

Addis Ababa  
University  
(Since 1950)



**Addis Ababa University  
School of Commerce  
Marketing Management Graduate Program**

**THE EFFECT OF EVENT SPONSORSHIP ON CONSUMER  
PURCHASE INTENTION:  
THE CASE OF COMMERCIAL BANK OF ETHIOPIA**

By:  
Ytbarek k/mariam

Thesis Submitted To the School of Graduate Studies of Addis Ababa  
University School of Commerce in Partial Fulfillment of the Requirements  
For the Degree of Master of Arts in Marketing Management

MAY 2018  
Addis Ababa, Ethiopia

**THE EFFECT OF EVENT SPONSORSHIP ON CONSUMER  
PURCHASE INTENTION:  
THE CASE OF COMMERCIAL BANK OF ETHIOPIA**

By  
Ytbarek k/mariam

Thesis Submitted To the School of Graduate Studies of Addis Ababa  
University School of Commerce in Partial Fulfillment of the  
Requirements for the Degree of Master of Arts in Marketing  
Management

Thesis Advisor: – Temesgen Belayenah (PhD)

MAY 2018  
Addis Ababa, Ethiopia

# The effect of event sponsorship on consumer purchase intention: the case of commercial bank of Ethiopia

## Approved by Board of Examiners

Dr. Temesgen B.	-----	-----
Advisor	date	Signature
Hailemariam K.	-----	-----
Internal Examiner	date	Signature
Mihiret B.	-----	-----
External Examiner	date	Signature

## **Declaration**

I, the undersigned graduate student, hereby declare that this thesis is my original work, and that all sources of the materials used for this thesis have been duly acknowledged. This research study is being submitted in partial fulfillment of the requirement for Master of Arts degree in Marketing Management.

Name: ytbarek k/mariam (GSE/0623/07)

---

Signature

## **AKNOWLOGEMENTS**

First and foremost, I would like to thank to the Almighty God, for helping me in every moment. I also wish to express my sincere thanks and gratitude to my advisor Temesgen Belayeneh(PhD.) for his encouragement and helpful advices during the whole process of research writing.

I would also like to thank to the Marketing department staffs of CBE for their kindly cooperation in providing information that is relevant for this study and moral support. I also wish to thank the staff of CBE bank especially the branches for their assistance in the distributing, and collection of the questions in completing the research survey. I also thank all respondents for their cooperation.

Finally, I deeply wish to pay highest gratitude to my parents for their support, encouragement and advice.

## ***Abstract***

*The main purpose of this study was to assess the effect of event sponsorship on purchase intention and to provide a better understanding of how event sponsorship is used at commercial bank of Ethiopia. The researcher employed questionnaire survey approach to see the attitude of the customers of commercial bank of Ethiopia and Interview was employed to collect data from the organization marketing department. The researcher took 384 sample respondents from four branches; the sampling method applied was convenience and purposive sampling. The data analysis was conducted through statistical techniques such as descriptive statistics, bivariate correlations and multiple linear regressions by using SPSS.*

*The finding indicates that correlation coefficient of the study signifies that there is strong relationship between the independent variables of event sponsorship and dependent variables of purchase intentions. I think favorably of companies that organize events and I will inquire about CBE's product because it organizes an event have the highest positive correlation which means that customers give value for companies that organizes events.*

*with regards to the objectives of using event sponsorship build corporate image, Create awareness about the company, strengthen the internal relations and achieving media coverage are very important. When it comes to selection of events, the company uses different criterions to select a specific event. Fulfill the stated objectives, target group, budget required, and type of event and media coverage are very important. Based on the findings, the bank is advised that Marketers should continue to use various types of event sponsorship due to their clear impact on attendees' perception of the sponsoring brand and their purchase intention and The company should develop its own methods to measure event's effectiveness to use the events effectively for future.*

***Keywords:*** *sponsorship, event sponsorship, brand image and purchase intention*

## TABLE OF CONTENTS

CHAPTER ONE: INTRODUCTION.....	1
1.1. background of the study.....	1
1.2. background information of commercial bank of Ethiopia (CBE).....	3
1.3. Statement of the Problem.....	4
1.4. research questions.....	5
1.5. objectives of the study.....	5
1.5.1 General Objective.....	5
1.5.2 Specific Objectives.....	5
1.6. significance of the study.....	6
1.7. Delimitation/Scope of the Study.....	6
1.8. organization of the study.....	6
1.9. Definition of Terms.....	7
CHAPTER TWO: REVIEW OF LITERATURE.....	8
2.1. Theoretical framework .....	8
2.1.1. Definition and history of sponsorship.....	8
2.1.2. Objectives for event Sponsorship.....	9
2.1.3. Types of Events.....	12
2.1.4. The Selection of a Specific Event.....	13
2.1.5 The Effect of Favorable Disposition on Purchase Intention.....	17
2.1.6. Purchase Intention.....	18
2.1.7. Brand Building by Sponsorship.....	19
2.2. Conceptual frame work.....	21
CHAPTER THREE: RESEARCH METHODOLOGY.....	23
3.1. Research Approach.....	23
3.2. Population and sampling techniques.....	24
3.3. Data sources and types.....	25
3.4. Data collection instrument.....	25
3.5. Data collection procedures.....	26
3.6. Method of data analysis.....	26

3.7. Validity and reliability.....	26
3.8. Ethical Considerations.....	27
CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION .....	28
4.1 Reliability Test.....	28
4.1.1 Overall Response Rate.....	28
4.1.2 Reliability Test.....	28
4.2 Analysis of Demographic Data.....	28
4.3 Correlations Analysis.....	30
4.4 Regression Analysis.....	32
4.5 Content Analysis for the Interview.....	34
4.5.1 Objectives with Event sponsorship.....	34
4.5.2 The Selection of a Specific Event.....	35
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	36
5.1. Summary of Findings.....	36
5.2 Conclusion.....	37
5.3. Recommendations.....	38
5.4. Limitations and Directions for Future Research.....	39
Bibliography.....	40
APPENDIX A: QUESTIONARE.....	8
APPENDIX B: INTERVIEW GUIDE.....	8



## **List of Tables**

Table 4.1: Reliability Statistics.....	28
Table 4.2: summary of demographic variables.....	29
Table 4.3: Pearson's Correlation Matrix for predictors and purchase intension.....	31
Table 4.5: Model Summary.....	32
Table 4.6: ANOVA.....	33
Table 4.7: Company Coefficients.....	33



# **CHAPTER ONE**

## **INTRODUCTION**

This chapter presents general overview of the entire study. It includes background of the study, background of the organization, statement of the problem, research questions, objective of the study, significance of the study, scope of the study, organization of the study.

### **1.1 background of the study**

Sponsorship allows companies to be exposed to media and to the general public in other fields than its specific target market, and thus exposes itself to new consumers outside its market segment (Fill, 2006). Sponsoring often allows companies to be viewed and perceived in an angled way, determined by which resource the company chooses to sponsor and its reasons for its specific choice. By sponsoring a charity event the company attempts to direct its consumers to view the company as honourable and respectable firm with strong moral principles. Therefore, the importance of sponsorship can be put in to context as it potentially provides the opportunity for brands to leverage brand experiences that would not otherwise be possible, by linking the event experience to the brand (Cliffe & Motion, 2005).

Sponsorship is being used as a communication tool. A firm uses sponsorship to support an event in order to reach a specific or a wider target group and achieve corporate and commercial objectives. Sponsorship audience may be existing and potential customers, general public, workforce, local and business community, suppliers and last but not least shareholders (Crowley, 1991). The theme of the events may concern sports, arts and any other similar activity of interest to the general public. Following this policy, the firm expects that the image transferred from the event will have a positive effect on itself (Gwinner 1997,). Thus, the choice of the event is of significant importance.

Event Sponsorship is one of the fastest growing components of marketing communication mix, which accounts \$ 62.7 billion in global Sponsorship funds in 2017 (IEG 2018).

Event Sponsorships in Ethiopia is now taking a new shift, since most companies in the country are engaging in more sponsorship activities specifically cultural, sport, religious events become

more popular as a means of achieving organizational corporate and marketing goals. But there is an insufficiency of researches done in Ethiopia regarding event sponsorship on consumers purchase intention and brand image. Since Event sponsorship become more important than ever it is the purpose of this research to investigate and provide a better understanding of Event sponsorship.

Marketing scholars have started to examine event sponsorship, part of event marketing, in terms of the persuasion process and the ability to positively affect the brand (Sneath, 2005). To make sponsorship successful, marketers should chose appropriate events and the events must meet the marketing objectives and communication strategy defined for the market (Kotler& Keller, 2012).

Purchase intention is the consumer willingness to purchase a particular product in specific conditions. Purchase intention is usually related to the behavior, perceptions and attitudes of customers. Shah et al. (2012) point out that purchase intention is a type of decision-making concerning the reasons why a customer tends to buy a particular brand. Therefore, it is a dependent variable relying on several internal factors, such as: consumer needs and preferences, attitudes and perception and various external factors like sponsorship.

