

## INFLUENCE OF SPONSORSHIP PROGRAM IN INCREASING BRAND AWARENESS (STUDY OF PARAGON SPONSORSHIP PROGRAM IN WISUDA APRIL ITB 2019)

Yeremia Haryanto and Isti Raafaldini Mirzanti

School of Business and Management, Institut Teknologi Bandung, Indonesia

\*Email: yeremia.haryanto@sbm.itb.ac.id

*Abstract. Brand awareness usually becomes the core issue of the company marketing program. The company must increase its brand awareness to have a positive impact on how consumer response when see or hear their brand. There will be achieved using various marketing communication tool, and one of the tools is called sponsorship. Sponsorship has seen exceptional growth and became a popular marketing communication to increase brand awareness. PT Paragon Technology and Innovation Tbk (PTI) is a cosmetics company active in sponsorship activities. One of the sponsorship programs is in Wisuda April ITB 2019. This study intends to see Paragon sponsorship program in Wisuda April ITB 2019 to investigate the influence of the program to Paragon's brand awareness. This study uses sponsorship dimension consisting of target audience reach, compatibility with the company's or brand positioning, and message capacity. This research applies a quantitative approach and involves 98 respondents as samples collected in Wisuda April ITB 2019. This research also use qualitative approach to interview PIC of sponsorship program in Paragon to confirm the goals in Wisuda April ITB 2019. The quantitative method results suggest that sponsorship has relationship towards brand awareness. Further, the result also indicates that the dimensions of target audience reach have the biggest influence on brand awareness than the other two dimensions. The confirmation interview also confirm that brand awareness is one of the goals that Paragon wants achieved in Wisuda April ITB 2019.*

*Keywords: Sponsorship, Brand Awareness dan Wisuda April ITB 2019.*

### INTRODUCTION

Brand awareness usually become the core issue of company marketing program. Because everything in marketing strategy start from awareness to the customer. Organization try to achieve good reput and being accept in the market determined by their successful in brand awareness. (Ghustafson & Chabot, 2007). Brand awareness has main role that can control consumer in their buying decision, beside their uniqueness (Nedungadi & William Baker, 1986). Brand awareness creates a great association in memory about a particular brand (Stokes, 1985).

One form effective promotion is the implementation of sponsorship to promote their products and to reach their targeting customers is sponsorships, and it has become increasingly popular as a marketing tool in recent years (Florian, 2017). Sponsorship is a good tool that enhances the company's community involvement and portrays it as a good corporate citizen; as markets, they recognize that the initial task in getting consumers to purchase their products and create awareness (Fullerton, 2007). Between goal that already mention before, sponsorship has purpose to achieve all of them. The most highlighted goals are brand awareness that usually the main purpose to sponsor activity.

In Indonesia, nowadays has trend of local cosmetic manufacturing company. Generally, local cosmetic companies have targeted the female audience based on the product itself. This research chosen Paragon, one of the local cosmetic manufacturing company that supported offline event in Indonesia. One of the events that Paragon was supported in 2019 is Wisuda April ITB 2019. Recently, Paragon as holding company actively did a sponsorship with several event that consist of their target market. Sponsorship itself is the focused marketing that Paragon did in the purpose to blast their brand awareness beside created marketing event or attended as speaker in several events. This research chooses a sample of sponsorship that Paragon conducted in Wisuda April ITB 2019. Because, recently from a year behind, Paragon impulsively support so many events in ITB, as one of their most potential target markets. Wisuda April ITB 2019 itself is one of the biggest events in ITB that attended by 7550 people, and it suitable with Paragon target market.

