

Impact of Sponsorship and Publicity on Brand Equity

Sajid Tufail, Rashid Saeed, Hashim Zameer, Muhammad Bilal & Bilal Naeem

Bahauddin Zakariya University Multan, Pakistan

Email: hashimzameer@hotmail.com

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ABSTRACT:

This paper discusses the impact of Publicity and Sponsorship on Brand Equity. Data were collected via a questionnaire distributed to almost all big cities of Pakistan among educated persons/university students. Hierarchical regression analysis of data from 200 respondents was used to test two hypotheses. The results show that Publicity and Sponsorship has a positive relationship with Brand Equity. When Publicity and Sponsorship is favorable, there is positive effect on Brand Equity. Further research should examine the role of public relations and advertisement in building Brand equity.

Keywords: Publicity, Sponsorship, Brand Equity.

INTRODUCTION:

In consumer marketing, brands are the first point of competitive advantage, so that they can be most important part for success of organization. It is important to manage brands by a well-planned method (Wood, 2000). Brand equity, support the customer's value and indirectly increases the value of company or organization. Brand equity and customer value through increasing: effectiveness and efficiency of brand loyalty, brand development and profit margin, business power and competitive advantage that give value/increase the value to company/organization (Aaker, 1996). According to behavioral point of view, brand equity is very important in making difference points which is resulted in a source of competitive advantage in industries (Aaker, 1991). Brand equity is suggested of possessions which expected it to increase customer's value and their purpose for buying and enhance market performance as well as performance of a Brand (Balduaf et al, 2003). Belief in this principle incited a wave of mergers and acquisitions in which strong branded companies were protected at six and more times their book value in the industries (Aaker 1991). Brand equity is a term used in the marketing industry which describes the overall value of a brand which has a named that is well-known, a well-known brand name can be a cause of more profit from their products with a less well-known name of a brand. It can be said that brand equity is brand worth or the image of the Brand. Publicity is the purposeful effort to manage the public's awareness of a topic. The subjects of publicity include people, services, and organizations of all kinds. Sponsorship is a cash or fee paid to a property in return for access to the utilizable profitable possible linked with that property or the event. As there is no previous research is available on the particular topic that's why this research is very helpful to understand the impact of publicity and sponsorship on brand equity. After publishing this paper we will be able to understand the important of

publicity and sponsorship for building strong brand equity. The findings indicate that there is a positive influence of Publicity and Sponsorship on Brand Equity.

LITERATURE REVIEW:

Now a day's the achievement for a strong and powerful brand is one of the most important task for any organization, it is that because it follows a lot of benefits for the organization as well as for the particular brand. Brand equity is the degree of differences of effect of brand information on customer response for a brand (Kohli and Leuthesser, 2004). According to Rahmani et al. 2012, brand equity can be derived from consumer awareness from that brand and this awareness is change by some factors which is effective brand equity in the minds of the consumers. The term Brand equity can also be described as the set of particular assets and liabilities can be linked with a brand that can cause of adding or also can be a cause of decrease of its value to the customer and to the business of the organization (Aaker, D.1991). Brand equity can also be called as added value of a product with a well-known name in comparison to the product with a name that is less famous. Different results that are obtained from three dimensions of the brand equity are brand consciousness, supposed quality and brand loyalty of the particular brand of an organization (Yoo et al, 2000). More resource companies spend to improve/established a particular brand the higher apparent quality the brand was seen to have in consumer mind (Ramos and Franco, 2005). According to Aaker (1991), the brand represented a set of relationship that can be different within the market place/business. Particular brands are linked with demand advantages as well as cost advantages for the organizations (Campbell, 2002). The Brand equity can be measured in many contexts: The value that is added or gifted by the brand title of a particular brand (Farquhar, 1989). (Keller, 1993) argued that equity of a brand can be said as a mixture of the elements, which contains both monetary associations or as monetary aspects. In fact, equity of a brand can be seen as the worth that is added to a particular product by a strong brand name, or by supposed worth of the product or the brand in the mind of consumers in a particular industry (kimetal, 2008). Brand equity can be viewed as a most significant concept in management of a brand for the both theoretic as well as applied reasons. In a theoretical view point, this is totally related to appreciate key elements that make up brand worth in a range of particular brands (Punj&Hillyer, 2004).1997).

