

THE EFFECT OF SPONSORSHIP EVENT AND PUBLICITY ON CONSUMER BUYING BEHAVIOR AT PT. SINAR GALESONG MANADO

PENGARUH SPONSORSHIP EVENT DAN PUBLISITAS TERHADAP PERILAKU PEMBELIAN KONSUMEN PADA PT. SINAR GALESONG MANADO

by:

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Abstract: Companies usually pay attention to promotion of its brand in order to attract consumers, promotion is one of tools that supports marketing part to introduce the products to customers. Various promotional techniques are used by the marketer to influence the consumer decision making. The objectives of the research are to analyze the impact of sponsorship, event, and publicity to consumer buying behavior, partially and simultaneously. The research is quantitative type of research where investigates the impact of sponsorship, event, and publicity to consumer decision making, using a multiple regression model to answer the research problem. Samples were taken by 50 respondents that are PT. Sinar Galesong's Manado customer. This research conclude that there is a significant effect of event and publicity to consumer buying behavior, and there is a significant effect of sponsorship, event, and publicity simultaneously to consumer buying behavior, whereas sponsorship does not have a significant effect to consumer buying behavior. Company management must be proactive in event activities and also to shows their product in mass media, banner, and other advertising activities. Company management should consider to follow-up all the publicity that already held whether it must be developed or creates the new ones.

Keywords: *promotional mix, sponsorship, event, publicity*

Abstrak: Perusahaan biasanya memperhatikan promosi merek untuk menarik konsumen. Promosi merupakan salah satu alat yang mendukung bagian pemasaran untuk memperkenalkan produk kepada pelanggan. Berbagai teknik promosi yang digunakan oleh pemasar untuk mempengaruhi pengambilan keputusan konsumen. Tujuan penelitian adalah untuk menganalisis dampak dari sponsorship, event, dan publisitas terhadap perilaku pembelian konsumen secara parsial dan simultan. Penelitian merupakan jenis penelitian kuantitatif di mana menyelidiki dampak sponsorship, event, dan publisitas untuk pengambilan keputusan konsumen, menggunakan model regresi berganda untuk menjawab masalah penelitian. Sampel diambil 50 responden konsumen dari PT. Sinar Galesong Manado. Penelitian ini menyimpulkan bahwa terdapat pengaruh yang signifikan dari event dan publisitas terhadap perilaku pembelian konsumen, dan ada pengaruh yang signifikan dari sponsorship, event, dan publisitas secara bersama terhadap perilaku pembelian konsumen, sedangkan sponsorship tidak memiliki pengaruh yang signifikan terhadap perilaku pembelian konsumen. Manajemen perusahaan sebaliknya proaktif dalam kegiatan event dan juga untuk menunjukkan produk mereka di media massa, spanduk, dan kegiatan periklanan lainnya. Manajemen perusahaan sebaiknya mempertimbangkan untuk menindaklanjuti semua publisitas yang sudah diadakan apakah itu harus dikembangkan atau dibuat yang baru.

Kata kunci: *bauran promosi, sponsorship, event, publisitas*

INTRODUCTION

Research Background

Marketing, in general, is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchange products and value with others. Many people think of marketing as only selling or advertising. However, in fact, Kotler and Keller (2009:816) stated that marketing occurs both before and after selling event. Marketing combines many activities – marketing research, product development, distribution, pricing, advertising, personal selling, and others – designed to sense, serve and satisfy customer needs while meeting the organization's goals.

Today, promotion became the most highly visible component on the marketing mix as techniques to sell a product. Promotion can influence what consumers think about products, what emotions they experience in purchasing and using them, and what behaviors they perform, including shopping in particular stores and purchasing specific brands. Sponsorship, Event, and Publicity well-known as part of promotion and have been enjoying more and more in research and practice.

Good service is a great attraction for customers, so that businesses often use it as a promotional tool to attract customers. Quality and customer satisfaction are closely related. Quality encourage customers to forge a strong bond with the company. In the long term bond like this allow companies to understand thoroughly their customers' expectations and needs.

Quality of care centered on addressing the needs and desires of customers as well as the accuracy of delivery to balance customer expectations. Under conditions of competition is so tight, that should be prioritized by the company is customer satisfaction in order to survive to compete and dominate the existing market share. To build brand loyalty and other positive feeling towards a company, and also to influence consumer decision making, many marketing leaders rely on sponsorships, event and publicity.

