

THE IMPACT OF SPONSORSHIP, EVENT, AND PUBLICITY TO CONSUMER DECISION MAKING OF PT. HASJRAT ABADI

by

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ABSTRACT

Promotion is one of tools that support marketing part to introduce the products to customers. Various promotional techniques are used by the marketer to influence the consumer decision making. Promotional mix such as Advertising, Sales Promotion, Publicity/Public Relations, Personal Selling are generally used. This research is conduct in Manado. The objectives of this research are to analyze the impact of sponsorship, event, and publicity to consumer decision making, partially and simultaneously. This research is causal type of research where it will investigate the impact sponsorship, event, and publicity to consumer decision making. Using a multiple regression model to answer the research problem. The population in this study is a costumers of PT.Hasjrat Abadi in Manado, whereas samples taken by each respondents 100 respondents. The hypothesis testing , this research conduct a conclusion of there is significant effect of sponsorship and publicity partially to consumer decision making, and there is significant effect of sponsorship, event, and publicity simultaneously to consumer decision making, whereas event does not have significant effect partially to consumer decision making. This study reveals that sponsoring activities and publish the product has a strong effect to the consumer in order to investigate, select, and buy a product, they prefer to purchase a product with a well know branded.

Keywords: *promotional mix, sponsorship, publicity.*

INTRODUCTION

Research Background

Competitive environment is everywhere to stay in competitive market. A company cannot make their brand well-known until they introduce their product or service to customer. The way to introduce their product to customer is very important because they have to catch the attention of customers and creating brand awareness in the mind of a potential customer to take eventual purchase decision.

Marketing is a social process by which individuals and group obtain what they need and want through creating, offering, and freely exchanging products and services of value with others. For a managerial definition, marketing has often been described as “the art of selling product,” but people are surprised when they hear that the most important part if marketing is not selling. Kotler & Armstrong (2010:76) defined the marketing mix consists of everything the firm can do to influence the demand for its product. The many possibilities can be collected into four groups of variables known as marketing mix, or the “four P’s”: Product, Price, Place, and Promotion. Promotion has important role in the marketing part. Companies competes each other to introduce their products or services to customers by creating or exploring the promotional activities.

Kotler & Armstrong (2004:16) defined promotion is activities that communicate the product or service and its merits to target customers and persuade them to buy. Promotion can influence what consumers think about products, what emotions they experience in purchasing and using them, and what behaviors they perform.

To affect the process of consumer making decision, marketing leaders rely on Sponsorship, Event, and Publicity as part of Promotion. Sponsorship, event, and publicity are several tools that very famous today because it is very efficient and effective to reach company's goals of marketing; to increasing number of sales that can generate income and achieve highest profit (Doodoh, 2014). Many activities related to sponsorship, event, and publicity are purposed to create memories about the brand. Memories about the brand consist of those associations that are related to brand name in customers mind. These brand cognition influence consideration, evaluation, and finally purchases.

Research Objectives

The objectives of this research are to analyze the influence of:

1. Sponsorship, Event, and Publicity to consumer decision making.
2. Sponsorship influences consumer decision making.
3. Event influences consumer decision making.
4. Publicity influences consumer decision making.

THEORETICAL FRAMEWORK

Theories

Marketing

Kotler & Keller (2010:4) defined marketing is managing profitable customer relationship. Furthermore, marketing is the process by which companies create value for customers and build strong customer relationship in order to capture value from customers in return.

Marketing Mix

Kotler & Armstrong (2006:48) defined that marketing mix is the set of controllable tactical marketing tools, product, prices, places, and promotion that the firm-blend to produce response it wants in the target market.

Marketing Management

Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering superior customer value and communication (Kotler & Armstrong, 2004:9).

Consumer Buying Behavior

Consumer buying behavior is study of how individual, groups, and organization select, buy, use and dispose of goods, services, ideas, or experiences to satisfy their needs and wants (Kotler & Keller, 2012:173)

Promotion

Kotler & Armstrong (2004:16) defined promotion is activities that communicate the product or service and its merits to target customers and persuade them to buy.

Promotional Strategy

Promotional strategy is a plan for the optimal use of the promotional mix elements (Lamb, et al, 2011:526).