According to (Amoako et al, 2012) sponsorship involved behind or supporting an event, activity or is of organization by providing money to the sponsored event particularly. (Arcodia and Novais, 2012) said that sponsorship is a tool to construct and improve company image or the name of the company. Sponsorship of a sport personality is based on the faith that the brand sense consumers attach to the sport star can be transferred to the sponsoring brand of a particular company (Duncan, 2005, Tony, 1991). According to (Lee, Sandler and Shani, 1997, Meehaghan and Shipley, 1999) sponsorship emerged as a money-making and stretchy means of communication, useful to achieve a large range of objectives by the company. Gwinner, 1997 stated that sponsors express the images of the sponsored one activity or event that are going to be a part to the sponsoring brand or the event. Sponsorship has definitely become one of the most important practices/task all over the world (Bal, Quester, and plewa, 2010). Martensen et al. (2007) presented a theoretical model for studying the effectiveness of sponsoring an event

and the model measured consumers' emotions, attitude, and also the involvement of the consumer towards both the sponsoring brand and event. Sponsorship may include sponsoring a groups or teams, events, charities, individuals, buildings and TV program for building strong brand image. Fill and Hughes (2008: 65). Sponsorship or allowing sponsors is to make the greatest use of the investment of the company and relationship between them (Allen, 2010). Copeland et al. (1996) said that, presently there are three basic elements can be seen in sponsorship: first one is audience/consumer, second is the sponsor, and then at last the event. However audience that is gathered in the event plays a significant role throughout in the process of sponsorship of a company (1996). All though in development of sponsorship writing, several hypothetical methods are developed with the purpose to explain the feedback received from the consumers to the messages of sponsorship by the company (Cornwell and Roy, 2003).

Dozier and Lauzen (2000) argue that defining public relations or publicity as a management function is a "narrow-minded focus" on PR theory, particularly at the organizational level or at the product level. Good publicity is important for a successful event. It takes time, planning, and good things ([www.http://students.berkeley.edu/files](http://students.berkeley.edu/files)). According to EEA financial mechanism, (2004-2009) information about publicity plan should be prepared by the responsible promoter of the company or mediator for each project, and should be comprise the application for grant support from the financial means of organization. Cultip et al. (1985) defined Public Relations or Publicity as it is one of the best management function that establishes, recognizes, and also helps to maintain relationships that is beneficial for both, for an organization and also for public to whom the success or failure of the particular brand or company depends. Fortunato (2000) reported that public relations/publicity and promotional strategies play an important role in selecting and framing mass media that can influence public opinion and behavior of the individuals about a particular band of the company.

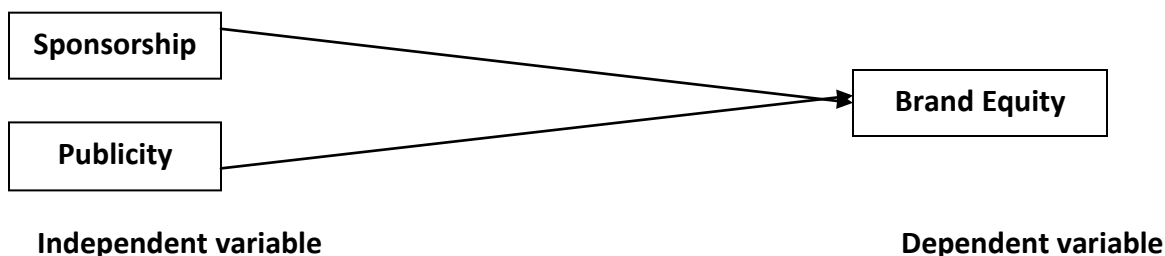
THEORETICAL FRAMEWORK:

While conducting this research, we had tried to investigate the impact of Publicity and Sponsorship on Brand Equity. The conceptual framework of this study is presented in figure 1 with the purpose to illustrate the basic relationship between studied variables and in conceptual framework. The conceptual framework what it is showing and also what is being mentioned in earlier portions, the developed hypotheses are given below:

H1: Publicity influences Brand Equity positively.

