

The Role of Brand Image in Mediating the Influence of Sponsorship on the Intention to Purchase

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Abstract: Companies need to develop business strategies in order to differentiate themselves from competitors in the perception of consumers such that it is easy for consumers to recognize the brand image of their products. Among the methods available is by performing sponsorship activities. Sponsorship in general is providing resources, which may be in the form of money, man power, and other instruments from the company or a person, with the intention to gain benefit from the sponsorship activity. In the promotion mix, sponsorship is categorized as a public relation, thus sponsorship has a benefit to further build the brand image of a product in the eye of the market in order to increase the purchase intention towards a product. The aim of this research is to explain the role of brand image in mediating the influence of sponsorship on purchase intention.

This research is conducted in Denpasar City. Primary data is used with a total amount of 100 respondents. The analysis technique used is the Path Analysis technique.

The research result shows that the variable of sponsorship has positive and significant influence on purchase intention. Sponsorship has a positive and significant influence on brand image. Brand image has a positive and significant influence on purchase intention. Brand image is able to significantly mediate the influence of sponsorship on purchase intention.

Keywords: Sponsorship, Brand Image, Purchase Intention.

1. INTRODUCTION

Mobile phones are objects that are common and not considered as a luxury anymore because in this era, mobile phones are owned by almost everyone and is considered a need by the people in Indonesia to smoothen communication with family, friends, and business partners who are in other regions or countries. To utilize mobile phones for communication, communication networks are needed, which is made available by providers or what is more commonly known as mobile cards. Along with the advancement in mobile phone functions, the telecommunication service business becomes a promising business opportunity in Indonesia, which has a total population of 260.000.000 people (www.bps.go.id).

Since the year 2000, big companies in Indonesia have been conducting many cooperation in the form of sponsorships in holding various events, may it be in the regional level or even national level. An example of cooperation in the form of sponsorship is the Liga 1 Soccer League in which GO-JEK cooperates with Traveloka. More specifically in the regional scope of Bali, such as in futsal matches, Amerta Indah Otsuka Limited Company (Ltd) was the main sponsor of Pocari Sweat Futsal Championship (PSFC) (Sidhi, 2015). There are some literatures regarding sponsorship which states that there is no direct relationship between sponsorship and long term sales, but there exist a relationship between consumer attitude and brands (Sidhi, 2015).

Keeping in mind the important role of sponsorship, companies must be able to reassure consumers with a reliable brand image, in order to indirectly influence the purchase actions of consumers. Sponsorship activities of a company are also able to create and maintain customers. Sponsorship is a promotion tool which is very effective and good in influencing customer preference, purchase confidence, and consumer’s purchase actions. Thus, sponsorship is performed by companies to fulfill consumer’s needs for information of a product and consumer’s needs in making purchases (Alim, 2010; Sinaga, 2014).

The statement by Salomon (2011:407) explains that sponsorship is the public relation activity of companies which provides financial support to fund events or activities with a return in the form of open recognition by the organizer of the event for the company’s contribution.

Jalilvand (2012) stated that a strong brand would be able to increase the trust of consumers towards the products or services purchased and there is a possibility that they are more able to visualize and understand the intangible factors. When a company attempts a sponsorship cooperation, the company has an aim to market their product and increase the purchase intention of consumers. Sponsorship is also able to evoke the purchase intention of individuals or groups. This is consistent with the research conducted by Abdusshommod (2007). Brand image is frequently considered a requisite by consumers in evaluating a product before purchasing it (Wang, 2014).

The purchase intention in consumer’s purchasing process is attained through a learning process and thinking process which forms a perception before the consumer decides to purchase a certain product. This purchase intention makes consumers have a motivation, which is recorded in their mind, afterwards it will escalate to become a strong desire to have the product and eventually the consumer must fulfill their wants (Rahma, 2007). If consumers decide to purchase a product, they will consider the advantages and disadvantages of the product (Sidhi, 2015).

