

## APPROVAL

‘I hereby declared that I read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality which fulfill the requirements for the award of Bachelor of Technology Management (High-Tech marketing)’

SIGNATURE : .....

NAME OF SUPERVISOR : DR. SITI NORBAYA BINTI YAHAYA

DATE : .....

SIGNATURE : .....

NAME OF PANEL : DR. NOR AZAH BINTI ABDUL AZIZ

DATE : .....

THE EFFECT OF SPORT SPONSORSHIP TOWARDS BRAND AWARENESS

NOR FAZIELA BINTI SARBINI

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**DECLARATION OF ORIGINAL WORK**

“I hereby declare that this project paper is the result of my independent work except the summary and experts that have been specifically acknowledgement”

Signature : .....  
Name : NOR FAZIELA BINTI SARBINI  
Date : .....

## DEDICATION

I dedicate this thesis to my beloved parents, Sarbini bin Soban and Normah binti Yunos. I hope that this thesis achievement will complete the dream that you had for me all those many years ago when you chose to give me the best education you could. Special thanks also to my siblings, friends and supervisor, Dr. Siti Norbaya binti Yahaya for all the spirituals and moral support that had been given to me all the time.

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## ABSTRACT

Sponsorship is activity that an organization (sponsor) will directly give the provision of resources such as money, people, and equipment to an individual, authority or body (sponsee), to get in return for benefits contemplated in terms of the sponsor's promotion strategy, and which can be expressed in terms of corporate, marketing or media objectives. Besides that, sport sponsorship is the engagement in sponsorship deals for the sake of creating brand, enhancing a corporate/brand image, increasing consumers' purchase intentions and enhancing their competitive advantage. So that, to enhancing the brand awareness of the company, the factors like product, place and promotion needed to be designed well enough to know that how far these three factors can give impact towards the brand awareness. For that reason, this study was conducted to identify the effect of sport sponsorship towards brand awareness. The data were collected using questionnaires from 200 respondents that have background in running and people that join the Iskandar Puteri Night Marathon (IPNM) event. The results of the data analysis showed that the most significant variable of sport sponsorship that affected towards brand awareness is product which is from the product itself can increase the purchase intention of product and can give impact to company brand awareness. There was though-provoking when information, place and promotion were still significant but not too giving impact towards brand awareness in sport sponsorship activity.

**Keywords:** Sponsorship, Sport Sponsorship, Brand Awareness, Product, Place, Promotion, Iskandar Puteri Night Marathon (IPNM)

## ABSTRAK

*Penajaan adalah aktiviti sesebuah organisasi (penaja) akan memberi secara langsung peruntukan sumber seperti wang, orang, dan peralatan kepada individu, pihak berkuasa atau badan yang menerima penajaan, untuk mendapatkan imbuhan/ manfaat yang dipertimbangkan dari segi strategi promosi penaja, dan ia boleh dinyatakan dari segi korporat, pemasaran atau media objektif. Di samping itu, penajaan sukan pula adalah perjanjian dalam persetujuan penajaan demi mewujudkan jenama, meningkatkan imej korporat/jenama, meningkatkan niat pembelian pengguna dan meningkatkan kelebihan daya saing mereka. Oleh itu, untuk meningkatkan kesedaran jenama syarikat, faktor-faktor seperti produk, tempat dan promosi perlu direka dengan cukup baik untuk mengetahui sejauh mana ketiga-tiga faktor ini dapat memberi kesan terhadap kesedaran jenama. Oleh itu, kajian ini dijalankan untuk mengenal pasti kesan penajaan sukan terhadap kesedaran jenama. Data yang telah dikumpulkan dengan menggunakan soal selidik daripada 200 responden yang mempunyai latar belakang dalam larian dan orang yang menyertai acara Iskandar Puteri Night Marathon (IPNM). Hasil analisis data menunjukkan pembolehubah penajaan sukan yang paling ketara yang mempengaruhi kesedaran jenama adalah produk di mana produk itu sendiri boleh meningkatkan niat pembelian produk dan dapat memberi kesan kepada kesedaran jenama syarikat. Manakala, pengkaji mendapati maklumat, tempat dan promosi masih penting tetapi tidak terlalu memberi kesan terhadap kesedaran jenama dalam aktiviti penajaan sukan.*

**Kata Kunci:** *Penajaan, Penajaan Sukan, Kesedaran Jenama, Produk, Tempat, Promosi, Iskandar Puteri Night Marathon (IPNM)*