According to Meenaghan's model of sponsorship (2001) favorable senses about the sponsor are influencing customer purchase intentions of the sponsored brand. And positive attitude towards the sponsored event may motivate customers to purchase the sponsor's brand. A brand's sponsorship events may have direct effect on purchase intentions because of the higher customers' commitment to the sponsorship.

Every company, organization or firm wants to increase their revenues. Brands wants to increase their sales, for increasing sales they use different marketing promotion tools like, advertising, public relations, personal selling, direct marketing, sales promotions and sponsorship. Sponsorship defined as the practice of promoting the interests of an organization and its brands by associating the organization with a specific activity (Shimp 1993,). Such an activity can be either owned by the company, or owned by a third party and endorsed by the company through sponsorship programs (Kotler& Armstrong 2010,). Whereas in the former case it is the company that stages the event, in the latter case the company provides a financial or in-kind assistance to a third party in exchange of visibility throughout an event.

## **1.2. background information of commercial bank of Ethiopia (CBE)**

The history of the Commercial Bank of Ethiopia (CBE) dates back to the establishment of the State Bank of Ethiopia in 1942. CBE was legally established as a share company in 1963. In 1974, CBE merged with the privately owned Addis Ababa Bank. Since then, it has been playing significant roles in the development of the country. Pioneer to introduce modern banking to the country. It has more than 1235 branches stretched across the country. It is first bank in Ethiopia to introduce ATM service for local users. Currently CBE has more than 16.6 million account holders and the number of Mobile and Internet Banking users also reached more than 1,352,000 as of September 30<sup>th</sup> 2016 (68% active users).

CBE emphasizes in integrated marketing communications that could help the company to go forward in the severe competitive, CBE use different marketing tools like, advertisement, sales promotions and sponsorship to hold its customers as well as to get new customers.

### **VISION**

CBE vision is to become a world-class commercial bank by the year 2025.

### **MISSION**

CBE mission is to committed to best realize stakeholders' needs through enhanced financial intermediation globally and supporting national development priorities, by deploying highly motivated, skilled and disciplined employees as well as state-of-the-art technology and strongly believe that winning the public confidence is the basis of our success.

### **1.3. Statement of the Problem**

Marketers are faced with the problem that consumers are less and less responsive to traditional advertising (Belch and Belch, 2007), and therefore they are still looking for new marketing communication tools. Moreover, during recent years focus has been on the consumer as an emotionally acting consumer. Thus Desmet (2005) points out that creating differential advantage through emotional benefits is one of the keys to market success.

These factors have led to a growth in creative and emotional marketing communication tools, here among event sponsorship, which is an increasingly important element of the marketing communication mix (Gupta, 2003).

Mason (2005) Sponsorship is marketing tools that influence the consumer to purchase the company product and also shows relationship among these variables such as sponsorship and purchase intention of consumer.

Literature on sponsorship indicates many researchers (Keller, 2003, Arens & Weigold, 2011, Picton & Broderick, 2005) have been focused on sponsorship because of its importance on customer behavior in today's marketplace and how sponsorship is essential to achieve competitive advantage in a high competitive market. Purchase intention is a key factor of consumer behavior that is affected by several internal and external factors.

Most of previous studies were conduct in Europe, USA and Asia and their findings might not be generalized in the Ethiopian market without empirical testing. Dawer and Parker (1994) supported this idea by stated consumers in different part of the world's vary in their perception, attitude and behavior towards a certain marketing practices. Furthermore there is very little work concentrating on systematic investigations of the effects of event sponsorship on purchase intension in Ethiopian context.

This research is done to find out that how event sponsorship affect consumers purchase intention and to provide a better understanding of how event sponsorship used. For the purpose of this study purchase intention is considered as a depended variable and Independent is event sponsorship.

And this research fills the existing very limited information by increasing the body of knowledge related to the effect of event sponsorship on customers purchase intentions in the Ethiopian context.

#### **1.4. Research questions**

The main research question of this study was to answer how event sponsorship affects purchase intention and an attempt was made in this study to answer the following specific questions.

1. Does event sponsorship have effect on purchase intention?
2. Which objectives the company achieves by using event sponsorship?
3. How does the company select a specific event?

#### **1.5. Objectives of the study**

##### **1.5.1 General Objective**

The general objective of this study was to examine the effect of event sponsorship on consumer purchase intention and to provide a better understanding of how event sponsorship used.

##### **1.5.2 Specific Objectives**

1. To find out the relationship between event sponsorship and purchase intention.
2. To identify the objectives associated with event sponsorship.
3. To assess how specific events are selected for sponsorship.

## **1.6. Significance of the study**

This research fill the existing very limited information by increasing the knowledge related to the effect of event sponsorship on consumers purchase intention on Ethiopia context. and this study will able to provide a concept on event sponsorship and purchase intention on Ethiopia and firms will have better understanding on event sponsorship factors that influence the purchase intention. Further this study will provide an insight to researchers and marketers on the analysis for future research on the subject area.

## **1.7. Delimitation/Scope of the Study**

There are many problems that need research or investigation regarding Event sponsorship. However, this study focuses only on effect of Event sponsorship on purchase intention and to test whether Event sponsorship has effect on purchase intention and brand image on commercial bank of Ethiopia, in ADDIS ABEBA city. The research is limited to this company because of its limited short time available to do it.

## **1.8. Organization of the study**

This research paper organized in five chapters. Chapter one, which is the introduction has contained the introduction part dealing with research problems, research questions, objectives, significance of the study, scope of the study and the background information about CBE also incorporated. The second chapter which is the literature review explores knowledge on the topic for a clear understanding of the topic. It contains a variety of definitions taken from a range of differing literatures. Chapter three has covered the research design and methodology of the study. It describes the type and design of the research; the subject and participants of the study; data source used for the study as well as the data collection tools applied and methods of data analysis are explained. Chapter four is Results and discussion. On this chapter, the summarizations of the results/findings of the study are made. The fifth chapter summarizes the findings from chapter four and draws conclusions. Finally the recommendation part is presented.



## **1.9 Definition of Terms**

**Purchase intention-** is the consumer willingness to purchase a particular product in specific conditions. Purchase intention is usually related to the behavior, perceptions and attitudes of customers.

**Brand image-** consumers' perception of a brand which is associated with people believes about a brand, their thoughts, feelings and expectations held in consumer memory (Keller, 1993).

**Sponsorship** – A business agreement between two parties. The sponsor provides money, goods, services or know-how. In exchange, the sponsored party (individual, event or organization) offers rights and associations that the sponsor utilizes commercially.

**Advertising** – Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor (Kilter).

# **CHAPTER TWO**

## **REVIEW OF LITERATURE**

In order to answer the research questions several steps will be taking. One of these steps is reviewing relevant concepts and theories about event sponsorship and consumers buying intention. Hence, this chapter will review literatures on this topic. Including general concept on the topic, empirical evidence on the topic and at the end of this chapter the conceptual framework for the study was presented.

### **2.1. Theoretical framework**

#### **2.1.1. Definition and history of sponsorship**

Sponsorship originates from the Greek word *horigia*. *Horigia* coming from the words *horos* (dance) and *ago* (leads), literally means lead the dance but actually means sponsor the dance and play/drama (Else, 1965). Nowadays sponsorship can be regarded as the provision of assistance either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial objectives (Meenaghan 2001). It is a multidimensional communication tool used to achieve a variety of objectives, involving a business transaction (Thwaites, 1994) and an economic – based partnership. Sponsorship constitutes a part of a wider marketing mix (Kotler, 2000) working as communication tool for the improvement of the firms' image and for approaching publics.

According to Crowley (1991) sponsorship objectives can be categorized to community relations, awareness/recognition, image/reputation, corporate responsibility, revenue/sales, to match customer's lifestyle and employee morale. A firm sponsors an event individually or with other firms, it buys in away the right to connect with the events' image and identity (Meenaghan & Shipley, 1999).

Sponsorship is being used as a communication tool. A firm uses sponsorship to support an event in order to reach a specific or a wider target group and achieve corporate and commercial objectives (Javalgi, 1994). Sponsorship audience may be existing and potential customers, general public, workforce, local and business community, suppliers and last but not least

shareholders (Crowley, 1991). The theme of the events may concern sports, arts and any other similar activity of interest to the general public. Following this policy, the firm expects that the image transferred from the event will have a positive effect on itself (Gwinner, 1997). Thus, the choice of the event is of significant importance.

The reasons that firms choose to invest in sponsorship vary depending on the needs of the firm. Sponsorship objectives, which seem to have moved to issues concerning consumer behavior. It may be used in order to: a) improve the sales of a firm (Marshall & Cook, 1992), b) reach a specific target group which would have been difficult to be reached with other promotional tools c) form relationships with specific publics such as consumers, community, employees, stakeholders and shareholder. Once becoming part of a well-organized marketing plan sponsorship may gain positive publicity and add value to the general image of the organization (Rosenberg & Woods, 1995). According to Grohs, (2004) the main reasons that firms invest in sponsorship are to raise the awareness level of the firm/brand and to build a strong corporate/brand image.