H2: Sponsorship influences Brand Equity positively.

Figure 1. Schematic diagram for the theoretical framework.



RESEARCH METHODOLOGY:

For collecting the required data regarding this study, questionnaire was developed based on theoretical framework that was driven for measuring impact of Publicity and Sponsorship on Brand Equity. This questionnaire was containing 30 items in which 25 items that were assigned to 3 latent variables (Brand Equity, Publicity and Sponsorship) and only 3 items were to describe the demographics variables (Qualification, Gender and Income) remaining 2 items were general in nature which were made just to find out the most favorite sponsored event and also the most memorable & liked way of publicity. In the first part of the questionnaire there were questions to measures brand equity which contains 10 questions out of 30 (1 to 10) and in second part there were questions to measure Publicity (11 to 17). The third part was developed to measure Sponsorship (18 to 25). All the items used in the questionnaire were measured by Likert’s five-point scale. The reliability of that questionnaire which is estimated by the Cronbach’s Alpha Coefficient and it shows results equal to 0.747 that is in an acceptable range. Research population was contains all citizens of almost all big cities of Pakistan who have seen the different types of Publicity and also the sponsored events in which the companies tries to introduce or promotes their brands for building brand equity. We used Random sampling method to have a reliable sample of 200 respondents. A complete total of 200 usable questionnaires out of 200 were returned, that demonstrates a response rate of 100 percent. Then final analysis was performed by us based on 200 questionnaires.

RESULTS AND ANALYSIS:

The results for general questions about most liked sports event indicate that the Cricket is the most favorite sports Sponsored event with a percentage of 67%.

which sponsored (Sports) event do u like more?

	Frequency	Percent	Valid Percent	Cumulative Percent
Cricket	134	67.0	67.0	67.0
Football	41	20.5	20.5	87.5
Hockey	25	12.5	12.5	100.0
	200	100.0	100.0	

Such like the under showed table shows that the moving images (TV/digital screens) are the most remembered advertising tool with a percentage on 48.5%.

Which type of publicity (advertising) do u remember more?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Still image (Magzine/newspaper)	49	24.5	24.5	24.5
Still image (Bill boards/posters)	54	27.0	27.0	51.5
Moving image (TV/digital screens)	97	48.5	48.5	100.0

Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
				F Change	df1	df2	Sig. F Change
.590 ^a	.348	.341	.41121	52.482	2	197	.000

R represents the co-efficient of multiple correlations. R square is the coefficient of multiple determinations. If the results are between 0 to 1 it shows the variation in dependent variable explained by independent variable. The table value of R square is .348 and p-value is .000 which is less than level of significance which shows high correlation between dependent and independent variable. The results show 35% variation in brand equity is explained by publicity and sponsorship.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations	
	B	Std. Error	Beta			Zero-order	Partial
1 (Constant)	.842	.149		5.643	.000		
Publicity	.301	.058	.341	5.201	.000	.506	.347
Sponsorship	.316	.060	.344	5.248	.000	.508	.350

a. Dependent Variable: Brand_Equity

The above mentioned results shows the value of constant = .842, the standardized coefficients of Publicity is .341 and Sponsorship is .344. We know that if the Chi Square counted value is greater (>) than the chi square table value than we reject the null hypothesis but above showed results indicate that the table value is greater than the counted value, so we accept the hypothesis that the sponsorship and publicity has an impact on brand equity.