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**LIST OF ABBREVIATIONS**

%	=	Percentage
SPSS	=	Statistical Package for Social Science
PSM	=	Project Sarjana Muda
MRA	=	Multiple Linear Regression
IPNM	=	Iskandar Puteri Night Marathon

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of Study

In the last decade, many companies have experienced to change their organizational structure placing marketing. We can make it with equal position with other C-level executives and also to obtain a competitive advantage among the competitors and survive in this aggressive market, we must use the highest marketing investments as a way. More recently as a result of globalization and digitalization, company will playing the key role in which the marketing ability impacts the financial success of company by use and select the different marketing tools among the organizations. Indeed, in this environment, the key differentiator is ability to develop and implement new strategic communication tools such as sponsorship.

Based on my reading, sponsorship is an organization (sponsor) will directly give the provision of resources such as money, people, and equipment to an individual, authority or body (sponsee), to pursue some activity must enable the latter and its will be get in return for benefits contemplated in terms of the sponsor's promotion strategy, and which can be expressed in terms of corporate, marketing or media objectives. A good sponsor can be proven by, for example, becoming the great creating in brand exposure and sport's primary advertiser. In the longer term, this benefit may be of more value than the direct sponsorship income initially received. The significant investment and commitment from both parties will be come out the successful of sponsorship relationships. The sponsor required to contribute the monetary resources, management

time, and support leverage activity. To ensure the sponsor receives good value, the sports organization required to provide the service, structures and systems.

According to 1600 B.C, sponsorship can be traced back as far as the roman period by using the promotional marketing tool. However, Meenaghan (1994) and Pope (1998) indicate that the literature of sponsorship has extremely limited coverage regardless the extended time in the marketing industry and it is an issue that needs further research. According to Fill, (2013, p.485) sponsorship suggests that the role of sponsorship has not yet been fully understood, so it is the limited amount of theoretical research. But these statements relate to sponsorship purely from the academic point of view. Therefore, sponsorship has become an increasingly popular element of the communication mix regardless the lack of theoretical research, where compare to the traditional media, companies need to implement this tool because it very effectiveness tool.

According to Wallise (2003), communications and promotional campaigns become an important tool within organization's marketing strategies by sponsorship activity, as demonstrated by its extensive utilization (Cornwell, 2008). Besides that, for establishing favorable associations with brand, marketers must have begun to rely on sponsorship as a strategic technique (Gwinner & Eaton, 1999; Meenaghan, 2001; Pracejus, 2004; Quester & Farrelly, 1998; Roy, 2005). According to Meenaghan (2001), customers are less skeptical about sponsorship and are more likely to have goodwill towards companies' sponsorship programmes is compared with others marketing strategic communications tools, such as advertising. Therefore, to boost the company's competitive advantage, the firms must adopt sponsorship as a tool (Yang et al., 2008), increase the brand awareness, enhance their brand image, and increase customers' purchase intention levels (Biscaia et al., 2014; Dees et al., 2010; Gwinner & Eaton, 1999). Moreover, to gaining the income by receive the benefits from this relationship between the sporting sponsee which can be a sport league, club, team or athlete, (Yang et al., 2008). The sponsors benefit from associating their brands with the sporting sponsee (Yang et al., 2008).

## 1.2 Problem Statement

Sponsorship activity is very important tool and way to market some product or service. According to sport sponsorship, the term sponsor is any party that providing funds to a sports body in exchange for the right to associate itself with the property or sports body it owns. In other words, the term relates to businesses seeking promotional opportunities. However, the organizations should be applying this to others such as charitable trusts, local authorities or government agencies. Moreover, problem arises when the researcher find that many company want to sponsor some event. There are willing to spend their money to invest and get the benefit from that. So, why there are do like that. The requirement of significant investment and commitment from both parties can produce the successful sponsorship relationships. The sponsor is required to contribute monetary resources, management time, and support leverage activity. The sports organization, to ensure the sponsor receives good value, the organization must require providing the service, structures and systems. Besides that, the researcher get that the sponsorship activity is the promotion strategy to help the sale of product increase in the market. From that the researcher wants to know how it can give impact on the brand awareness of the product that the company sponsor in terms promotion, place and product.

### **1.3 Research Question**

In this research, the researcher tends to think on some question that lead to this type of research. The questions are:

RQ1: What is the relationship between the sport sponsorship and brand awareness?