### **2.1.2. Objectives for event Sponsorship**

A company's sponsorship success of an event is defined by its objectives and how well the end result can be evaluated and beneficial to the organization. According to Wladimir Andreff and Stefan Szymanski (2006), there are two types of objectives which can be classified as direct and indirect objectives. In the direct objective the sponsor expects a rapid change in behavior of its existing and potential customers. While in the indirect objective the authors maintain that it is primarily for increased visibility to brand and products, contact with a particular segment of its client base and an enhancement of its image; alongside growth in sales is only a long-term goal. The objectives of companies involvement in event sponsorship varies from author to author.

#### **Objectives according to Jobber (2007)**

Jobber States that there are five major principals of sponsorship objective. These objectives include creating promotional opportunities, improving community relations, fostering favorable brand and company associations, creating entertainment opportunities and gaining publicity.

### **Creating promotional opportunities**

Sponsoring events is a great way for companies to promote their brands, logos and products. Items and products such as sweatshirts, pens and bags can have a company's logo in order to reach a wider audience for easy retention and recognition.

### **Improving community relations**

Social responsibility is a factor of why companies get involved in sponsorship. Sponsorship of schools can help boost the reputation of a company in its given community. This will give a caring and socially responsible image to the consumers.

### **Fostering favorable brand and company associations**

This objective is linked to association for a company or brand according to Jobber. The point is meant for a company to associate itself with an event and hopefully, the positivity of the event can be relayed to their products as well.

### **Creating entertainment opportunities**

Jobber also argues that companies sponsor events not only for publicity but also to reach out to customers that are highly placed in various fields. Successful employees also benefit from this as they are highly rewarded when top celebrities participate in an organized event.

### **Gaining publicity**

Sponsorship provides a good platform to reach millions of audience worldwide where some of them are likely to become customers due to the publicity provided by various media coverage internationally which aids in facilitating this process. Jobber also believes that sponsorship of certain major events like football aids in drastically producing awareness shifts for various products.

### **Objectives according to Amis (1999)**

Amis et al (1999) points out that a sponsorship should produce an outcome that matches well with the image that the sponsor is trying to convey. Any sponsorship should therefore produce an image which is so superior that it clearly differentiates the firm from its competitors. These authors also suggest that a sponsorship, managed carefully, can be developed into a competitive advantage for the company. Amis states that one of the most common objectives for a company entering into a sponsorship is to increase the public awareness of either the company or of a

specific brand. And Changing or enhancing company or brand image and reputation Image and reputation can be seen as a resource which enables a company to secure a competitive advantage. Sport sponsorship has, according to the authors, been proven to be an effective tool to either change or enhance company or brand image reputation.

### **Objectives according to Dolphin (2003)**

Dolphin suggests several objectives that companies might have for deciding to enter into a sponsorship. However, these objectives may vary from industry to industry. The following objectives were mentioned by Dolphin (2003):

The first factor Dolphin mentions is the impact that sponsorships might have on the corporate image. Sponsorships might enhance the corporate image by influencing the impressions of the company or a specific brand held by a particular segment of the market. According to Dolphin increase of brand awareness accrues naturally from sponsorships. This might raise the profile of the corporate brand and thus increase the value of the brand. Sponsorships might also stimulate the sales of products or services according to Dolphin. Further on, corporate reputation is an intangible value often focused on by corporation. Sponsorship is an excellent way of enhancing the reputation by giving back to the community in which the company operates. Being associated with certain sponsoring objects might be a way for companies to alter public perceptions. Further, sponsorships might also build relationships between the company and its customers. Creation of goodwill and an increase in employee motivation are also objects that sponsorships might focus on according to Dolphin.

### **2.1.3. Types of Events**

There are different types of events and they can be used for different purposes. It is the firms who need to decide what kind of event to create and what the purpose of the event is. Arcodia and Barker (2003) have categorized events into three main groups which are business events, cultural events and sporting events. Business events include conferences and trade fairs, while cultural events include festivals and exhibitions. The sporting games are the last group and include the Olympic Games, soccer world cups, car races and many other sporting events.

There are three possible approaches to events: creating an own event, participating in others events and sponsoring other events. Examples of created events are grand openings, company anniversaries, new product introductions, and annual meetings. Though events attract and involve customers and other stakeholders, those who participate often only represent a small percentage of a brand's targeted audience. Some people say, to make such an event profitable, the company should include elements that will be of interest to media, and thus create brand publicity as well. Creating events gives firms total control from start to finish, as they can decide all details themselves. Creating events can take a lot of resources to pull off, both economically and when it comes to personnel (Duncan, 2002).

The other option for a firm is to participate in events created by others (Duncan, 2002). Some examples of such events are trade shows, career fairs and exhibitions. In this case the firm has less freedom to decide what the event will look like, but on the other hand they can focus more on what message they want to communicate instead of focusing on the practical work that goes into arranging an event. For companies this is most likely a cheaper alternative, as they do not have to bear the whole cost of the arrangement even though many fairs and exhibitions require them to pay a participation fee.

The last approach to event marketing is to sponsor an event. When a company sponsors an event, it pays for having the brand appear at an event, for example at sport events. This helps customers to associate the brand with certain events, but also has the drawback of not putting the company as a main focus of the event (Duncan, 2002).

#### **2.1.4. The Selection of a Specific Event**

Just because an event is being arranged, it doesn't necessarily mean that the marketing will result in success. So, companies need to specify the strategic outcome while selecting among events. It is also enormously important to conduct a thorough research before the planning of that event.

According Gwinner and Eaton (1999) state that consumers often associate the meaning of the event with the brand being portrayed, and that Image based similarity has been described as occurring when the image of the event is related to the image of the brand. According to (Meenaghan, 1983) when selecting a specific event, it is of great importance to thoroughly evaluate how the event is perceived by the target audience. The author also states that each individual company must specify the event selection criteria so that it becomes appropriate for

the company overall or for particular audiences. He mentions however 14 criteria that generally are considered in the selection of a specific event. These criteria's are very much related to the company's stated objectives. He emphasizes that the event selection should be dependent on the event's ability to fulfill these objectives. The criteria, as according to Meenaghan (1983) are discussed in detail next.

**i) The Ability to Fulfill Objectives** – one of the most important criteria when selecting an event is the event's ability to fulfill stated objectives. Events are distinguished to have a capacity to fulfill more than just one objective. As a result when there are multiple objectives, they should be ranked in hierarchical order. It is however important not to ignore the complex interaction between the different objectives (Meenaghan, 1983).

**ii) Image Association Potential of the Particular Event** - Each individual event has its own personality and perception in the public mind. Therefore, events differ in the relationships that they developed with the audience. When selecting a specific event, the multidimensional aspects of the event personality must be considered. Given that each event is capable of delivering image rub-off, the potential for negative association also exists. It is necessary to realize that an event that is appropriate for one company may be inappropriate for another. The ability of a particular event to deliver a required image by association therefore becomes a critically important criterion in the sponsorship selection process.

Meenaghan (1983) refers to the Association for Business Sponsorship of the Arts, which also recognizes the importance of considering the event's potential for image association as a selection criterion, and points out that achieving proper match between sponsor and recipient is an important element in setting up a sponsorship.

**iii) Event Choice and Company/Product Compatibility** – Meenaghan (1983) emphasizes that another important criteria to be considered is the degree of compatibility between the event and the company/product, which also is supported by Kumlin and Petersson (1998). According to Meenaghan (1983), there should be some kind of linkage between the event and the corporate/product image. Otherwise, it may attract negative attention or may confuse the potential consumer.

**iv) Media Coverage Potential** - Meenaghan (1983) implies that although most companies appreciate media coverage and the resulting enhancement of their public profile, the importance

of media coverage potential as a criterion for event selection varies. Companies must consider the event's established media audience profile and how it matches that of the company's target market. Authors Kumlin and Petersson (1998) support the idea that media coverage is an important consideration when selecting an event, as they in their study found this to be of considerable importance to companies using event marketing.

**v) The Funding Requirement** - Meenaghan (1983) further suggests if the company has a limited budget, then the selection of an event will be dependent on the event expenditure not exceeding the company's budget. It is very essential that the budget is sufficient, so that the event can be undertaken properly. Otherwise, there is a risk that the company image may be impaired and that the public establishes an unfavorable perception. The cost of the event must also be considered in terms of physical resources, staff time and staff talent. At last, the company must decide when the investment is required and the period of time over which it will be sustained.

**vi) Target Audience Coverage** – Meenaghan (1983) implies that another valuable event selection criterion is the target audience coverage, which is supported by Head (1988). Defining the target audience precisely will facilitate the event selection and increase the effectiveness of the event investment. Meenaghan (1983) defines the audience in terms of (a) the immediate audience at the event and (b) the extended media audience or (c) both the immediate and the extended audience. An up-market target group will be best reached by up-market events. Regarding target audience coverage Kumlin and Petersson (1998) support that it is important to consider the events ability to reach the target audience when selecting a specific event.