Table 1. Prepaid Sim Card User Data in Indonesia

Brand	2014		2015		2016	
	TBI	TOP	TBI	TOP	TBI	TOP
Simpati	30,2%	TOP I	34,6%	TOP I	35,5%	TOP I
IM3	16,9%	TOP II	14,0%		15,4%	TOP II
XL	16,7%		14,1%	TOP II	14,8%	
AS	13,9%		10,1%		10,4%	
Three	8,9%		9,0%		11,3%	
Axis	8,1%		6,9%		5,1%	

Source: www.topbrand-award.com

Table 1 shows that IM3 Ooredoo placed in the second rank in 2014 and 2016, and in 2015 IM3 Ooredoo was in the third position, while the competitor, which is Simpati, has always placed first over the years of 2014 until 2016. This shows that IM3 Ooredoo has experienced a fluctuation in the sales of its sim cards. In 2015, IM3 Ooredoo has intensified its promotion and sponsorship activities ever since they changed their name into IM3 Ooredoo. IM3 Ooredoo in the year of 2015 sponsored one the biggest soccer ball event in Indonesia, namely Torabica Soccer Championship (TSC) and became the sponsor of two great clubs in Indonesia, namely Persib Bandung and Arema FC because IM3 Ooredoo is determined to be the best, fastest, show care towards soccer ball in Indonesia. In Bali, specifically in Denpasar city, IM3 Ooredoo has conducted a sponsorship by holding a music concert which was held in Lumintang field on March 15 2017. The aim was to invite their consumers to be friends and to have an energetic young spirit. By providing sponsorships to leagues and big clubs in Indonesia and the music concert, IM3 Ooredoo successfully ranked in second place in 2016 after being overtaken by XL in 2015. This development shows that sponsorship influences purchase intention of consumers in Indonesia.

The increasing number of mobile phone/ smartphone users indicates that there is a tight level of competition between providers to capture users in Denpasar. Considering this phenomena, providers must realize the importance of sponsorship. There are some factors which influence the purchase intention of consumers, among others are brand image and sponsorship. The objectives of this research are: (1) to explain the influence of sponsorship on purchase intention towards IM3 Ooredoo in Denpasar City, (2) to explain the influence of sponsorship on brand image of IM3 Ooredoo in Denpasar City, (3) to explain the influence of brand image on the intention to purchase IM3 Ooredoo in Denpasar City, (4) to explain the role of brand image in mediating the influence of sponsorship on the intention to purchase IM3 Ooredoo in Denpasar city.

2. LITERATURE REVIEW AND RESEARCH HYPOTHESIS

As more companies conduct sponsorships, the purchase intention of consumers increase as time goes by. The research conducted by Eagleman and Krohn (2012) stated that sponsorship is able to make consumers behave more positively towards the product and show a greater intention to buy the product. According to Sidhi (2015) the more the company conducts sponsorship, the higher the intention of consumers to purchase the sponsor's product. Tsotsou (2009) stated in his research that sponsorship has a positive influence on the purchase intention of consumers in which shows a greater intention to recommend and repurchase the sponsor's product.

Based on the empirical reviews above, the hypothesis is formulated as follows:

H1 : Sponsorship positively and significantly influences Purchase Intention

Brand Image is defined as the image of a product in the mind of consumers as a whole. If the company is able to continuously conduct sponsorships, the brand image of their product will improve over time. The research conducted by Woisetschlager (2012) stated that sponsorship has a positive and significant influence on brand image and sponsorship acts as a stimulus for brand image. Sinaga (2014) and Nursanti (2011) both stated that sponsorship significantly influences brand image.

Based on the empirical review above, the hypothesis can be formulated as follows:

H2 : Sponsorship positively and significantly influences Brand Image.

Brand image is needed in stimulating the purchase intention of consumers. The better the brand image in the mind of consumers, the greater the intention of consumers to purchase the products. The research conducted by Gilang (2014) stated that brand image influences purchase intention, meaning that brand image is able to contribute by stimulating the purchase intention of consumers. The better the brand image, the easier it is to lure the purchase intention of consumers. Randi (2016) stated that brand image has a positive influence on purchase intention, if there is an improvement in brand image, this will evoke the purchase intention of consumers. According to Subiyanto (2013) based on his research, there is a strong and significant relationship between the variables of brand image and purchase intention.