Promotional Mix

Promotional mix is the basic tools used to accomplish an organization's objectives; the promotional mix has included 6 elements, which are: advertising, direct marketing, internet/interactive marketing, sales promotion, public relations, and personal selling (Belch & Belch, 2012:18).

Consumer Decision Making

Consumer decision making is the process by which a person or groups recognizes a choices, gather information, analyze the data, and determines the best option to choose (Schiffman & Kanuk, 2003:38).

Previous Researchers

Sagala, et al (2014) Influence of Promotional Mix and Price on Customer Buying Decision towards fast food sector : A Survey on University students in Jabodetabek (Jakarta, Bogor, Depok, Tangerang, Bekasi) Indonesia. Owusu-Bempah, et al (2013) The importance of publicity as an influential promotional mix element: A factor and principal component analysis.

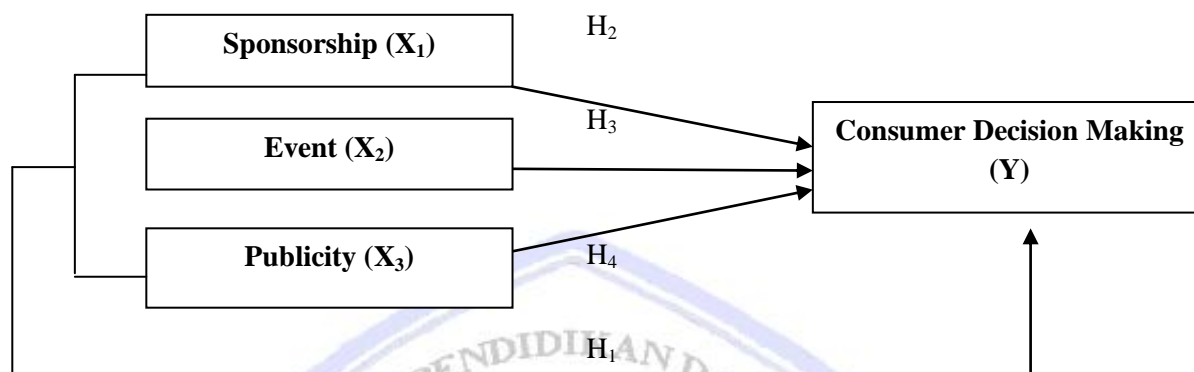


Figure 1 Conceptual Framework

Source: Processed data 2014

Hypothesis

The hypotheses of this research are:

- H₁: Sponsorship, Event, ad Publicity have suspected significant influence on consumer decision making simultaneously.
- H₂: Sponsorship influences consumer decision making partially.
- H₃: Event influences consumer decision making partially.
- H₄: Publicity influences consumer decision making partially.

RESEARCH METHOD

Type of Research

This research is a causal type of research where it will investigate the impact of sponsorship, event, and publicity to consumer decision making.

Place and Time of Research

This study was conducted in Manado. The questionnaire was distributed directly to the respondent. The research is conducted during September 2014.

Population and Sample

Population is the entire group or people, events, or things that the researcher desires to investigate (Sekaran & Bougie 2010:443). The population in this research is all the customers of PT.Hasjrat Abadi. The sample of this research is the customers as much as 100 respondents. The sampling design is sample random sampling that is considered as the best way of getting some basic information quickly and efficient. Sample random sampling is using every element in the population has a known and equal chance of being selected as a subject. This sampling design has the least bias and offers the most generalizability (Sekaran & Bougie 2010:270).

Data Collection Method

They are two types of data: (1) Primary Data use a Questionnaires were distributed to customers of PT.Hasjrat Abadi, respectively 100 sheets. While calculating weight rating customer questionnaires using Likert scale. Likert scale was associated with a statement about one's attitude towards something. And (2) secondary data is method of data collection by studying the relevant literature in order to obtain a theoretical overview from books, journals, and relevant literature from library and internet of the concept of sponsorship, event, and publicity to consumer decision making.

Operational Definitions and Measurement of Research Variable.