The strategy carried out by Paragon to strengthening their existence to grow and dominate company in Indonesia is using a Sponsorship program to reach brand awareness in their target market. University female student is one of their target markets, and Bandung is one of their biggest growth customers in Indonesia. Market collaboration in term of sponsorship program with one of the events in Bandung that dominate by university female student is one of the solutions. However, the effectiveness of their collaboration is still unclear to know how far the impact to increase their brand awareness

## LITERATURE REVIEW

Based on Moiseu in the side of company brand awareness is the most important aspect. When a consumer wants to make a decision in their consumer process is brand awareness because it is a fundamental issue that customer can easily remember the brand in the situation of giving a specific product category. In the side of consumer perspective, brand awareness usually is applied as a strategy to make efficiency in their purchasing decision process. Not only in term of efficiency, sometimes consumer tends to depend on brand awareness in some circumstances when purchasing, that means they more trust to buy a brand that already in their mind or they know (Koniewski, 2018). As for variables brand awareness divides on the levels of brand awareness according to (Aaker, 1991) which consists of Unaware Brand, Brand Recognition, Brand Recall, and Top of Mind Brand awareness itself has a very significant issue for the company to achieve it and become Top of Mind. The company must increase its brand awareness to have a positive impact on how consumer response when see or hear their brand. There will be achieved using various marketing communication tool, that one of the tools is sponsorship (Jalleh, Donovan, GillesCorti, & Holman, 2002).

Today, many companies are dropping hearts to use the Sponsorship program on sports and the art to increasing brand awareness (Gwinner, 1997) Sponsorship has a background to make strength brands in the purpose to beat the competitor. Company can develop their brand awareness where their brand is easily recognizes and memorize in their consumer's mind. To deliver their brand, is also one of the company purposes in their sponsorship program, deliver itself in term of build, strengthen and change their company brand. (Rowley & Williams, 2008) Marketing tools that known as sponsorship is defined by Shimp as platform that usually become tools to promote the brand associated in event of society and culture that been used for the company to communicate with consumer. (Shimp, 2003) Sponsorship variable dimensions consisting of Target Audience Reach, Compatibility with The Company's Or Brand Positioning, and Message Capacity adopted from the sponsorship planning component proposed by Rossiter and Percy (1998). To better understand the concepts used in this study, it used several references from various previous scientific writings, either in the form of a journal or a thesis that is considered relevant enough to the research theme this. In addition, some of the scientific writings were felt to have provided information it is important for researchers to better understand and shape the concepts of both variables used in this study.

Research 1	Research 2
Aqida Nuril Salma (2015)	Chintya Ayu Februarini (2012)
Pengaruh Integrated Marketing Communication Sponsorship Terhadap Brand Awareness Garuda Indonesia (Studi Pada Sponsorship Garuda Indonesia terhadap Liverpool FC sebagai Global Official Airline Partner)	Pengaruh Sponsorship Terhadap Brand Awareness Djarum Super Mild: Studi Pada Event Jakarta International Java Jazz Festival 2012
To know the consumer response toward Garuda Indonesia sponsorship with Liverpool FC in the purpose to see how far the effectiveness of the program toward Garuda Indonesia brand awareness This research also checked the influence of each sponsorship dimension.	To know the consumer response toward Djarum Super Mild in Jakarta International Java Jazz Festival in the purpose to see how far the effectiveness of the program toward Djarum Super Mild brand awareness This research also checked the influence of each sponsorship dimension.
The results of this study showed that sponsorship has a strong effect on brand awareness. Further, multiple regression analysis also indicates that the dimensions of brand positioning have the biggest influence on brand awareness.	The results suggest that sponsorship has a significant effect on brand awareness. Further, multiple regression analysis also indicates that sponsorship factors and sponsor factors have a significant effect on brand awareness.
This research has the same independent and dependent variable, also the conceptual framework. The difference where the company is about Garuda Indonesia and Liverpool FC as their sponsorship program, where inside this research was only conducted to determine the effect of sponsorship on Paragon as a company and Wisuda April ITB 2019 as the sponsorship program. This research also focused only quantitative where in Paragon research used quantitative and confirmation interview with sampling technique by Aaker, not from Slovin Technique.	This research has the same dependent variable which is brand awareness. The difference is in the conceptual framework and focused on the independent variable, where it defined the dimension into sponsorship factors and sponsor factor. Where inside this research defined the dimension of sponsorship used from Rossiter and Percy. The difference also in the company where about Djarum Super Mild and Jakarta International Java Jazz Festival as their sponsorship program, where inside this research was only conducted to determine the effect of sponsorship on Paragon as a company and Wisuda April ITB 2019 as the sponsorship program. This research also focused only quantitative where in Paragon research used quantitative and confirmation interview with sampling technique by Aaker, not from Slovin Technique.