Based on the empirical review above, the hypothesis is formulated as follows:

H3 : Brand Image positively and significantly influences Purchase Intention

Providing large sponsorships would increase the brand image in the minds of consumers. If the brand image of a product is good and positive, consumers would have greater intention to purchase the product. The research conducted by Alim (2010) stated that sponsorships actions, supported by positive and strong brand image would indirectly influence the purchase actions of consumers and sponsorship is among the promotion tools which can be used to ingrain purchase confidence, information on the product, and the purchase actions of consumers. Hesti (2015) concluded that the most influential variable in influencing purchase intention is brand image, and the research conducted by Norman (2014) revealed that there is a positive relationship between brand image and purchase intention.

Based on the empirical review above, the hypothesis is formulated as follows:

H4 : Brand Image is able to significantly mediate the influence of sponsorship on purchase intention.

3. RESEARCH METHOD

The population of this research are mobile phone users who are not IM3 Ooredoo users and have never used IM3 Ooredoo as their provider before. The sample of this research are (1) people who have finished their high school education because they are deemed to be able to understand the content of the questionnaire, (2) have not used IM3 Ooredoo as a provider, (3) know about one of the events sponsored by IM3 Ooredoo.

Sample is a part of the population which is expected to represent the whole population. Sugiyono (2014:81) stated that a sample is a part of the amount and characteristics possessed by the population. The sampling method used in this research is the non probability sampling method, in which not all the individuals of the population have equal chances or probabilities to be chosen as sample. Utilizing accidental sampling which is a sampling technique based on fortuity. This means who ever, by chance, is met by the researcher can be used as sample, as long as the person met by accident meets the requirement to be a source for data.

The research is conducted in Denpasar City. This location is selected because Denpasar City is the capital city of Bali Province, and sponsorship events are certainly concentrated in Denpasar City. With this, it would be easier for the researcher to search for events sponsored by IM3 Ooredoo.

According to Sugiyono (2014:112), to attain a good result the sample size of respondents to answer the questionnaires should be at least 5 – 10 times the number of indicators in the research.

Table 2. Operational Variables

Variable	Indicators	Category
Sponsorship (Shimp, 2008)	1. The ability of the sponsorship program to reach target audience. 2. The degree of congruity between the sponsorship program and the product or brand. 3. The degree of congruity between the sponsorship program and the message the company intends to deliver.	Likert Scale: 1. Strongly Disagree 2. Disagree 3. Quite Agree 4. Agree 5. Strongly Agree
Brand Image (Kartajaya, 2010)	1. Consumers are familiar with the brand. 2. Has a good track record. 3. The emotional ties which emerge from the brand. 4. Has unique trait(s) which differentiate the brand from competitors.	
Purchase Intention (Victor, 2011)	1. Search information regarding the product. 2. The desire to purchase immediately. 3. Has a preference that this is the product they look for.	

The validity test of each item is conducted by using the item analysis which is correlating the score of each item with the total item score. The correlation value between item score and the total item score is compared with the r-critical. If the correlation of items towards the total score is greater than the r-critical (0,30), the instrument is deemed to be valid. The sponsorship variable has a pearson correlation of 0,851 – 0,924 (> 0,30), which means that the statements are valid. The brand image variable has a pearson correlation of 0,722 – 0,867 (> 0,30), which means that the statements in the questionnaire are valid. The purchase intention variable has pearson correlation of 0,881 – 0,905 (> 0,30), and this means that the statements are also valid. The reliability test in this research utilize the Cronbach’s Alpha method. An instrument is deemed to be a reliable measure of a variable if the value is above 0,60. The variable of sponsorship has a Cronbach’s Alpha of 0,850. The brand image variable has a Cronbach’s Alpha of 0,796. The purchase intention variable has a Cronbach’s Alpha of 0,877.