PT. Sinar Galesong is a company engaged in the sale of Suzuki and services, the service, where the daily activities are to serve the consumers. With intense competition with service companies service more than the effort made by the company is to pay attention to quality of service, which consisted of: tangible (physical evidence), reliability (reliability), responsiveness (response), assurance (guarantee) and empathy (empathy).

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

Hasan (2013:1) stated marketing is a concept of science in business strategy that aims to achieve continuous satisfaction for our stakeholders (customers, employees, and shareholders). Kartajaya (2003:34) stated marketing is a science that objective is obtained by the use of the instruments to measure the performance of a particular business activity in forming, developing, directing an exchange of favors in the long term between producers and consumers or users, marketing can be seen from three dimensions; Outlook, Architecture, and Scorecard. So marketing is an exchange process through buyer and seller.

Marketing Mix

Armstrong & Kotler (2006:48) 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. These 4 P's determine how goods or services are made or provided, how much they cost, where they is distributed, and how they is presented in all the company's communications. The marketing mix consists of everything the firm can do to influence the demand for their product. There are four groups of variables known as the "four Ps": product, price, promotion, and place. Any marketing paradigm should be set well to fulfill the marketing concept, such as, the notion that the firm is best off by designing and directing its activities according to the needs and desires of customers in chosen target markets.

Marketing Management

Boyd, Walker, Larreche. (2000:4) stated marketing management is a process to analyze, plan, coordinate and control programs which include drafting, pricing, promotion, and distribution of products and services. Zikmund & D'Amico, (2000:19) noted Marketing management is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, good and services to create exchanges that satisfy individual and organizational objectives.

Consumer Buying Behavior

Tjiptono (2001:54) It is argued that in general consumer purchase decisions are going to buy the most preferred brand, but the actual act of purchase is not always the same as planned for sure. There is a barrier between the two factors of interest and purchase decisions. Consumer buying behavior for me is a process of goods and services in satisfaction the consumer needs and wants.

Promotion

Belch & Belch (2012:18) defined promotion as the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea. Cravens and Piercy (2006:339) stated that promotion strategy consist of planning, implementing, and controlling an organization's communications to its customer and other target audiences.

Promotional Strategy

Lamb, Hair & McDaniel (2011:526) stated promotional strategy is a plan for the optimal use of the promotional mix elements. Promotional strategy is the choice of a target market and formulation of the most appropriate promotion mix to influence it.

Promotional Mix

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

1. Advertising is any paid form of non-personal communication about an organization, product, service, or idea by an identified sponsor.
2. Direct marketing in which organizations communicate directly with target customers to generate a response and/or transactions. Direct marketing is much more than direct mail and mail-order catalogs.
3. Internet/Interactive marketing it allows for a back-and-forth flow of information whereby users can participate in and modify the form and content of the information they receive in real time
4. Sales promotion which is generally defined as those marketing activities that provide extra value or incentives to the sales force, the distributors, or the ultimate consumer and can stimulate immediate sales.
5. Publicity Refers to non-personal communications regarding an organization, product, service, or idea not directly paid for or run under identified sponsorship.
6. Personal selling is a form of person-to-person communication in which a seller attempts to assist and/or persuade prospective buyers to purchase the company's product or service or to act on an idea.

Previous Researchers

Mughal (2014) *The Impact of Promotional Tools on Consumer Buying Behavior: A Study from Pakistan*, the study confirmed that consumers buying behavior can be motivated through various kinds of elements, including promotion techniques such as coupons, buy-one-get-one-free and physical surrounding. Furthermore, the structure offers new visions to understand that how different consumers respond to numerous promotion tools offered by marketers and their impacts on consumers buying behavior, which may be central for marketers in order to use perfect promoting strategies and promotional tools to promote products.

Makkar (2009) *Impact of Promotional Tools on the Consumer Buying Behavior in Insurance Sector- An Empirical Study*, this research has helped in extracting out the fact to how long the insurance industry needs to go in terms of promotional strategies. Given the aggression with which they progress, surely these innovations are going to be a big hit and a metamorphosis of Indian Insurance sector is very much on its course

Poluakan (2014) *The Impact Of Sponsorship Event And Publicity Toward Consumer Decision Making to PT Hasjrat Abadi*, the result of this study is sponsorship, event, and publicity influence consumer decision making simultaneously and significantly, and only event of the company does not have significant influence to consumer decision making partially.