## METHODOLOGY

The framework built based on how Paragon company use marketing activation in term of sponsorship program to achieve their brand awareness. This study discusses two variables namely independent variables or independent variable and a dependent variable or dependent variable. Independent Variable) is a variable that can affect other variables non-dependent (dependent variable) while the bound variable (Dependent Variable) is a variable that can be influenced by other variables (independent variable). In this study the variables independent is a sponsorship program consisting of the Target Audience Reach, Compatibility with The Company's or Brand Positioning, Message Capacity by Rossiter and Percy (1998) and the dependent variable is brand awareness by Aaker (1991).

The hypothesis in this study is about the existence of a relationship sponsorship program with brand awareness and the influence of every dimension sponsors of brand awareness are as follows:

H1: There is an influence between Target Audience Reach and Brand Awareness

H2: There is an influence between Compatibility with The Company's or Brand Positioning for Brand Awareness

H3: There is an influence between the Message Capacity on Brand Awareness

This research is used by primary data. Primary sources are direct data sources give signs to data collection (Sugiyono, 2007). In this research the source of the data primer is the whole thing obtained from the questionnaire which is disseminated in correspondence quantity according to the target and considered the release of the entire population of research to be determined the technique of gathering signs on this research is to use the question through survey. Its use is to take simple random sampling, i.e. samples were taken in such a way that each research unit of the population has equal opportunity to be selected as a sample.

Questioners who were facilitated in the study were questionnaires in Likert scale. Likert scale is used to measure attitude, opinion and perception a person or group of people about social phenomenology (Sugiyono, 2005). The research uses a linear scale with six scalable points (six-pointscale). The target side of this research is a female student. The correspondence with chosen is a female student only accordingly most of them tend to be the target of Paragon as a cosmetic brand. Based on the calculation of the amount that has been carried out, it is found that the number of samples in this study only needed 98 samples from 7550 total population. The formula used to find sample needed is according to Slovin quoted by Hussein Umar (2000)

Before distributing research questionnaires, researchers first do pre-research or commonly referred to as a pre-test. The purpose from this pre-test is to find out any research indicators relevant to the variables in the study. Pre-test is done for ensure that the questionnaire is valid and reliable, testing the elements contained in the questionnaire, and ensure that the question is understandable by the respondent so that in the future there will be no more problems filling out the questionnaire. Pre-test was conducted on a number of prospective respondents, which has the same characteristics / conditions as the respondent but inside less amount. The test itself conducted in 2 April and spread to 30 persons around ITB.

In this study, statistics analysis will produce indicators forming research variables. The purpose of this test is to find out how big the influence of the sponsorship program on Paragon's brand awareness and to test the research hypothesis. After obtained these indicators, this research will use validity with Pearson Correlation and reliability with Cronbach alpha of the indicators in each variable construct. This research would continue to the Classical Assumption Tests by testing the Normality Test using Shapiro which is intended to identify the normal distribution of the residual value, Multicollinearity to identify whether there occurs a correlation between independent variables or not, Autocorrelation to identify the difference of observing time of the data but since this research is a Cross-Sectional One then Autocorrelation is not too necessary, Heteroscedasticity to identify the unsimilarity in the variances of the variable, and lastly Linearity to identify whether the model is fit enough to be tested by using Linear Regression or not.

After doing the Validity, Reliability, and Classical Assumption test, this research than would conduct Multi-Linear Regression in order to identify the correlation between independent variables and the dependent variable. As this research has 3 independent variables and has objectives to check influence between an independent variable with the dependent variable, then the most appropriate test would be by using Multi-Linear Regression.

This research also conduct interview to the sponsorship team in Paragon Company, to confirm about their sponsorship program in Wisuda April ITB 2019. The interview focused to validate their goals in Paragon, and correlate the interview result with quantitative data result that conduct before.