**vii) Event Type** - As Meenaghan (1983) described the classification of events is generally done after generic type such as for example sports, arts and environment. Still the company must also consider other possible classifications in order to select the most appropriate event.

The First question that should be answered is should it be an already established or a new event? (ibid) Authors Behrer and Larsson (1998) also consider creating a new event or sponsoring an existing one as an important selection criterion. An established event will provide an immediate audience but the company may at the same time lose out if it sponsors an event better known than the company itself. Also, if an event has already been successfully sponsored by another company, there is a risk that the public will continue to associate the event with that company at



the expense of the new sponsor. On the other hand a new event, takes longer time to establish than an already established activity.

As Meenaghan (1983) further discuss the second consideration regarding the type of event is if the event should be a one-time activity or a long-term commitment. In a one-time event the main associated with is the publicity it creates for the company. Especially if the event is newly created, extra publicity can be gained because of the novelty value. Benefits of one-time events are it has a great ability to provide for company and brand awareness; also it avoids the financial commitment that long-term events involve. The drawbacks of one-time events are the doubts as to their effectiveness and the suggestions that one-time event involvement is rarely cost-effective.

Most of the literature dealing with sponsorship argues for long-term commitments and three years is often seen as the minimum time for effective sponsorship exploitation. The long-term sponsorship can lead to repeated publicity and more durable recognition. On the other hand, market interest in long-term sponsorship is more likely to decline than for one-time sponsorships and as a result the long-term sponsorship may suffer a reduction in impact.

The third classification of event types that Meenaghan (1983) mentions to consider are the seasonality of the event. Some activities may have a seasonal nature in terms of its public profile. It can then be necessary for the sponsoring company to undertake an additional event in order to meet its coverage requirements. If a company requires continuous exposure throughout the year, it needs to select either a single activity with year-round exposure or a series of individual events, which together provide all-year-round exposure. A company looking only for short-term exposure has a facilitated selection process and should determine the extent and timing of the coverage requirement.

**viii) Executive Preference** - Regarding executive preferences, Waite (1979 referred by Meenaghan 1983) concludes that senior management leisure interests are often a consideration when selecting events. Using executive preferences to select a specific event is also a supported criterion by Head (1988). Fletcher (1980 cited by Meenaghan 1983) claims that by considering executive preferences when selecting an event, the company is less likely to get lead into a bad deal at the same time as it ensures commitment from the top.

**ix) The Opportunities for Guest Hospitality** - Guest hospitality refers to how well the event can offer the company face-to-face contact with selected publics. Guest hospitality is often given

priority in the criterion hierarchy, where several objectives are being pursued (Meenaghan, 1983). Authors Kumlin and Petersson (1998) also supported that guest hospitality is an important criterion when selecting an event.

**x) Staff Knowledge of the Proposed Event** - Meenaghan (1983) suggests that if a company selects an event that someone within the company holds in-depth knowledge about, it can contribute to a more successful exploitation of the event. It is the opinion of many companies' that at least some member of their organization should be involved in the event. In this way the staff member can act as an expert link between the company and the event, as well as to alert the company to potential pitfalls.

**xi) Solus Position** - As Meenaghan (1983) solus which is a Latin word to mean "alone" concerns whether the company should select an event that will be exclusive to the company or if the company should be involved in co-sponsorship together with other companies. Behrer and Larsson (1998) discuss that an event created by several sponsors together can be effective if the companies can complement and take advantage of each other, for example regarding image and credibility.

**xii) Geographical Coverage of the Defined Target Audience** - Meenaghan (1983) claims that when selecting an event those events whose potential geographical coverage is either excessive or insufficient in terms of the defined target audience should be precluded. The definition of geographical coverage requirements will assist the company in selecting the most appropriate sponsorship. The company must also decide if the defined market is best reached by a series of events or by the use of a single event to cover the total market (ibid). Head (1988) also supports Meenaghan (1983), by emphasizing the importance of considering the event's geographical link with the company's business, in the selection of a specific event.

**xiii) The Possibility for Adverse Publicity** – Meenaghan (1983) suggested that for a company it is important to examine all dimensions of the proposed event, so the company is not affected by unexpected reverse publicity. For example, the behavior individuals associated with the event may cause adverse publicity. In addition, the nature of certain associations that the company wants to create with the event also makes the selection very sensitive.

**xiv) Possible Organization behind the Event** - In the case of the event being handled by another organization, the sponsoring company must also consider that organization and its ability to carry out the proper management of the event. If the event fails to meet its objectives, can the

sponsor then withdraw? Does the organization have a clear understanding of the sponsor's interest (or is it just seeking an additional source of revenue)? Are the questions that need an answer (Meenaghan, 1983).

### **2.1.5. The effect of event sponsorship on purchase intention**

Favorable disposition referred to as consumer perception or attitude-toward-advertising (Aad), has been extensively researched in the fields of advertising and marketing. Within these research disciplines, the importance of attitudes towards advertising in general and towards a specific advertising has long been researched. Greyser (1972) noted that attitude-toward-advertising impacted the effectiveness of advertising. Mackenzie et al. (1986) defines attitude-toward-advertising as a predisposition to respond in a consistently favorable or unfavorable manner to advertising a particular advertising stimulus during a particular exposure situation.

Attitude-toward-advertising, in turn, is important because it is an antecedent of brand attitude (Mackenzie and Lutz 1989). Research efforts then focused on conditions that impact advertising effectiveness, the determinants of advertising attitudes, and tests of causal models of ad attitudes and outcomes (Brown and Stayman, 1992). Research on these constructs was performed using traditional media.

Within the context of this general process, sponsorship presents some unique theoretical research questions (Pope, 1998). Ultimately, the advertiser is interested in the issue of advertising effectiveness – how well Aad transfers to brand attitude or favorable disposition. Consumers form both positive and negative dispositions about advertising and sponsorships at generic and personalized levels. Following a person's experience at an event, he or she will form an opinion of the organizers of that event. These opinions, whether positive or negative, can reflect the consumer's feeling of event organizers as a whole or of that particular event. If the consumer has formed a decision overall regarding the events, then his or her favorable disposition is generic. If the consumer's opinion is only reflective of his or her experience at a single event, then the favorable disposition is personalized.

According to Madrigal (2001), favorable disposition is vital to understanding sponsorship effects because consumers develop beliefs concerning a sponsorship, as well as a perceived level of

importance of the sponsorship, and the two combined determine how supportive the consumer's attitude is of the sponsor. According to attitude theory, new and old beliefs are combined to form current attitudes about a particular object. The strongest and most consistent beliefs form the attitudes, and these attitudes are what consumers utilize when processing information, forming intentions, and performing behaviors. An attitude is defined here as a psychological tendency that is expressed by evaluating a particular entity with some degree of favor or disfavor. These attitudes are said to be linked to other attributes, outcomes, or goals.

### **2.1.6. Purchase Intention**

Purchase intention is the consumer willingness to purchase a particular product in specific conditions. Purchase intention is usually related to the behavior, perceptions and attitudes of customers. Shah et al. (2012) point out that purchase intention is a type of decision-making concerning the reasons why a customer tends to buy a particular brand. Therefore, it is a dependent variable relying on several internal factors, such as: consumer needs and preferences, attitudes and perception and various external factors.

Consumers draw on past experiences when forming purchase intentions, and their purchasing behaviors are often repeated. Rosenberg and Czepial (1984) indicate that marketing to current customers and increasing customer retention is easier than attempting to attract new client. A central component of this investigation is the concept of purchase intentions which are linked to perceived value and satisfaction of customers. Previous research has shown that consumer satisfaction can be a reliable predictor of (re)-purchase intentions (Patterson and Spreng, 1997). For this investigation, obtaining data on the likelihood of consumers to purchase products or services from the event organizers, or data on actual purchases from companies, constitutes purchase intentions and behaviors. Therefore, it is important to understand the perceived and actual purchase intentions of consumers attending the

In Meenaghan's (2001) model of sponsorship effects, highly involved consumers display higher awareness levels of sponsorship, and there is a greater chance they will express a preference for the sponsor's product because of its affiliation with the event. The positive perceptions of these highly involved consumers may influence their purchase intentions toward the sponsors of their

avored event. Sponsorship differs from advertising because it portrays an alternative set of values (Gwinner, 1997). Past research indicates that consumers are more accepting of advertising if it comes in the form of sustaining or promoting an event that they enjoy (Meenaghan, 2001). Consumers who demonstrate an affinity toward a certain activity, and develop a sense of goodwill toward the sponsors of that activity, are more likely to transfer those positive attitudes and beliefs onto the company's products or brand (Gwinner, 1997). For example, if a company excessively promotes and virtually interrupts the activity, consumers will display negative emotions, and this can produce negative image transfer among consumers which likely affects purchase intention.

According to Meenaghan's model of sponsorship (2001) favorable senses about the sponsor are influencing customer purchase intentions of the sponsored brand. And positive attitude towards the sponsored event may motivate customers to purchase the sponsor's brand. A brand's sponsorship events may have a direct effect on purchase intentions because of the higher customers' commitment to the sponsor (Gwinner& Swanson, 2003).