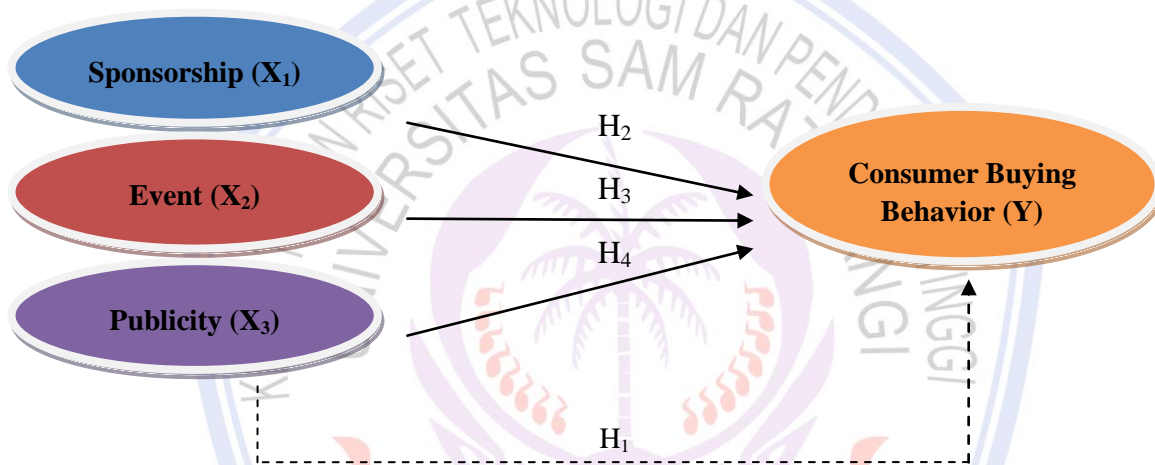


Figure 1. Conceptual Framework

Source: Processed data 2016

Hypothesis

The hypotheses of this research are:

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

RESEARCH METHOD

Type of Research

This research is a qualitative type of research where investigates the impact of sponsorship, event, and publicity toward consumer buying behavior.

Place and Time of Research

This study is conducted in Manado from October-November 2015. The questionnaire was distributed directly to the respondent that living around Manado.

Population and Sample

Population is generalized to the object or subject which has certain quantity and characteristic that is required by researcher to studying and to gain conclusion (Sugiyono, 2005). The population that is mainly observed in this current research is people in Manado area who have an experience at PT. Sinar Galesong Manado. The sample of this research is the customers as much as 50 respondents.

Data Collection Methods

There are two types of data that are collected in this research, those are: primary data and secondary data:

1. Primary data defined as information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study. Primary data was collected from 50 respondents who have purchasing experience in PT. Sinar Galesong Manado, using questionnaire.
2. Secondary data is collected from textbook, journals, articles and relevant literature from library and internet.

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 Methods

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

Sekaran and Bougie (2009:350), stated that multiple regression is a statistical technique that simultaneously develops a mathematical relationship between two or more independent variables and an interval scaled dependent variable. Once gathered the data from the field, the next step to analysis the data and solving the problem using Multiple Regression Method, it also to test the hypotheses that have been stated. The data then inserted into the statistical tools SPSS 22. This method has been chosen to measure the effect of organizational culture towards organizational performance at Dinas Perindustrian dan Perdagangan Provinsi Sulawesi Utara.

RESULTS AND DISCUSSION

Result

Validity and Reliability

The value of Corrected Item - Total Correlation with SPSS 22 of the indicators are all above the acceptance limit 0.5, therefore the research instrument is valid. The Reliability test is done by looking at the *Cronbach Alfa* value, in this research the value of Cronbach Alfa for sponsorship is 0.847, event is 0.750, publicity is 0.839 and consumer buying behavior is 0.673 which is above the acceptance limit of 0.6, therefore the research instrument is reliable.

Multiple Regression Analysis Model

Multiple Regression Analysis is a statistical technique that simultaneously develops a mathematical relationship between two or more independent variables and an interval - scaled dependent variable.

Classical Assumption Test

Multicollinearity

Table 1. Collinearity Statistics

Model	Collinearity Statistics	
	Tolerance	VIF
1 X ₁	.975	1.025
X ₂	.935	1.069
X ₃	.956	1.046

a. Dependent Variable: Y (Consumer Buying Behavior)

Source: SPSS 22, 2016

The calculation multicollinearity through VIF and tolerance. VIF value of Sponsorship (X₁) is 1.025, Event (X₂) is 1.069 and Publicity (X₃) is 1.046 are <10, this means that there is no connection between the independent variables.