To determine the overall assessment of the research variable, the average scores are used with the following criteria: 1,00 – 1,80 = Very Bad. 1,81 – 2,60 = Bad. 2,61 – 3,40 = Neutral. 3,41 – 4,20 = Good. 4,21 – 5,00 = Very Good. Based on the research result, the response of the respondents on each indicator of the variables are found to be as follows: The average score of respondents’ response regarding the sponsorship variable is 4,24 which means that as a whole respondents view sponsorship activities by IM3 Ooredoo has been conducted well. The average score of respondents response on the variable of brand image is 4,30 which means that the respondents as a whole view that IM3 Ooredoo has a good brand image. The average score of respondents response on the purchase intention variable is 4,31 which means that the respondents as a whole has the intention to purchase.

Table 3. Test Result of the Regression on Brand Image in Mediating Sponsorship

		Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	6.092	1.234		4.938	.000		
	Sponsorship	.873	.096	.677	9.107	.000	1.000	1.000

a. Dependent Variable: Brand Image

Source: Processed Research Data

Table 3 shows the test result of the regression on the influence of brand image in mediating sponsorship with a Sig. value of $0,000 < 0,05$. This means that sponsorship has a positive and significant influence on brand image.

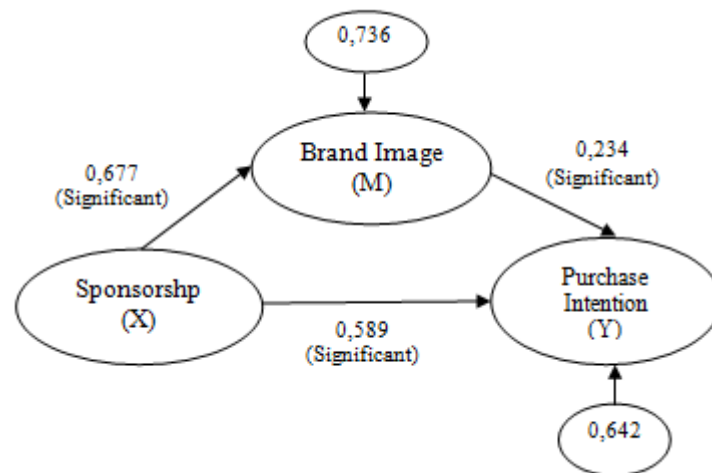
Table 4. Test Result of the Regression on Brand Image and Sponsorship towards Purchase Intention

		Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.931	.971		1.988	.050		
	Sponsorship	.610	.092	.589	6.651	.000	.542	1.846
	Brand Image	.188	.071	.234	2.646	.009	.542	1.846

a. Dependent Variable: Niat Beli

Source : Processed Research Data

Table 4 shows the test result of the regression on the influence of brand image and sponsorship towards purchase intention. Sponsorship has a Sig. value of $0,000 < 0,05$ which means that sponsorship has a positive and significant influence on purchase intention. Brand image has a Sig. value of $0,009 < 0,05$ which shows that brand image has positive and significant influence on purchase intention.



Picture 1. Diagram of the Research Path Analysis

In Picture 1. the sponsorship variable, with a loading factor of 0,677, is shown to have the largest influence on the brand image variable. The sponsorship variable has an influence on the purchase intention variable with a loading factor of 0,589 and also an indirect influence through the brand image variable on the purchase intention variable with a loading factor of 0,234.

Table 5. Summary of the Direct Influence, Indirect Influence and Total Influence Between Research Variables

Variable	X		
	DI	II	TI
M	0,677		0,677
Y	0,589	0,138	0,727

Source : Processed Research Data

Shown in Table 5., the direct influence of X on M is 0,677. There is no indirect influence, hence the total influence is 0,677. The direct influence of X on Y is 0,589. The indirect influence of X on Y through M is attained from $0,589 \times 0,234 = 0,138$. Thus the total influence of X on Y through M is $0,589 + 0,138 = 0,727$. This means that there is an indirect influence of sponsorship on the purchase intention through brand image.

The discussion on the direct influence of sponsorship on brand image produces a conclusion based on the calculations using the SPSS program in which the standardized coefficient beta value is 0,677 and the probability value is 0,000. The

probability value is $0,000 < 0,05$. This means that H_0 is rejected and H_1 is accepted. Thus, sponsorship has a positive and significant influence on brand image. There is a positive and significant relationship between the sponsorship variable and brand image variable, in which sponsorship has a positive and significant influence on brand image. This is because if sponsorship is conducted by a company, the brand image of their product would improve. The research conducted by Woisetschlager (2012) also attained results which show that sponsorship has a positive and significant influence on brand image and sponsorship acts as a stimulus which improves brand image over time.