### **2.1.7. Event Sponsorship and brand image**

Sponsorship is a very different brand-building tool than advertising and needs to be managed accordingly. Sponsorship entails the commercial association of a brand with a property such as a sporting event, a team, a cause, the arts, a cultural attraction or entertainment. Sponsorship does not imply an endorsement of the brand. An endorser could put his or her name on products and appears in advertising and elsewhere as an advocate for a brand. In contrast, sponsored event or group does not deliver an endorsement of a brand (Aaker&Joachim 2000).

The phenomenon that is particularly common in sponsorships is that both the process and the result of a brand-building effort often have a key payoff internally to employees and other brand partners, as well as externally to customers. Having employees and partners involved in the whole sponsorship process can be quite an emotional benefit as all parties seek to work together to attain a certain level of pride from the eventual outcome of the sponsorship agreement which generates a greater level of synergy amongst all those involved (Aaker& Joachim 2000).

An event experience can provide a customer with a unique opportunity to develop a link to the brand and its organization. Simply providing customers with an event experience says a whole lot about the brand and its organization. Furthermore, an event could represent a tangible and unique way to reward a key customer. Assuming that the event is sponsored for a longer duration, the reward may be provided year after year, giving the customer an incentive to appreciate the relationship. In addition, the event provides an opportunity for the organization to interact with key customers in a more relaxed setting. As such, an access which might not be possible without the event can be obtained more easily.

Akwensivie et al. (2014) found out that brand awareness is the main impact of sponsorship events on mobile telecommunication subscribers. Brand image and brand loyalty are found to be related positively and significantly to sponsorship events. Sponsorship have an effective impact on customers' behavior, in association of other communications tools like public relations, exhibitions and trade shows, advertising, direct marketing and sales promotions.

Russell and Close (2013) conclude that customers develop more favorable event-sponsor bonds when they like the event. A customer's positive attitude towards the event will influence their perceptions of event-sponsor fit positively, especially for service brands. The study also demonstrates the positive influence of event-sponsor fit on customer's favorable brand commitment to the sponsor's brands, and customers' intentions to buy the sponsor's services. Event-sponsor fit could gain a valuable role in strengthening consumer relationship outcomes.

Sponsorship is an effective tool to strengthen a company's brand name and/or its brand awareness despite its size or familiarity. Companies experience and age often provide a greater response to brand recognition and brand awareness than traditional communication tools does. It is therefore increasingly important for companies to develop new means on how to present its brand equity to its customers which enables them to experience what the brand represents and how it wants to be perceived. Sponsoring is an increasing form of marketing, expanding rapidly in the latest few years, reaching the traditional marketing tools, as advertising and promotions.

## **2.2. Conceptual frame work**

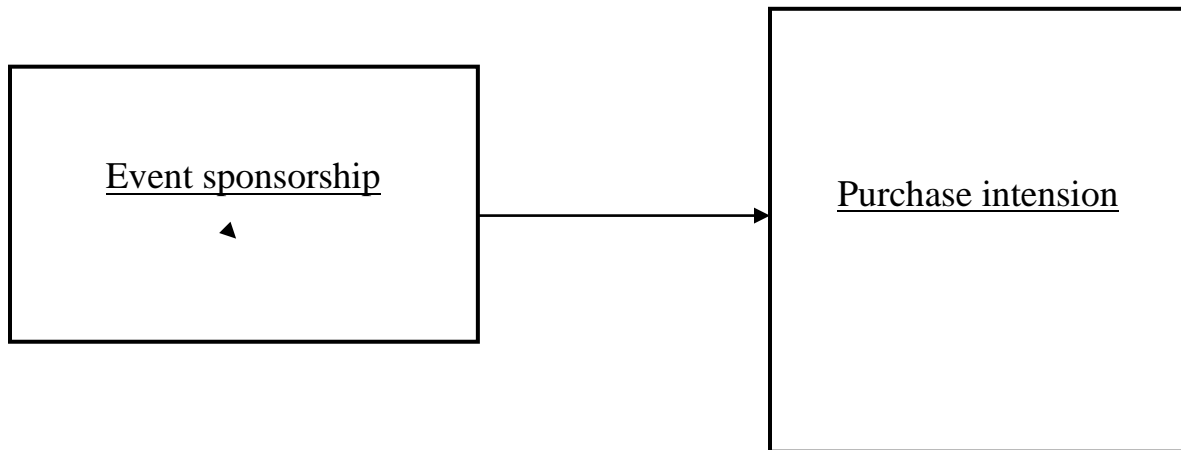
Based on the theoretical frame work presented in previous sections this part highlights how the research questions are conceptualized and conceptual frame work model was modified to test the effect of event sponsorship on consumers purchase intention.

Concerning the first question effect of event sponsorship on Purchase Intention this can be seen in Meenaghan's (2001) model of sponsorship effects. Among the variables considered by Meenaghan (2001) are favorable disposition and purchase intention which are used in this research to test how event affects purchase of intention. Purchase intention were measured on a five-point Likert-scale, ranging from 5 (Strongly agree) to 1 (Strongly disagree) based on previously conducted research. These items were used to measure consumers' intent to purchase or actual purchase of the various products and services advertised at the event.

In order to answer the second question, theories regarding the objectives of event marketing are applied. According to Dolphin (2003), sponsorships might have impact on the corporate image. Sponsorships might enhance the corporate image by influencing the impressions of the company or a specific brand held by a particular segment of the market. According to Dolphin increase of brand awareness accrues naturally from sponsorships. This might raise the profile of the corporate brand and thus increase the value of the brand. Sponsorships might also stimulate the sales of products or services according to Dolphin. Further on, corporate reputation is an intangible value often focused on by corporation. Sponsorship is an excellent way of enhancing the reputation by giving back to the community in which the company operates. Being associated with certain sponsoring objects might be a way for companies to alter public perceptions. Further, sponsorships might also build relationships between the company and its customers. Creation of goodwill and an increase in employee motivation are also objects that sponsorships might focus on according to Dolphin.

The third research question concerns the selection of a specific event. In order to answer this question, the researcher uses the classification given by Meenaghan (1983). The author points out a broad list to be considered in the event selection. This study focuses on these criteria's which are:- the ability to fulfill objectives, potential image association of the event, compatibility of event chosen

with the company/product, the potential for media coverage, funding requirement, coverage of the target audience, opportunities for guest hospitality, executive preference, geographical coverage, staff knowledge about the event, event type, solus position, possibility for adverse publicity and finally possible organization behind the event.



**Figure 1:** A Conceptual Framework

**Source:** Authors' own construction



# **CHAPTER THREE**

## **RESEARCH DESIGN AND METHODOLOGY**

This chapter discusses the research methodology used for conducting this research including research approach, research design, population and sample design, type of data source and collection instrument, method of data analysis and interpretation were explained.

### **3.1. Research Approach**

Research design is a plan, structure and strategy of investigation, which is conceived to obtain answers to research question or problems. Research design is a procedural plan that is adopted by the research to answer questions validity, objectively, accurately and economically.

The purpose of this study is to examine how event sponsorship effect consumer purchase intention and study will test whether event sponsorship has positive relationship with consumer purchase intention and brand image; in which survey was used to test the impact.

The research is descriptive in nature, thus follows a mixed-method approach (by combining quantitative and qualitative procedures). It is descriptive it tests whether event sponsorship has positive effect on purchase intention.

The qualitative approach emphasizes on processes and meanings that are not measured in terms of quantity, amount, intensity or frequency. The qualitative approach provides a deeper understanding of the phenomenon within context (Guba, 1994).According to Malhotra (2003); quantitative research is suitable for measuring both attitudes and behavior. Quantitative research techniques search for quantify data by applying some form of statistical analysis. This research uses both research methods.

### 3.2. Population and sampling techniques

The target population of the study is customers of commercial bank of Ethiopia, and the Promotion Manager of CBE. Non-probability, specifically convenience sampling was used. A total of 384 questionnaires were distributed to customers of CBE in megenagna (hidase, lemakababi), salitemariam and gurd shola braches on the month of March. The company chosen as sample in the research was commercial bank of Ethiopia. This is because the company is large, older and has an experience of using event sponsorship.

In light of this, the sampling technique that was used to select samples from the given population was convenient sampling. In this technique the sample selection process is continued until the required sample size has been reached. It involved selecting randomly those cases that were easiest to obtain the required sample Zikmund (2003).

For the questionnaire the target population of the study can be considered as infinite population, using the following topman formula the sample size for the study was determined for infinite population.

$$N = \frac{z^2 \times pq}{e^2}$$

Where n=sample size

z=degree of confidence (i.e. 1.96)

p=probability of positive response (0.5)

q= probability of negative response (0.5)

e=tolerance error (0.05)

$$n = \frac{1.96^2 \times 0.5 \times 0.5}{0.05^2}$$

$$= \frac{3.84 \times 0.25}{0.0025}$$

$$N=384$$

The sample size for the study was 384.

For the case of interview Non-probability, specifically purposive sampling was be used; interview was done with Promotion Manager of bank.