Heteroscedasticity

Heteroscedasticity occurs of the dots form certain patterns. In this research the dots spreading above and below of zero point in ordinate. This is proved that 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. The dots are spreading near the diagonal line and follow the direction of the diagonal line. Therefore the normality test is completed.

Multiple Regression Analysis

Table 2. Multiple Regression Result

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	2.834	.408		6.951	.000
Sponsorship_X ₁	-.354	.056	-.522	-6.281	.000
Event_X ₂	.348	.061	.485	5.718	.000
Publicity_X ₃	.412	.055	.628	7.484	.000

Source: SPSS 22, 2016

The value of R is 0.831 indicating a substantial positive association between independent and dependent variable. R² value of 0.691 in this study may imply that the contribution of Sponsorship, Event, and Publicity to Consumer Buying Behavior 69.1% while the remaining 30.9% is affected by other variables not examined in this study.

Hypothesis Testing

Table 3. F – Test Result

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	6.286	3	2.095	34.223	.000 ^b
Residual	2.816	46	.061		
Total	9.102	49			

a. Dependent Variable: Consumer Buying Behavior

b. Predictors: (Constant), Sponsorship, Event, Publicity

Source: SPSS 22, 2016

The F-test results on Table 3, $F_{count} = 34.223$ with a significance level of 0.000. In this research, $F_{count} > F_{table}$ (F_{count} is greater than F_{table}), then the regression model of F-Test can be $34.223 > 2.70$ that means H_0 is rejected and H_1 is accepted. The regression model can be used to declare that the independent variable of X_1 (Sponsorship), X_2 (Event) and X_3 (Publicity) affects the dependent variable Y (Consumer Buying Behavior).

Table 4. T test

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.834	.408		6.951	.000
Sponsorship_X ₁	-.354	.056	-.522	-6.281	.000
Event_X ₂	.348	.061	.485	5.718	.000
Publicity_X ₃	.412	.055	.628	7.484	.000

Source: SPSS 22, 2016

Sponsorship, event and publicity affects consumer buying behavior simultaneously which means H_1 is accepted. Sponsorship does not affect organizational performance partially which means H_2 is rejected. Event effect organizational performance partially which means H_3 is accepted. Publicity effects consumer buying behavior partially which means H_4 is accepted.

Discussion

Sponsorship doesn't has significant effects on consumer buying behavior; most of the respondents are not really interested with the sponsorship held by PT .Sinar Galesong like sport activity, touring program, and music concert does not attract consumer to buy products which are offered by PT. Sinar Galesong. In general, the result confirm that the consumers on their buying behavior does not depend on sponsorship of PT. Sinar Galesong. Event does has significant effect on consumer buying behavior, this result occurred because, some of respondents are interested with the event that held by PT . Sinar Galesong like test drive, lottery program, or event that held on National day. This result confirms that consumers in Manado on their buying behavior on PT. Sinar Galesong products because they are really interest with their events.

The other multiple regression result showed that, Publicity has significant effect on consumer buying behavior; most of the respondents agree that they are really interest with product advertising, sales promotion, display product and all kind of publicity that created by PT. Sinar Galesong. This result confirms that, consumers in Manado really concern with the publicity. Consumers on their buying behavior are attracted to buy PT. Sinar Galesong product by the publicity.

From the result, it can be concluded that the respondent/customers in Manado very concern about event and publicity on their buying behavior, whereas sponsorship does not have significant effect. Company must be proactive in event activities and also to shows their product in mass media, banner, and other advertising activities. Company also must consider to follow-up all the publicity that already held whether it must be developed or creates the new ones.

Comparing with Mughal (2014) consumer buying behavior on his research can be motivated with promotion techniques such as coupons, buy-one-get-one-free and physical surrounding or event which is the same result with this study, in other hand, comparing with Poluakan (2014) the result shows that sponsorship on her study is effects on consumer buying behavior, so, it completely different with this study.

CONCLUSION AND RECOMMENDATION

Conclusions

The conclusion of this research concluded as follows :

1. Sponsorship, Event, and Publicity have significant effect to consumer buying behavior simultaneously.
2. Sponsorship does not have significant effect to consumer buying behavior.
3. Event has significant effect to consumer buying behavior.
4. Publicity has significant effect to consumer buying behavior.

Recommendation

Therefore, recommendations given are :The management parties of PT . Sinar Galesong should pay more attention on their event and publicity activities for the company's progress. The marketers from PT .Sinar Galesong must also evaluate other important factors that affect the consumer buying behavior, regarding with the continuity of PT .Sinar Galesong products.

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