participates in the event, just as consumers influence with the product that has endorsed by popular celebrities. Brand image has been shown can help customers to identify the products and services, give the brand a personality and can influence consumers' perceptions (Popoli, 2011). Thus, the hypothesis is proposed:

H_{1b}: There is a significant relationship between brand image and event image.

2.4 Moderating role of sponsorship

Sponsorship definition by The International Chamber of Commerce International Cod on Sponsorship (ICC) (2003) and Amoako, Dartey-Baah, Dzogbenuku and Junior (2012), as any commercial agreement between a sponsor and sponsee (one who is sponsored) for the mutual benefits by providing financing or other support such as in-kind in order to establish a relationship between the sponsor's image, brand or product and services and a sponsorship property in return the granting of certain agreed direct or indirect benefits especially in event. Sponsorship has been shown increasing in the last two decades (Masterman, 2007; Skinner & Rukavina, 2003). Large companies approaching sponsorship as their public relations activity for generating community goodwill and as marketing communication tools (Pike, 2008). Most of the companies used sponsorship especially in the event in order to achieve their corporate and marketing goals or objective. According to Bowdin et al (2011) and Goldblatt (2008), the important parts during event sponsorship are that sponsors must be seen by consumer or attendees as partners in events. The previous study by Salelaw, GashawTibebe and Singh (2015), sponsorship is part of event marketing activities can influence and able to positively affect the image of brand and event.

Some authors (Rowley & Williams, 2008; Jeffries-Fox, 2005) suggested that the role of sponsorship have two which is a communication tool and a source of income, as it is briefly summarized in future. The businesses and organizations used different types of media and tools to communicate and build the relationships with other stakeholders also the attendees or target audience (Pike, 2008; Skildum-Reid, 2003). According to Jeffries-Fox (2005), one of the important sources of income in the event is sponsorship. Sponsorship, either provided as monetary or in-kind support (for example products or services offered free of charge, in other words, sponsorship paid for in services supplied by the sponsor, such as shoe bag or keychain if the sponsor is a bank) is central to the revenue and resources of events (Bowdin et al, 2011; Shone & Parry, 2004; Skinner & Rukavina, 2003). Thus, these hypotheses are proposed:

H₂: The sponsorship moderates the relationship between brand image and event image.

H_{2a}: The sponsorship moderates the relationship between brand awareness and event image

H_{2b}: The sponsorship moderates the relationship between brand image and event image.

3 Methodology

This conceptual paper is to study and assess the brand equity elements and moderating effect of sponsorship towards the image of the event, hence a descriptive research design using the quantitative approach through cross-sectional study is considered the suitable method to be used. Important to mention that, the sample population for this research will be collected among MATTA Fair 2017 attendees at Putra World Trade Centre (PWTC), Kuala Lumpur. Stated on the event organizer website, MATTA Fair 2016 there were 92,491 attendees is attending this Fair. It is recommended that sample sizes larger than 30 and less than 500 are appropriate for most of the studies (Roscoe, 1975). Hence, the researcher will proceed by 300 respondents as the sample size in order to avoid any trouble of not valid questionnaire returned. Following Sekaran and Bougie (2010), the researcher will use convenience sampling, which refers to the collection of information from members of the population who are conveniently available for the field survey. The advantages of this sampling are fast, convenient, and less expensive.

The researcher will use the Statistical Package for Social Sciences (SPSS) for data analysis. Moreover, the reliability test (Cronbach Alpha) analysis will be undertaken. According to George and Mallery (2003), the set of the item is reliable if the Cronbach's Alpha value is 0.7 or higher. Reliability test purpose is to measure the stability of the instruments and helps to determine the validity for every instrument in the questionnaire. Meanwhile, Multiple Linear Regression will use to explore the causal and effect relationship between one continuous dependent variable and a number of independent variables whenever appropriate to suit the objectives, research questions, as well as hypotheses of the study. The analysis was used in determining how much variance in the event image (dependent variable) was explained by brand equity (independent variable) with the sponsorship (moderating variable). In this study, the researcher wants to examine the moderating effect of sponsorship on brand equity towards event image.

4 Conclusion

There are several limitations to the study that should be acknowledged as well as the recommendations for future research. The independent variable of this paper, which is brand equity, includes two dimensions only, which are brand awareness and brand image. These situational characteristics were very limited for the whole encouragement brand equity in an event. To overcome this limitation, future research could be done by adding other the brand equity elements such as brand loyalty, brand relations, and brand response. Moreover, the paper could benefit both the academic literature and practical perspective within the event tourism field. This conceptual paper has practical implications for the event's industry that would be a reference to the event organizer that is very significant to the good event image. For the event

manager, this paper describes an event image and important for the event manager to understand on how to retain their attendees and event image, or in another word to manage the successful event.

5 About the authors

Nurliana Idaini Shamsol holding a Bachelor's degree in Event Management from Universiti Teknologi Mara, Malaysia. She works as an event executive at private event company in Melaka. She won a gold award in the International Food and Tourism, Innovation, Invention and Creativity (iFaTIIC) at Universiti Teknologi Mara, Malaysia and participated in the 5th International Innovation, Invention and Design (InDES) at Universiti Teknologi Mara Perak and won the silver award.

Hassnah Wee is a senior lecturer at Universiti Teknologi Mara, Malaysia. She is attached to the Faculty of Hotel and Tourism Management. She partakes in various academic activities such as teaching, research, consultancy, innovation projects and community-based programs during her tenure with the university. Among her core research areas of interest are in event tourism (festival, sport and MICE related events), destination management, service quality, cultural and gender studies.

Nuramirah Yusoff holding a Bachelor's degree in Tourism Management from Universiti Teknologi Mara, Malaysia. She works as a lecturer at a private college in Selangor. Her major field of study is hotel and tourism management. Currently, he is a master student in Tourism Management at Universiti Teknologi MARA Shah Alam, Selangor, Malaysia. She won the silver award in the International Food and Tourism, Innovation, Invention and Creativity (iFaTIIC) at Universiti Teknologi Mara, Malaysia.

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