The above mentioned analysis and their results clearly show that Publicity and Sponsorship have an impact on Brand Equity positively. The more the favorable Publicity and Sponsorship the more the Brand Equity. The above analysis also indicate some important points such like the most liked sponsored event in sports is the Cricket and the most remembered media is the moving image (TV/Digital Screens). So these results and analysis will be helpful for the managers while making strategies for enhancement of brand equity and they will be able to spend their budgets in more favorable and efficient ways.

DISCUSSION:

This research examines the basic role played by Publicity and Sponsorship on the development and enhancement of the equity of a brand viewed as the brand equity. On the basis of results of influence analysis, Publicity and Sponsorship have an influence on Brand Equity. The described relationship between the research variables and between the dimensions of brand equity is carefully observed. According to the results of regression analyses, we can see that there is strong evidence to conclude that Publicity and Sponsorship have significant positive relationship on Brand Equity. The results/findings also shows that many of the consumers particularly the young generation like the cricket as a most favorite sponsored sports event and like the advertisement by moving images (TV / Digital Screens). The simple size which was selected consist of the education person from almost all big cities of Pakistan in which 73% were male and 27% were females. The education level of the most of them was graduate with a percentage of 35%. The intensive data collection technique were used that overall response of the questionnaire was 100%. These results also indicate that brand equity

have a positive and significant relationship with the publicity and sponsorship, these results are showing 35% variation in brand equity due to publicity and sponsorship which shows a strong correlation between dependent and independent variables.

CONCLUSION AND IMPLICATIONS:

Measuring the Impact of Sponsorship and Publicity on Brand equity has been done. In previous researches the focus was placed on how advertising effectiveness is affecting brand equity. But this study is about investigating the impact of Publicity and Sponsorship on brand equity. In these days consumers are having bombardment/countless ads that are just trying to appeal their responsiveness to a particular product, to a service or even to a new idea about anything or particular product. But also on the other hand some companies are spending huge monetary and human resources to be a well-known and to be preferred by customers. There is a question of how Publicity and Sponsorships are affecting Brand Equity and also it represents one of the most important and fascinating aspects to get understanding in marketing in now a days. If we say in other words, that marketers are having interest to know about their attempts that are they attaining the objectives or not that were established. This idea also proposed that the Publicity and Sponsorship have a positive impact on Brand Equity and it provides an image from the firm in consumer's mind which is influencing the desirable effectiveness and efficiency. We also measured brand reliability, perceived value, brand consciousness and also brand associations as the dimensions of brand equity based on Aaker and Keller's model. Factor analysis used to find out the rationality of the questionnaires that was used and the outputs were acceptable. The theoretical model of this research was developed based on hypotheses using operational consequences and was found accurate according to results. In relation with the find results all of the correlations were found statistically significant. The main conclusions was totally based on the data analysis that was performed and offered that there is a positive influence of Publicity and Sponsorships on Brand Equity. In the previous researches, researchers have focused on the impact of advertising effectiveness on brand equity. But this study is providing practical results for marketers and advertisement designers who are focusing on the importance of impact of Publicity and Sponsorship on brand equity and this issue that which one is a the favorite sponsored event and also that which types of advertisement is more remembered by the consumers.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH:

Some of the limitations to this study are that can be addressed in future research and will guide the researchers in future. First one is that in this study no particular products or brands were studied. Second is that in this research only two independent variables that are Publicity and Sponsorship were examined. Third one is this that the targeted respondents used in this research to get the data were only the Generation Y consumers and those who were having some knowledge about Brand Equity. In the future research the researcher can consider some particular products or brands and also services which they think relevant to the particular segment of consumers such as sports items and promotional tools etc. in future studies researcher can also look into other possible sources to build or increase brand equity impacting

various product categories or brands and such type of studies can also be lead on some of the other consumer segments and also at a wide range of respondents.

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