The discussion on the direct influence of sponsorship on purchase intention produces a conclusion based on the calculation using the SPSS program in which the standardized coefficient beta value is 0,589 and the probability value is 0,000. The probability value of $0,000 < 0,005$ shows that H_0 is rejected and H_1 is accepted. Therefore, sponsorship has a positive and significant influence on purchase intention. The positive and significant relationship between the sponsorship variable and purchase intention variable explains that if a company conducts sponsorships activities, the purchase intention of consumers would grow as time goes by. The research conducted by Woisetschlager (2012) also produced results which state that sponsorship has positive and significant influence on brand image and sponsorship acts as a stimulus for the improvement of brand image.

The discussion on the direct influence of brand image on purchase intention produces a conclusion in which the probability value is $0,009 < 0,05$. This means that H_0 is rejected and H_1 is accepted. Hence, brand image has a positive and significant influence on purchase intention. The positive and significant relationship between the brand image and purchase intention shows that brand image contributes in increasing the purchase intention of consumers. The better the brand image, the greater it contributes to lure the purchase intention of consumers. The aforementioned research result is consistent with the research conducted by Randi (2016) which stated that brand image has positive influence on purchase intention, so if there is an increase in brand image, consumers will have a greater intention to purchase the brand's product.

The discussion on the indirect influence mediation test of brand image in the relationship between sponsorship (X) and purchase intention (Y) produce a result in which the calculated Z is $2,96 > 1,96$. This means that brand image (M) is a mediator of the indirect influence of sponsorship (X) on purchase intention (Y). The brand image variable as a mediating variable has a significant role in the indirect influence of the sponsorship on purchase intention. This result is in line with the research conducted by Alim (2010) which states that if sponsorship is supported by positive and strong brand image, this would indirectly affect consumer's purchase actions and sponsorship is among the promotion tool to ingrain purchase confidence, information of the product and purchase actions in consumers.

4. CONCLUSION AND RECOMMENDATIONS

The conclusion taken from this research is as follows: 1) Sponsorship has positive and significant influence on the intention to purchase IM3 Ooredoo which means that the more often a company provides sponsorships on national or international level events, the purchase intention of consumers would increase corresponding to the sponsorship activities conducted by IM3 Ooredoo. 2) sponsorship has positive and significant influence on the brand image of IM3 Ooredoo which means that the more frequent a company provides sponsorships, the better their brand image is in the eyes of consumers. 3) Brand image has a positive and significant influence on the intention to purchase IM3 Ooredoo which means that the better the brand image in the eyes of consumers, the higher the purchase intention of consumers as time goes by. 4) Brand Image is able to significantly mediate the influence of sponsorship on purchase intention which means that brand image is able to enhance or strengthen the influence of sponsorship on consumer's intention to purchase IM3 Ooredoo products.

With the increasingly rapid development and advancement of mobile phones and the variety of mobile phones available in the market, complemented by the high number of providers that offer various services, which becomes the advantage of a product and is accompanied by competitive tariffs, the recommendation that can be conveyed to companies is that they are expected to form a reliable marketing strategy. One of which is by providing sponsorships in order to ingrain the brand of IM3 Ooredoo in the mind of consumers even when many new providers enter the competition. IM3 Ooredoo must attempt to always provide the best service such as fast internet and competitive tariff to satisfy consumers so that the brand image of IM3 Ooredoo can continuously be maintained and preferred by consumers. Keeping in mind the important role of sponsorship, companies must be able to persuade consumers with a reliable brand image, in order to indirectly influence the purchase actions of consumers. Sponsorship activities by the company are also able to attract and maintain consumers. Sponsorship is also a promotion tool which is effective and good in the attempt to ingrain customer preference, purchase confidence and purchase action in consumers. Hence, companies are expected to conduct sponsorship activities to fulfil the needs of consumers for information of the product and the needs of consumers to make purchases.

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