### **3.3. Data sources and types**

The study basically used both primary data and secondary data. Where primary data were collect using questionnaire and interview whereas the secondary data will be collected from literature reviews and other related documents. The Questionnaire was containing two sections demographic section and subjective section. Demographic section is consisted of gender, age, income while subjective section includes questions related to event sponsorship and consumer buying intention.

### **3.4. Data collection instrument**

Questionnaire often used to gather direct information regarding to respondent's behavior or search for basic opinion of respondent regarding a specific issue. Furthermore, it is quite easier to use questionnaire when the sample size is large and save cost of the research.

The research was done using both quantitative and qualitative data. The quantitative data is collected through close ended questionnaire by testing the effect of sponsorship on purchase intention. It was adopted from the research done by Naeemakhtar (2016) and Mai ngon (2016). Qualitative data was collected using semi-structured interview with the promotional manager of the company.

The questionnaire consists of 2 sections. Section 1 has surveying about the general information of the respondent. The questions ask about the gender, age and education. In Section 2, there are questions that surveying respondents on the sponsorship that influence their purchase intention.

According to Cavana (2001), there are 4 types of constructs measurement. There are interval scale, nominal scale, ordinal scale and ratio. This study will use interval, nominal and ordinal scale to measurements.

Likert scale was used in the questionnaire to measure the respondent opinion it consists of five options in each question statement. The respondent may agree or disagree to the statements.

The interview questions were adopted from previous research done by Eriksson and Hjälmsson (2006) with some modifications. This is because the research is a recent one and can be a base

for this area as it gives more complete information about event sponsorship as a promotional tool.

### **3.5. Data collection procedures**

The following steps were being taken to conduct the survey:

Step 1: The questionnaire and the interview questions were formulated.

Step 2: The respondents were select using purposive sampling for the interview.

Step 3: Appointment was arrange with respondents for interview.

Step 4: The questionnaires were distribute and the interview will done.

Step 5: and the data that collect from questionnaires and interview were coded and proceed for data analysis.

### **3.6. Method of data analysis**

The study was used Statistical package for the Social Science SPSS to analyze and summarize all the data collected from the research questionnaire to interpret the result and the study were use both descriptive statistical analysis and regression analysis, besides, correlation analysis was performed to provide information on the strength and direction of the relationship between the dependent variable and independent variables.

### **3.7. Validity and reliability**

**Reliability-** The study used Cronbach alpha to assess the internal consistency of the research instrument. It is mainly used as a measure of internal consistency or reliability of a psychometric test score for a sample of examinees.

**Content Validity:** Each attribute was derived from relevant literature to ensure the validity of the questionnaire. The questionnaires are partially taken from previous research work done by Naeemakhtar (2016) and Mai ngon and Ngo thi (2016) and enable the researcher test the effect of event sponsorship on purchase intention and brand image as stated on the literature part of the research work.

### **3.8. Ethical Considerations**

The data was collected from those of willingness sample respondents without any unethical behavior or forcefully action. The results or a report of the study is used for academic purpose only and response of the participants is confidential and analyzed in aggregate without any change by the researcher. In addition, the researcher respects the work of previous investigations or study and cited appropriately those works that has been taken as a basis.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter presents analysis, interpretation and findings of information collected through self-administered questionnaires with 384 randomly selected customers of Commercial Bank of Ethiopia. The analysis is based on the information obtained from customers and incorporated information obtained through an interview with the marketing managers.

#### 4.1. Reliability Test

##### 4.1.1 Overall Response Rate

In the study, 384 questionnaires were distributed to four selected branches of the bank and 374 of them were returned among them due to incompleteness only 360 questionnaires were found to be usable.

##### 4.1.2 Reliability Test

The study used Cronbach alpha to assess the internal consistency of the research instrument. It is mainly used as a measure of internal consistency or reliability of a psychometric test score for a sample of examinees. The Cronbach alpha was found to be .775 a benchmark alpha of .70 was set as an acceptable measure of reliability. Therefore, there is high internal consistency among the variables and they evaluate the same things.

Table 4.1 Reliability Statistics

Cronbach's Alpha	N of Items
.775	8

Source: Survey Finding

#### 4.2 Analysis of Demographic Data

Demographic analysis included gender, age and educational background of the respondents. These demographic variables make the research easily understand by the readers who were involved in the study and it helps to identify characteristics (background) of the respondents.

Table 4.2 summary of demographic variables

Socio-Demographic Characteristics		Frequency	Valid Percentage
gender	male	186	51.7
	female	174	48.3
age	18-30	162	45.0
	31-45	114	31.7
	46-60	78	21.7
	Above 60	6	1.7
education	diploma or less	48	13.3
	first degree	234	65.0
	second degree or more	78	21.7

Source: Researcher's Survey

As shown in table 4.2 186 were found to be male which are over 51.7% of the total respondents and 48.3% are female. Looking in to the age group of respondents, over 76% are below 45 and only 21.7% of the total is above the age of from 46-60. Most of the respondents had university first degree 65% and over 13.3% have diploma or less.

### 4.3. Correlations Analysis

A correlation analysis with Pearson's correlation coefficient ( $r$ ) was conducted. Therefore the correlation analysis illustrates the relationship between the independent questions are: -I think favorably of companies that organize events, Companies who organize events provide quality products, I like the company CBE, CBE is a very good company, I think favorably of CBE because it organizes events.

The dependent questions regarding purchase intention are: -I would consider purchasing products from CBE because it organizes events, I will inquire about CBE's product because it organizes an event, and I would purchase products from CBE because it organizes events.

The guidelines suggested by Field (2005) were followed. His classification of the correlation coefficient ( $r$ ) is as follows: 0.1–0.29 is weak; 0.3–0.49 is moderate; and  $\geq 0.5$  is strong.

To put the data in sequential order, the highest positive correlation is found to be I will inquire about CBE's product because it organizes an event and I think favorably of companies that organize events ( $r=.829$ ). From the result shown above, there is a strong relationship between the five independent variables and the dependent variables of purchase intention.



**Table 4.3: Pearson's Correlation Matrix for predictors and purchase intension**

		q1	q2	q3	q4	q5	q6	q7	q8
q1	Pearson Correlation	1	.506**	.681**	.779**	.584	.276	.829	.238**
	Sig. (2-tailed)		.000	.001	.000	.113	.149	.002	.009
	N	360	360	360	360	360	360	360	360
q2	Pearson Correlation	.506**	1	.512**	.732**	.529**	.439**	.399**	.572**
	Sig. (2-tailed)	.000		.000	.000	.000	.008	.000	.001
	N	360	360	360	360	360	360	360	360
q3	Pearson Correlation	.681**	.512**	1	.666**	.590**	.338**	.353**	.409*
	Sig. (2-tailed)	.001	.000		.000	.000	.009	.004	.039
	N	360	360	360	360	360	360	360	360
q4	Pearson Correlation	.779**	.732**	.666**	1	.625**	.353**	.504*	.550**
	Sig. (2-tailed)	.000	.000	.000		.000	.004	.049	.000
	N	360	360	360	360	360	360	360	360
q5	Pearson Correlation	.584	.529**	.590**	.625**	1	.372**	.300**	.321**
	Sig. (2-tailed)	.113	.000	.000	.000		.000	.000	.000
	N	360	360	360	360	360	360	360	360
q6	Pearson Correlation	.276	.439**	.338**	.353**	.372**	1	.351**	.294**
	Sig. (2-tailed)	.149	.008	.009	.004	.000		.000	.000
	N	360	360	360	360	360	360	360	360
q7	Pearson Correlation	.829	.399**	.753**	.504*	.300**	.351**	1	.033
	Sig. (2-tailed)	.002	.000	.004	.049	.000	.000		.535
	N	360	360	360	360	360	360	360	360
q8	Pearson Correlation	.238**	.572**	.409*	.550**	.321**	.294**	.033	1
	Sig. (2-tailed)	.009	.001	.039	.000	.000	.000	.535	
	N	360	360	360	360	360	360	360	360

\*\*Correlation is significant at the 0.01 level (2-tail

\*. Correlation is significant at the 0.05 level (2-tail

#### 4.4 Regression Analysis

Regressions fit a predictive model to data and use that model to predict the values of dependent variable from one or more independent variables (Andy, 2005). Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable. In this study the researcher used 5 independent and 3 dependent variables are used in the Regression Analysis. These 3 are considered because they are commonly used to measure advertising effectiveness to measure purchase intention. These are the inquiry about the product; consider purchasing, actual purchase.

**Table 4.5 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.677 <sup>a</sup>	.548	.537	.085

We observed in the model summary from the analysis in the above table the correlation between the five independent attributes and the dependent variables indicated that there is strong relationship (.677) and the weighted combination of the predictor variables explained or affect approximately 54% (R square)and the remaining 46% is by extraneous variables that can affect dependent variable.