Operational definitions of research variables are:

1. Sponsorship (X_1) is activity, whereby one party permits another an opportunity to exploit an association with a target audience in return for funds, services, or resources (Fill, 2005:719-720).
2. Event (X_2) is a type of promotion where a company or brand is linked to an event or where a themed activity is develop for the purpose of creating experiences for consumers and promoting a product or services (Belch & Belch, 2012:549).
3. Publicity (X_3) is promotional tool in which information about a company or product is transmitted by general mass media (Griffin & Ebert, 2006:366).
4. Consumer decision making (Y) is the process by which a person or group recognizes a choice, gather information, analyzes the data, and determines the best option to choose (Schiffman & Kanuk, 2003:38).

Data Analysis Method

Validity and Reliability Test

The reliability of a measure is established by testing for both consistency and stability. Consistency indicate how well the items measuring a concept hang together as a set, Gronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another (Sekaran and Bougie, 2010:162). Since reliable scale are not necessarily valid researchers also needs to be concerned about validity. It assesses whether scale measure what is supposed to be measured. Thus validity is a measure of accuracy in measurement (Hair , et al, 2010:120).

Multiple Regressions on Analysis Method

Multiple regressions use to express the effect of independent variables and the dependent variable. The formula of linear regression (multiple linear regressions) in general as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where:

Y = Consumer Decision Making

X_1 = Sponsorship

X_2 = Event

X_3 = Publicity

α = Constant

b1, b2 = The regression coefficient of each variable

e = Standard error

RESULTS AND DISCUSSION

Result

Validity and Reliability

The validity test of Sponsorship (X_1) 0.956, Event (X_2) 0.741 and Publicity (X_3) 0.702 also Consumer Decision Making (Y) 0.631 are above 0.3 which mean that all indicator are valid. The reliability test using Alpha Cronbach. The Cronbach's Alpha parameter, with ideal score more than 0.6. The variable are reliable because the value of Cronbach's Alpha is bigger than 0.6.

Test of Classical Assumption

Multicollinearity

Table 1. Collinearity Statistics

Model		Collinearity Statistics	
		Tolerance	VIF
1	X ₁	.373	0.000
	X ₂	.256	0.012
	X ₃	.126	0.209

a Dependent Variable: Y (Consumer Decision Making)

Source: *Processed Data, 2014*

The calculation multicollinearity through VIF and tolerance. VIF value of Sponsorship (X₁) is 0.000, Event (X₂) is 0.012 and Publicity (X₃) is 0.209 are <10, this means that there is no connection between the independent variables.

Heteroscedasticity

Heteroscedasticity occurs if there are dots which form a certain pattern regularly as waves. Homoscedasticity occurs if there are no certain patterns which are clear, and the dots spread above and below the 0 the Y-axis