## FINDINGS AND ARGUMENT

The Pre-test result for the questionnaire feedback showed it has repetition in variable Unaware Brand (BA 1 & BA 2), so it would be terminated from the framework. The variable BA 1 & BA 2 are contradictory and rhetoric with the other questions occurring in the questionnaires. The similarity happens because BA 1 & BA 2 are the negative value of the questions which have already occurred in the questionnaires. Hence, we terminate BA 1 & BA 2 in order to prevent a rhetoric result from the respondents.

After it pass several tests such as Validity, Normality, and Classical Assumption Tests, we continue to the Multiple Linear Regression to analyze the influence of the independent variables to the dependent variable. Here are the results of our Multiple Linear Regression:

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	<b>.563<sup>a</sup></b>	<b>.317</b>	.296	.48633

a. Predictors: (Constant), MC, TAR, BP

Multiple R is the correlation coefficient that reflects only the degree of association between the dependent variable with independents variables. The result shows that the model's multiple R is **0.563** which reflects Brand Awareness (BA) is considered that there was enough associated with the Target Audience Reach (TAR), Message Capacity (MC), and Brand Positioning (BP)

R square (R<sup>2</sup>) refers to as the coefficient of determination that indicates the percentage of total variation dependent variable explained by the regression model. The model has R square value **0.317** which indicates that **31.7%** of the total variation of Brand Awareness (BA) is explained by the regression model consisting Target Audience Reach (TAR), Message Capacity (MC), and Brand Positioning (BP)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.333	3	3.444	<b>14.562</b>	<b>.000<sup>b</sup></b>
	Residual	22.233	94	.237		
	Total	32.565	97			

The ANOVA analysis provides the statistical test for the overall model fit in terms of the F ratio. The model shows that the F ratio of **14.562** is statistically significant at a significance level of **0.000** (less than 0.01). It represents that the model has a coefficient that is not equal to zero which also indicates at **all independent variable affects Brand Awareness**.

Model	Unstandardized Coefficients			Standardized Coefficients	T	Sig.
	B	Std. Error		Beta		
1	(Constant)	2.591	.368		7.041	.000
	TAR	.227	.063	<b>.376</b>	3.607	.000
	BP	.061	.058	<b>.110</b>	1.054	.295
	MC	.228	.059	<b>.330</b>	3.856	.000

The standardized coefficient ( $\beta$ ) reflect the change in the dependent measure for each unit change in the independent variable. The results show that the Brand Awareness goals increased **0.376 or 37.6%** value for each value increased in Target Audience Reach, increased **0.110 or 11%** value for each value increased in Brand Positioning, and increased **0.330 or 33%** value for each value increased in Message Capacity.

The confirmation interview also conducts in 7 May 2019 through *whatsapp* platform. From Paragon, I have been given direct to contact one of sponsorship team in Management and Organizational Development. The interview itself has a result that **they validate brand awareness, as one of the goals in their sponsorship program**. Besides that, they also added there are several goals beside brand awareness, that cannot be shared because of the company regulation. Also they required not to publish the interview dialogue, for the company privacy issue.

## CONCLUSIONS

Target Audience Reach, Brand Positioning, and Message Capacity (independent variables) affects the Brand Awareness (dependent variables) according to Anova Test significantly below 0.01. Sponsorship program that Paragon used in this event only affects as much as 31.7% to the Brand Awareness according to the R-Square test. This implies that Sponsorship program that is used by Paragon is quite effective because the other 68.3% of Brand Awareness is affected by others program. It represents as one of the assets for future research to analyze the others program that determined Paragon brand awareness.

The variable that has strongest influence Target Audience Reach. Based on the result, Target Audience Reach influences as much as 37.6% to the Brand Awareness which is the highest one amongst Message Capacity and Brand Positioning. It means Paragon mostly gain brand awareness through Target Audience Reach dimension in Wisuda April ITB 2019. This result is in line with the planning component sponsorship proposed by Rossiter and Percy (1998: 346) where choosing the type of sponsorship to be used it needs to be considered which segment the company wants to achieve because it will affect the level of influence on success enhancing brand awareness. In this case sponsorship cooperation is carried out by Paragon in Wisuda April ITB 2019 as set a target market of university students affect well to attract the target market.