**Table 4.6: ANOVA**

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	101.449	5	20.290	20.901	.000 <sup>a</sup>
	Residual	343.651	354	.971		
	Total	445.100	359			

The ANOVA must be considered to assess the statistical significance of the results. If the test equals 0 it means there is no relationship between the dependent and independent variables. As can be seen from the ANOVA table, the independent variable significantly predicts the dependent variables,  $F=20.4$

**Table 4.7: Coefficients**

Coefficients <sup>a</sup>						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.997	.215		4.646	.000
	q1	.350	.181	.431	1.621	.535
	q2	-.016	.062	-.013	-1.265	.791
	q3	.331	.073	.227	1.427	.070
	q4	.450	.082	.440	2.614	.040
	q5	.517	.059	.452	8.785	.000

As shown on table 4.7, the result of regression based on the five attributes indicated positive and significant relationship with the dependent attributes. The highest predictor attribute is I think favorably of CBE because it organizes events (.452) while the smallest predictor is Companies who organize events provide quality products (-.013).

## **4.5 Content Analysis for the Interview**

The researcher has conducted an interview with the marketing manager of the bank in line with the following questions. The information collected from this manager is analyzed qualitatively as follows.

### **4.5.1 Objectives with Event sponsorship**

All promotional activities of the company major aim making a business. When it comes specifically to event sponsorship the promotional manager of bank response that with regards to corporate related objectives for CBE establishing and maintaining relationship with the target group is an important objective. The one example he target societies are the women and youth. The reason is women are many challenges and youths are more relate to events. Due to this getting a chance to meet the audience face- to- face is an important thing to be achieved using event sponsorship are build corporate image, Create awareness about the company when the company launches new service and brand awareness creation is done through different events. To strengthen the internal relations with employees also the company use events because the company believes that motivating the personnel and making them to participate is an important thing to do.

When it comes to the product related objectives, the CBE wants to affect the brand or service image. When the company launches new service for its customers uses different event to create awareness. The marketing manager explains that increasing the sales is not a crucial objective for the company and the effect can be seen depending on the type of the event. Some event effect is seen in the long run and others are one-time activities and achieving media coverage is also thought as an important objective with event sponsorship.

#### **4.5.2 The Selection of a Specific Event**

According to the response of the manager Service providing institutions are applying different strategies in order to enhance their customer's awareness. When selecting an event there are specific criteria that need consideration. Criteria according to the marketing manager to be considered are the event's ability to fulfill the stated objectives, organization behind the event, the target group, the duration of the event, the budget required, and type of event and media coverage. When selecting an event, it is very important that the event has the ability to fulfill the marketing objectives, as the respondent explains.

CBE prepare its own event for example in order to celebrate its 75 years anniversary the company prepare various events, including athletics competitions, literary competitions, blood donations, questions and answers competitions events in different parts of the country. And also CBE enter to event by co-sponsoring with other companies.

According to the respondent With regards to geographical coverage when the event is popular in many areas and large in number of participants it is more favorable by the company to sponsor the event. The respondent further describes the importance of an event to be able to offer personal contact with the participants. This helps to create good relationship with the existing as well as potential participants.

According to the respondent some times when events are selected preference of executives is considered since the selection is related to the objective.

According to the response of the manager the budget requirement is also considered as important criteria. The budget depends on the company's ability in terms of physical resources. The cost analysis is done before the event to know whether it is worthy to participate in that specific event or not. One of the major importance of event is it can cover as many people as possible. The respondent says that the company analyzes whether there is compatibility between the event and the brand image. Compatibility with the corporate image also importance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

This chapter deals with summary conclusion and recommendations. In this chapter first, the findings which is made from chapter four is summarized then conclusions of the major findings are drawn. And at last, some possible recommendations are forwarded on the basis of the major findings of the study.

#### **5.1. Summary of Findings**

The general objective of this study was to examine the effect of event sponsorship on consumer purchase intention and to provide a better understanding of how event sponsorship used. And specific objectives are to find out the relationship between event sponsorship and purchase intention, to identify the objectives associated with event sponsorship, to assess how specific events are selected for sponsorship.

Cronbach alpha that assess the internal consistency of the research instrument shows that high internal consistency (.775). The frequency statistics shows that the respondents were male (51.7%) and female (48.3) and most of the respondents were in the age group between 18-30 (45%). Most of the respondents had university education 65%.

Pearson correlation coefficient of the five variables indicated that, there is strong relationship between the five independent the 3 dependent variables. The correlation between the five independent attributes and dependent variable indicated that there is strong relationship. And the highest positive correlation is found to be I will inquire about CBE's product because it organizes an event and I think favorably of companies that organize events.

The ANOVA shows that the independent variable significantly predicts the dependent variables,  $F=20.4$ , the result of regression shows the five attributes indicated positive and significant relationship with the dependent attributes. The highest predictor attribute is I think favorably of CBE because it organizes events.

The summary made based on the findings of the study with the objectives of using event sponsorship are affecting the company image, strengthening internal relations, identifying the company with the target group motivating employees and affecting the brand or product image as an objective.

Regarding the selection of events the findings show that the company use specific criteria event's ability to fulfill the stated objectives, organization behind the event, the target group, the duration of the event, the budget required, and type of event and media coverage.

## **5.2 Conclusion**

The Pearson's correlation coefficient of the study signifies that there is strong relationship between the five independent variables and three purchase intentions variables. I will inquire about CBE's product because it organizes an event and I think favorably of companies that organize events have the highest positive correlation which means that customers give value for companies that organizes events.

The ANOVA and coefficient of variation in the data analysis of this research indicate that, the independent variables can explain purchase intention. I think favorably of CBE because it organizes events the highest predictor of the dependent variable.

According to the data collected from the interview the following conclusions are made. Building corporate image, create awareness about the company, to strengthen the internal relations with employees are major important objectives related to event sponsorship. In selecting specific event the company used different criteria, ability to fulfill the stated objectives, target group, budget required, and type of event and media coverage.

### **5.3. Recommendations**

Marketers need to know how to strategically choose the appropriate and most innovative sponsored events, social groups or social issues that affect the attendees' perception and their purchase intention. To achieve this objective the study recommends the following:

- The company should develop its own methods to measure event's effectiveness to use the events effectively for future.
- Marketers should continue to use various types of event sponsorship due to their clear impact on attendees' perception of the sponsoring brand and their purchase intention.
- Keep customers updated regarding all potential event sponsorship programs and how to attend them.
- Improve a transparent feedback tools and listen to attendees' views and suggestions regarding the sponsoring programs.
- Marketers should think economically of each distinctive types of sponsorship.
- Marketers should select specific events in accordance with the stated objectives.
- Marketers continue looking for innovative events to sponsor which are reflective of the attendee's identity, to affect attendee's awareness of the sponsoring brand.
- The company should work on maintaining the relationship gained during the event as it is easy to maintain customers than attracting new ones.



#### **5. 4. Limitations and Directions for Future Research**

The major limitation of the study is the sample. Because of lack of funding the sample was only done in one company selected from Addis Ababa. There might be difference between the population characteristics and behavior of Addis Ababa and other parts of the country. Because of this the finding that is identified through the research process may not be generalizable for the entire country.

Researchers and practitioners who wish to conduct similar study in the area should have to incorporate residents of different parts of the country in their sample to have a result that can be generalizable to the overall population.

## Bibliography

Aaker, David A. (1996). *Building Strong Brands*. Free Press, 2002.

Akwensivie, D. &Narteh, B. &Iden, W. (2014).*The Impact of Sponsorship Events on Consumer Based Brand Equity Behaviors*.Evidence from the Mobile Telecommunication Industry in Ghana.European Journal of Business and Management, 6(10), 107-120.

Amis J, Slack T. &Berrett T. (1999).*Sport sponsorship as distinctive competence*.European Journal of Marketing, Vol. 33Issue 3/4, p250-272.

Arens, Weigold, &Arens C. (2011).*Contemporary Advertising and Integrated Marketing Communications*.(13th Ed.).McGraw-Hill Irwin.

Arcodia, C. and Barker, T. (2003).*The Employability Prospects of Graduates in Event Management*.

Behrer, M. and Larsson, A. (1998).*Event Marketing as a Strategic Marketing Resource*, IHM Goteborg University

Belch, G. and Belch, M. (2007). *Advertising and Promotion: An Integrated Marketing Communications Perspective*.7th Ed. New York: McGraw Hill/ Irwin.

Brown, S. &Stayman, D. (1992).*Attitudes and consequences of attitude toward the ad*, a meta-analysis. Journal of Consumer Research, 19 (1), 34-51.

Cliffe, J. Simon & Judy Motion (2005).*Building contemporary brands: a sponsorship-based Strategy*. Journal of business research, vol. (58), issue 8:1068-1077.

Crowley, M. (1991).*Prioritizing the sponsorship audience*. European Journal of Marketing, 25, 11, 11-21.

Dawar, N. & Parker, P. (1994).*Marketing universals: consumers' use of brand name, price, physical appearance, and retailer reputation as signals of product quality*. Journal of Marketing, 58 (2), 81-95.

Dolphin, R (2003).*Sponsorship: Perspectives on its strategic role, Corporate Communications*. An International Journal, Vol. 8, No. 3, pp. 173-186.