RQ2: Which are the most significant variables of sport sponsorship that affected towards brand awareness?

### **1.4 Research Objective**

A research without objectives will become a meaningless research. Sponsorship is important for each company to increase their brand awareness in promotion, place and product of the company sponsor. There are the objectives of this research:

RO1: To identify the relationship between the sport sponsorship and brand awareness.

RO2: To determine the most significant variable of sport sponsorship that affected towards brand awareness.

## **1.5 Scope of Study**

In this study, the topic will be focus on the impact of sport sponsorship towards the brand awareness of the company which only takes through an international marathon event in Malaysia. The reasons to select this topic is because the researcher wants to gain further understanding about the impact of sport sponsorship toward the company barand awareness when the company sponsor the international marathon event in Malaysia which is the researcher was focus on Iskandar Puteri Night Maratahon (IPNM). The researcher wants to learn more about the promotion, place and also the product itself can increase the sales of the product after their sponsor some event. Iskandar Puteri Night Marathon (IPNM) is the largest southern marathon in Johor. The researcher will randomly select the respondents for this research that consist of the runners from the IPNM and also the public people to carry out questionnaires survey by online and paper.

## **1.6 Limitation of Study**

Doing this research paper, there are several limitations that faced by the researcher. Firstly, the limitation is time constraint. To complete this research, the researcher has only given 6 month which is 24 weeks. So, the duration for this study is too short for researcher to obtain more relevant and analyze information and also to reach a wider range of respondents is difficult.

The second limitation in this research paper is the sample (respondent). The researcher targets the runners and public people to conduct the survey. The problem is not all the respondents are from the running background when we distribute the survey. So that the respondents do not give the accurate answer to the question that researcher need and it also directly affect the result of this research. Therefore, the future research

should select the respondents that have the running background to increase the accuracy of the result.

### **1.7 Significance of Study**

The sport sponsorship study will be beneficial to academicians by giving an in-depth knowledge about it. Besides that, this study also can be used for conducting future research by serving as a future reference for academicians. Furthermore, this research will help the sponsor to know that the sponsorship is a business relationship between an association that may be used for commercial advantage in return for the sponsorship investment and a provider of funds, resources or services and an individual, event or organization that offers the rights. Investing in a sport sponsorship is only one of an increasingly wide range of marketing opportunities that businesses and funders can invest in. By understanding the sport sponsorship activity, it surely can give an impact on brand awareness in terms of promotions, place and product itself.

### **1.8 Summary**

This chapter briefly explains about the background of the study, research questions and objectives are pointed out in this chapter. Besides that, this chapter also explains the scope of the study and limitations that will be faced by the researcher in conducting this research. The next chapter will describe in detail about the literature review of sport sponsorship. Continuity from this, the research will move to Chapter 2.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

In Chapter 2 will describe about the previous study which is related to the sport sponsorship and their impact from that sponsorship which how their can increase the sport sponsorship towards the brand awareness. In this chapter, the independent variables and dependents variables were formed. Besides that, this chapter also comprises several parts which include the literature review on definition of sponsorship, sport sponsorship, brand awareness, the effect of sport sponsorship in term product, place and promotion, theoretical framework and hypotheses. The focus is on brand awareness as they are the main themes of sponsorship objectives. All of these will be explain in detail in this chapter.

## 2.2 Definitions of Sponsorship

According to Cornwell & Maignan, 1998, Dolphin, 2003 and Walliser, 2003, they never agree about the definition of sponsorship event many research about sponsorship has been achieve more than three decades. Walliser (2003) noted that the articles about definition of sponsorship that they cite are published in English, French and German. Meenaghan cite to them in English that the definition of sponsorship is for to achieving commercial objective, they must do the provision of assistance either financial or in kind to an activity by a commercial organization (Cornwell & Maignan, 1998; Walliser, 2003). Meenaghan (1983, p. 9). However, Cornwell and Maignan (1998) was criticized that this definition not for taking non-commercial sponsorships and not will determine the communication objectives. So, it can conclude through Cornwell & Maignan, 1998; Nickell et al., 2011, there are two main definition of sponsorship. Firstly, sponsorship is what the benefit exchange between sponsors and sponsees is and second, the sponsorship is promoting activity the associations between sponsors and their sponsees. So that, Table 2.0 below, according to Nickell et al. (2011), they was gives some examples of the definitions of sponsorship.