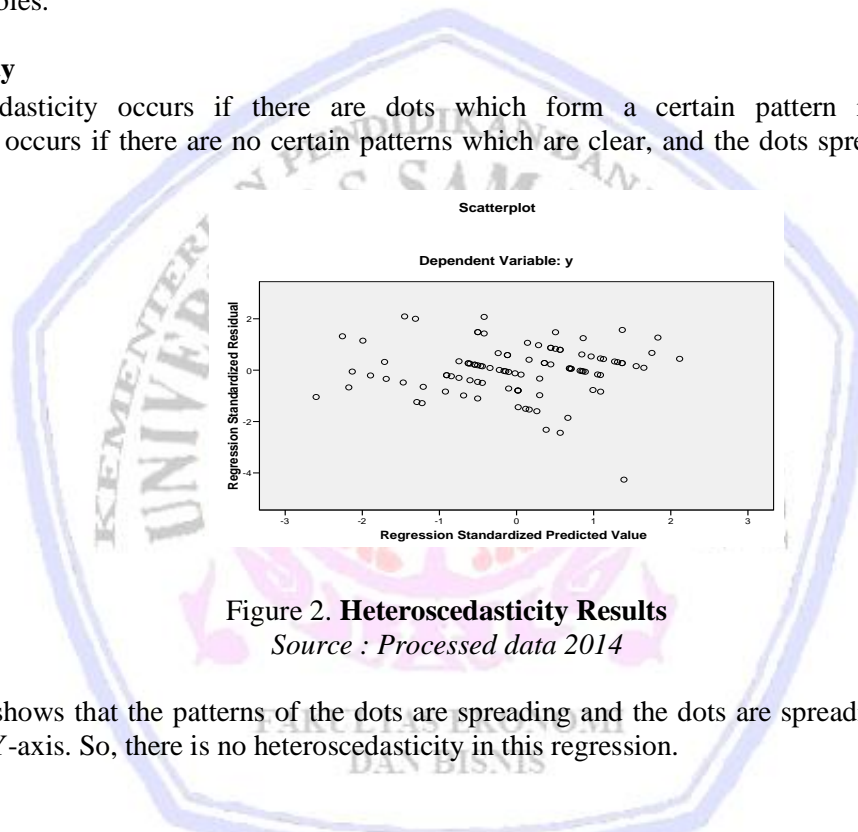


Figure 2. Heteroscedasticity Results

Source : *Processed data 2014*

Figure 2 shows that the patterns of the dots are spreading and the dots are spreading above and below the zero point of Y-axis. So, there is no heteroscedasticity in this regression.

Normality

Normality test can be identifying by using graph of P-P Plot. The data will distribute normally if the value of P-P Plot is near diagonal line of the graph.

Normal P-P Plot of Regression Standardized Resid

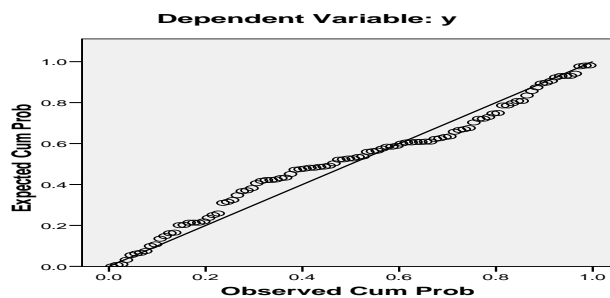


Figure 3. Normality Results

Source : *Processed data 2014*

Figure 3 shows the dots spread near the diagonal line and follow the direction of the diagonal line. Therefore, the data is distributed normally.

Multiple Regression Analysis

Table 2. Multiple Regression Result

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.424	.918		3.730	.000
	X ₁	.182	.071	.230	2.565	.012
	X ₂	.121	.095	.155	1.263	.200
	X ₃	.281	.114	.310	2.458	.016

Source: Processed Data, 2014

From the analysis, obtained by linear regression equation as follows

$$Y = 3.424 + 0.182 X_1 + 0.121 X_2 + 0.281 X_3$$

From the multiple linear regression equation above, it can inform the interpretation as follows:

1. Constant 3.424 show the influence of Sponsorship (X₁), Event (X₂), and Publicity (X₃) also Consumer Decision Making (Y). It means that, in a condition where all independent variables are constant (zero), Consumer Decision Making (Y) as dependent variable is predicted to be 3.424.
2. X₁ (Sponsorship) has an effect to Y (Consumer Decision Making) as many as 0.182. In condition where other variables are constant, if there is one unit increasing in X₁ (Sponsorship), Y (Consumer Decision Making) is predicted to be increased by 0.182.
3. X₂ (Event) has an effect to Y (Consumer Decision Making) as many as 0.121. In condition where other variables are constant, if there is one unit increasing in X₂ (Event), Y (Consumer Decision Making) is predicted to be increased by 0.121.
4. X₃ (Publicity) has an effect to Y (Consumer Decision Making) as many as 0.281. In condition where other variables are constant, if there is one unit increasing in X₃ (Publicity), Y (Consumer Decision Making) is predicted to be increased by 0.281.

Coefficient Determination (r²)

Table 3. Table R and R²

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.959(a)	.919	.918	.15967

a Predictors: (Constant), X₂, X₁

b Dependent Variable: Y

Source: Processed Data, 2014

To determine the contribution The impact of Sponsorship, Event, and Publicity to Consumer Decision Making can be seen that the determinant of the coefficient (r²) in the table above. R² value of 0.919 in this study may imply that the contribution of sponsorship, event, and publicity to consumer decision making of sponsorship, event, and publicity to consumer decision making of 91.9% while the remaining 8.1% is affected by other variables not examined in this study.