Duncan, T. (2002).*IMC: Using Advertising and Promotion to Build Brands*.Boston: McGraw-Hill.

Eriksson, J. and Hjälmsö, A. (2000).*Event Marketing as a Promotional Tool*.International Business and Economics, Lulea University.

- Fill, C (2006). *Simply Marketing Communications*. Pearson Education Ltd, Harlow.
- Jobber, David (2007). *Principles and Practice of Marketing*. 5th ed. McGraw-Hill 2007.
- Gabremaskel, beza (2014) *The Effect of Event Marketing on Customers Purchase Intention*:
- Greyser, S. (1972). *Advertising attacks and counters*. Harvard Business Review, 50 (2), 22-28/141-146.
- Grohs, R. Wagner, U. & Vsetecka, S. (2004). *Assessing the Effectiveness of sport sponsorship-an empirical examination*.
- Gwinner, K. and Eaton, J. (1999). *Building brand image through event sponsorship: the role of image transfer*. The Journal of Advertising, 28 (4).p.47-57.
- Gwinner, K. (1997). *A model of image creation and image transfer in event sponsorship*. International Marketing Review, Volume 4, Number 3, pp. 145-158
- Gwinner, K & Swanson S. (2003). *A model of fan identification: antecedents and sponsorship outcomes*. Journal of Services Marketing, vol.17, no.3, pp 275-294
- Gupta, S. (2003). *Event marketing: Issues and challenges*. IIMB Management Review, 15 (2).P.87–96.
- Javalgi, G. Rajshekhar, Traylor, B. Mark, Gross, C. Andrew and Lampman, Edward (1994). *Awareness of Sponsorship and Corporate Image: An Empirical Investigation*. Journal of Advertising, Volume XXIII, Number 4, pp 47-58.
- Keller, K.L. (2003). *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*. Upper Saddle River, NJ: Prentice Hall.
- Kotler, p. and Armstrong, G. (2004). *principle of Marketing 10th Ed*. Prentice hall of India Private limited new delihii.
- Kotler, P & Armstrong, G. (2010), *Principles of marketing*. 13th ed. London: Pearson
- Kothari, C. R., (2004). *Research Methodology: Methods and Techniques*. 2<sup>nd</sup> Ed. New Delhi: New Age International Publishers.
- Kumlin, O. and Petersson, S. (1998). *Event marketing*. Lulea University of Technology, Lulea.

Lardinoit, T. and Quester P. (2001). *Attitudinal effects of combined sponsorship and sponsor's prominence on basketball in Europe*. Journal of Advertising Research.

Mackenzie S, Lutz, R., & Belch, G. (1986). *the role of attitude toward the ad as a mediator of advertising effectiveness: A test of competing explanations*. Journal of Marketing Research, 23 (2), 130-43.

Madrigal, R. (2001). *Social identity effects in a belief-attitude-intentions hierarchy*, Implications for corporate sponsorship. Psychology & Marketing, 18 (2), 145-165.

Mai Ngoc Khuong<sup>1</sup> & Ngo Thi Kim Chau<sup>1</sup> (2017). *The Effect of Event Sponsorship on Customer's Brand Awareness and Purchase Intention*. Review of European Studies; Vol. 9, No. 1;

Marshall D.W. & Cook G., (1992). *The corporate (sports) sponsor*. International Journal of Advertising, vol.11

Mason, K. (2005). *How Corporate Sport Sponsorship Impacts Consumer Behavior*. The Journal of American Academy of Business, Cambridge, 7(1), 32-35.

McDonald, C (1991). *Sponsorship and the Image of the Sponsor*. European Journal of Marketing, Vol. 25, No. 11, pp. 31-38.

Meenaghan, J. (1983). *Commercial Sponsorship*. European Journal of Marketing, 17 (7).p.5-73.

Meenaghan Tony, (2001), *Understanding Sponsorship Effects*, Psychology & Marketing. Vol. 18, Issue 2, pp. 95-122.

Meenaghan Tony, (2001). *Sponsorship and Advertising: A Comparison of Consumer Perceptions*, Psychology & Marketing. Vol 18, Issue 3, pp. 191-215.

Meenaghan, T. and Shipley, D. (1999). *Media effect in commercial sponsorship*. European Journal of Marketing, Vol. 33, Issue 3/4, Page 328 – 348.

Naeemakhtar (2016). *Impact of Sponsorship on Consumer Purchase Intention, Brand Image and Brand Publicity*. International Review of Management and Business Research, Vol. 5 Issue.3

Pope, N. (1998). *Overview of current sponsorship thought*. Cyber journal of Sport Marketing,

Rosenberg, L. & Czepial, J. (1984). *Marketing approach for customer retention*. Journal of Consumer Marketing, 1 (2), 45-51.

Roy, D. P. & Cornwell, T. B. (2004). *The effects of consumer knowledge on responses to event sponsorship*. Psychology & Marketing, 21(3), 185-207.

Schultz, D. (2003). *Evolving marketing and marketing communication into the twenty-first century*, Ketlogon Integrated Marketing. New Jersey: Wiley.

Shah, S, Aziz J, Jaffari, A, Sidra, W, & Wasiq, E. (2012). *The Impact of Brands on Consumer Purchase Intentions*. Asian Journal of Business Management, 4(2), 105-110.

Shimp T. (1993). *Public relations and sponsorship marketing*. University of South Carolina.

Sneath, J. Finney & Close, A. (2005). *An IMC Approach to Event Marketing: The Effects of Sponsorship and Experience on Customer Attitudes*. Journal of Advertising Research. 45 (4).p.373-381.

Syed, A., & Faridah, S. (2009). *Online Corporate Brand Images and Customer Loyalty*. International Journal of Business and Society, 10(2), 1-19.

Thwaites, D. (1994). *Corporate sponsorship by financial services industry*. Journal of Marketing Management, Volume 10, Number 8, pp. 743-763.

## **APPENDIX A: QUESTIONARE**

**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF COMMERCE**  
**DEPARTMENT MARKETING MANAGEMENT**

Dear Respondent,

This questionnaire is intended to be used as primary data for master's thesis of my M.A degree in marketing management at Addis Ababa University on **EFFECT OF EVENT SPONSORSHIP ON CONSUMER PURCHASE INTENTION** -The Case of commercial bank of Ethiopia (CBE). Your willingness and cooperation in giving reliable information is well appreciated and the information you provide will be used for academic purpose and will be kept in strict confidentiality. If you would like further information about this study, or have problem in completing this questionnaire please contact me.

***Thank you in advance for your time!***

Ytbarek k/mariam  
Ytbarek22@yahoo.com  
+251947319017

## Part I: Personal Information

**Instruction:** Please mark your answer with an “X”.

<b>Age</b>	18-30	31-45	46-60	60+
<b>Gender</b>	Male	Female		
<b>Education</b>	Diploma or less	First degree	Second degree or more	

**II. Instruction:** - please suggest your level of agreement to the statements listed below; Please mark your answer with an “X”.

No.	List of Statement	Level of Agreement				
		Strongly agree	agree	Neutral	disagree	Strongly disagree
1	I think favorably of companies that organize events.					
2	Companies who organize events provide quality products.					
3	I like the company CBE.					
4	CBE is a very good company.					
5	I think favorably of CBE because it organizes events.					
6	I would consider purchasing products from CBE because it organizes events.					
7	I will inquire about CBE's product because it organizes an event.					
8	I would purchase products from CBE because it organizes events.					

## **APPENDIX B: INTERVIEW GUIDE**

**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF COMMERCE**  
**DEPARTMENT MARKETING MANAGEMENT**

Dear interviewee,

I am conducting a research which shall be submitted in partial fulfillment of the requirements for Master's Degree in Marketing Management. The purpose of this study is to understand "The Effect of Event sponsorship on Customers Purchase Intentions– the Case of commercial bank of Ethiopia (CBE). Therefore, this is to kindly request you to take some of your precious time to see the interview guide and be prepared in advance. Your honest and accurate response will make this study more valuable. Your responses are only meant for academic purpose and will be kept confidential. Please read carefully and give your opinion.

***Thank you in advance for your time!***

Ytbarek k/mariam  
Ytbarek22@yahoo.com  
+251947319017



## **General Information**

Name of the company:

Position and Field of the respondent:

### **What Objectives do you have With Event sponsorship?**

1. Which objectives company has with event sponsorship?
2. Which corporate-related objectives company has with event?
3. Which product-related objectives company has with event?
4. Which sales-related objectives company has with event?
5. Do company have any objectives regarding media coverage with event sponsorship?
6. Is there anything you would like to add regarding objectives?

### **How do you select a Specific Event?**

7. How does the company select a specific event?
8. Do the company have criteria on which you select an event?
9. Do the company consider the event's ability to fulfill the stated objectives?
10. Do the company see to that there is compatibility between the events?
11. Do the company consider the media coverage potential of an event?
12. Do the company consider the target audience coverage?
13. Do the company considered executives in the event selection?
14. Do the company the geographical coverage of an event and type of event?
15. Is there anything you would like to add regarding how you select an event?