It also implied that in the future, Paragon can more focus to reach brand awareness through Target Audience Reach, than Message Capacity and Brand Positioning in Wisuda April ITB 2019. Especially in the event like Wisuda April ITB 2019, it better to focus on the Target Audience Reach, because the Brand Positioning or the image of cosmetics company is not suitable enough with the image of graduation event. Focus in Target Audience Reach, can be more like exploit the advertising in the event with attract or engage the audience of the event. It can be accommodated from good advertising that suitable with the expectation of Paragon's target market like more show youth and fun ambience of teenager lifestyle. They also needed future research to analyze the other marketing program (can be seen in Appendix Paragon Other Marketing) that determined Paragon's brand awareness beside the sponsorship program, to more develop and contribute more in the marketing program that can increase more rapidly into their brand awareness.

For the event, they can more focus on build tools for Paragon to deliver their Message Capacity so that it will eventually engage the company with the customer better than before. Because it is need develop Message Capacity tools to make it more significant to increase Paragon's brand awareness. From the research, it also gives insight for Wisuda April in terms of approaching Paragon in the next event. They can more focus to bring their Target Audience Reach asset to approach Paragon when pitching to the company about the benefit that Paragon can get from Wisuda April especially to their brand awareness. Because the Target Audience Reach of Wisuda April ITB is the most significant dimension to increase Paragon's brand awareness. It can be the evidence research to attract Paragon to do sponsorship in this event. Suggestions for readers in addition to future research, that is expected to the review and observations carried out not only in 1 event were assessed by several other events also so get better research results and expanding the questionnaire to gain more knowledge about audience perception to brand awareness

## REFERENCES

- Aaker. (1991). *Managing Brand Equity*. New York: Free Press.
- Florian, S. (2017). The Effect Of Sport Sponsorship on Brand Equity. *Journal of Marketing Research*, 1
- Fullerton, S. (2007). *Sports Marketing*. New York: McGraw-Hill.
- Ghustafson, T., & Chabot, B. (2007). Brand Awareness. *Cornell Maple Bulletin*, 105.
- Gwinner, K. (1997). A model of image creation and image transfer in event sponsorship. *International Marketing Review*, 14, 145-158.
- Keller. (1993). Conceptualizing, measuring and managing customer-based equity. *Journal of Marketing* Vol 57, 1-22.
- Koniewski. (2018, November 19). *Brand awareness and customer loyalty*. Retrieved from research-pmr: [www.research-pmr.com/userfiles/file/wp/Brand-Awareness-and-CustomerLoyalty.pdf](http://www.research-pmr.com/userfiles/file/wp/Brand-Awareness-and-CustomerLoyalty.pdf)
- Moisescu. (2018, November 11). *The importance of brand awareness in consumer's buying decision and perceived risk assesment*. Retrieved from mnmk.ro: [www.mnmk.ro/documents/2009/10\\_Moisescu\\_FFF.pdf](http://www.mnmk.ro/documents/2009/10_Moisescu_FFF.pdf)
- Nedungadi, P., & William Baker, J. (1986). *Brand Familiarity and Advertising: Effects On the Evoked Set and Brand Preferences*. Provo: UT.
- Percy. (1987). *Advertising and Promotion Management*. Advertising and Promotion Management: :McGraw-Hill.
- Rowley, & Williams. (2008). The Impact of Brand Sponsorship of Music Festivals. *Journal of Marketing Intelligence & Planning*, 781-792.
- Shimp. (2003). *Advertising, Promotion & Supplemental Aspects of Integrated Marketing Communications*. CT: Thomson Learning.
- Stokes. (1985). *The Effects of Price, Package Design, and Brand Familiarity on Perceived Quality*. Lexington: Lexington Books.
- Sugiyono. (2005). *Statistika untuk Penelitian*. Bandung: Bandung: CV Alfabeta.