Hypothesis Testing

Table 2 F-Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	28.184	2	14.092	552.766	.000(a)
	Residual	2.473	97	.025		
	Total	30.657	99			

a Predictors: (Constant), X₃, X₂, X₁

b Dependent Variable: Y

Source: Processed Data, 2014

Value of 552.766 of F_{Count} significant 0.000. Because the sig < 0.05 means the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.000. Therefore H_0 is rejected and accepting H_a . Thus, the formulation of the hypothesis that the impact of sponsorship, event, and publicity to consumer decision making, accepted..

Table 3. t-Test

Model	T	Sig.
Sponsorship	2.565	.012
Event	1.263	.209
Publicity	2.458	.016

a Dependent Variable: Y

Source: Processed Data, 2014

The calculations in the table above, the interpretation as follows:

1. T_{count} for Sponsorship (X₁) 2.565 more than the value of 1.660 t_{table} means Sponsorship variable (X₁) partial has influence on Consumer Decision Making (Y). The sig. value at 0.012 means that prediction of Sponsorship in Consumer Decision Making (Y) doing errors is 1.2 %, thus the confidence of this prediction is above 95%. Therefore, H_0 is rejecting and H_a is accepting.
2. T_{count} for Event (X₂) 1.263 less than the value of 1.660 t_{table} means Event (X₂) partial not influence on Consumer Decision Making (Y). The sig. value at 0.209 means that prediction of Event on Consumer Decision Making (Y) doing errors is 20.9%, thus the confidence of this prediction is below 95%. Therefore, H_0 is accepted and rejecting H_a .
3. T_{count} for Publicity (X₃) 2.458 greater than the value of 1.660 t_{table} means Publicity (X₃) partial influence on Consumer Decision Making (Y). The sig. value at 0.016 means that prediction of Publicity in Consumer Decision Making (Y) doing errors is 1.6%, thus the confidence of this prediction is above 95%. Therefore, H_0 is rejected and accepting H_a .

Discussion

The multiple regression result showed that, Sponsorship has significant effect to Consumer Decision Making. Most of the respondents agree that sponsorship held by PT. Hasjrat Abadi like sport activity, touring program, and music concert make consumer attract to buy products which are offered by PT. Hasjrat Abadi. This result confirms that, consumers in Manado make their decision making to buy PT. Hasjrat Abadi products because they are really interest with their sponsorship.

Event does not has significant effect on consumer decision making, this result occurred because, some of respondents are not really interested with the event that held by PT. Hasjrat Abadi like test drive, lottery program, or event that held on National day. In general, the result confirm that the consumers make their decision making does not depend on event of PT. Hasjrat Abadi.

The other multiple regression result showed that, Publicity has significant effect on consumer decision making; most of the respondents agree that they are really interest with product advertising, sales promotion,

display product and all kind of publicity that create by PT. Hasjrat Abadi. This result confirms that, consumers in Manado really concern with the publicity. Consumers make their decision making and attract to buy PT. Hasjrat Abadi product by the publicity.

This result support the research studied from Sagala, et al (2014) that examines influence of promotional mix and price on customer buying decision towards fast food sector: a survey on university student in jabodetabek (Jakarta, Bogor, Depok, Tangerang, Bekasi) Indonesia. They found that sponsorship, event, and publicity have a significant influence on consumer decision making to buy a product. From the result, it can be concluded that the respondent/customers in Manado very concern about sponsorship and publicity while they making decision, whereas event does not have significant effect. Company must be proactive in sponsoring activities and also to shows their product in mass media, banner, and other advertising activities. Company also must consider to follow-up all the events that already held whether it must be developed or creates the new ones.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

There are four constructive findings that can be concluded from the overall result in this research, which are listed as follow:

1. Sponsorship, Event, and Publicity influence consumer decision making simultaneously and significantly.
2. Sponsorship influence consumer decision making partially significantly.
3. Event does not have significant influence to consumer decision making partially and significantly.
4. Publicity influence consumer decision making partially and significantly.

Recommendations

There are two practical recommendations that can be concluded from the overall result in this research, which are listed as follow:

1. The management parties of PT. Hasjrat Abadi must consider about the importance of sponsorship and publicity of the products, regarding with it in advanced.
2. The other hand, the marketers from PT. Hasjrat Abadi must also evaluate other important factors that affect the consumer decision making, regarding with the continuity of PT. Hasjrat abadi products in the future.

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