

Effect Analysis for LPGA Korean Company Sponsorship: Moderating Effect of Title Sponsor and Player Endorsement

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Abstract

The purpose of the study was to examine Korean companies' LPGA sponsorship activities and structural relationship of negative sentiments, social identification, and purchasing intention, and investigate moderating effect between company title sponsor and player endorsement. The data was derived from loose cross validation analysis using analysis of frequency, reliability analysis, correlation analysis, CFA, and multiple group analysis. The results were as follows. First, out of Korean company LPGA sponsorship activities, communication, image promotion, and event contribution affected negative sentiments. Second, event contribution and image promotion affected social identification. Third, social identification affected purchasing intention. Tournament title sponsor exerted greater effect compared to player endorsement when it comes to the effect that the event contribution exerts on social identification depending on the type of participation as a sponsor (i.e. tournament title sponsor and player endorsement).

Keywords: Endorsement, Hana Bank, LPGA, Sponsorship, Title Sponsor

1. Introduction

Since Se-Ri Pak won the LPGA US Open in 1998, female professional golfers from Korea have been achieving notable results in the US LPGA. In 2014 thus far, female professional golfers from Korea have obtained 12 wins in the LPGA. These good results by the female professional golfers from Korea are expected to bring in even greater effects than other promotional activities, from the sponsorship of specific sports by domestic and international corporations. Subjects of sponsorship include competitions, athletes themselves, teams, sports organizations and others, and the form of corporate sponsorship in professional golf can normally be classified in two types including title sponsorship of golf tournaments and endorsement which is a sponsorship of an athlete.

Generally, corporate sponsorship is an act of seeking commercial benefit via cooperative contract¹ in which corporation provides manpower and materialistic and financial resources for specific events. And the types of

sponsorships include Title Sponsor, Official Sponsor, Official Supplier, Official Licensee, and Broadcast Sponsor. Among them, Title Sponsor refers to a corporation which has acquired the rights to insert the company name or brand name in the title of the competition². Through these sponsorship activities, the corporation can gain advertisement effect, create positive corporate image, maximize brand equity, create awareness of their new products, and reduce negative image response and etc³.

Meanwhile, athlete endorsement is a type of a sponsorship that refers to an activity in which the athlete wears or uses the corporate name, brand name and etc. during competitions⁴ and is also expressed as athlete celebrity endorsement. These athlete endorsements allow for obtainments of media exposure, increase of awareness, increase in effect of advertisement, product image improvement, product purchase inducement, improvement in the relationship with the parties who share common interest and other positive effects. From the athlete's perspective, it can be a chance for them to create

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additional income, secure of necessary products, obtain service support, personal exposure, and take part in the research and development process as well².

When looking into the studies related to individual topics of recent title sponsorships and athlete endorsements, research related to company awareness and image⁵, recognition factors, sponsor credibility⁶ were covered in title sponsorship related studies and brand awareness, conformity, credibility and intention of action⁷, brand loyalty⁸, brand equity⁹ and other brand related research were being conducted in regards to athlete endorsement. These research results display positive response related to participating corporations and product brand produced by those corporations, and the corporate brand. Furthermore, research content related to corporation's integrated sponsorship activities, athlete endorsement and brand awareness and product purchasing power¹⁰, title sponsor and sponsor image¹¹, sponsor image, conformity, attitude and purchasing intention^{12,13} and other studies are included. In these studies communication activity, image promotion, contribution to the event, stimulation effect and others that are included in the sponsorship activities are revealed positive effect during the studies that investigated their relationship to sub factors.

However, in studies related to corporate sponsorship activity conducted thus far, participation types are each sorted and only able to be used in verifying individual cause-and-effect relationship. Accordingly, in addition to the need to concentrate effort on obtaining diverse effects via sponsorship activities, the current condition is quite unsatisfactory in providing an answer to the question regarding participating in which type of sports sponsorship activity can provide greater effect by investment

Accordingly, in order to verify which sponsorship participation type attains greater effect, in cases where a single corporation participates in both title sponsorship and athlete endorsement, the effect of sponsorship activities of Hana Bank which is a Korean corporation that is LPGA Hana Bank Championship title sponsor as well as being the athlete endorser for LPGA golfer Kim In-kyung, were analyzed. Therefore, the objective of this study is to examine the LPGA sponsorship activities of Korean corporations and its negative sentiment, structural relationship between social identification and purchasing intention, and sought to inquire into regulation effect of competition title sponsorship and athlete endorsement of

corporations. Through this, by comparing the sponsorship activities (title sponsorship and athlete endorsement) of the same corporation, verifying its effect possesses great significance in that it can provide important preliminary knowledge to corporations looking to participate in sponsorship in the future.

2. Methodology

2.1 Study Subjects

As for the subjects of this study, a sample was extracted by using convenience sampling method on 385 adults aged 19 or above who resided in 3 areas in South Korea (i.e. Seoul, Gyeonggi and Jeju) after selecting gallery or viewers of the 2011 LPGA Hana Bank Championship as the population of the study. For analysis, a total of 355 survey respondents (i.e. 185 title sponsors and 170 player endorsements) were used for analysis except for 30 respondents who did not mark a response or who marked the same number in a row (the collection rate of the survey: 92.2%).

2.2 Survey Tools

The survey tool for this study was a survey questionnaire method consisting of 11 question items on the scale of companies' golf sponsorship activities (i.e. communication, image promotion, event contribution, and promotion effect) using a questionnaire of¹⁴, 5 question items on the scale of negative sentiments using a questionnaire of¹⁵, 4 question items on the scale of social identification using a questionnaire of¹⁶, and 3 question items on the scale of purchasing intention using a questionnaire of¹, which were revised for the purpose of this study.

2.3 Validity and Reliability of Survey Tools

The survey questionnaire composed based on preliminary research secured content validity related to suitability of the question items through an expert group comprised of 5 professors of the sports management department. To verify the convergent validity of the questionnaire, conducted was the CFA, which showed a 2 value was 551.460 ($p < .001$), CMIN/DF = 2.639, TLI = .917, CFI = .931, and RMSEA = .068. As such, the questionnaire satisfied a criterion of suitability presented by¹⁷. The Average Variance Extracted (AVE) of the questionnaire on factors of the single measurement model was .669-.817,

and the construct reliability of it was .753–.947, which verified it secured convergent validity¹⁸.

Meanwhile, path coefficient for each single dimension examined through confirmatory factor analysis showed .662~.928, .775~.824, .761~.788, .542~.827, .795~.886, .853~.904, and .728~.735, respectively for communication, image promotion, event contribution, promotion effect, negative sentiments, social identification, and purchasing intention, which secured the construct validity¹⁹ as all the standardized path coefficients was .50 or above on the individual measurement question items, which showed statistically significant level ($p < .001$) in all the standardized path coefficients.

To verify the discriminant validity between each of the factors, correlation was analyzed as in Table 1. As the diagonal matrix value of AVE value calculated between factors was higher than the square of the correlation coefficient, discriminant validity of each factor was secured²⁰. Further, values of the construct reliability for each variable were .921, .914, .801, .753, .933, .947, and .902 for communication, image promotion, event contribution, promotion effect, negative sentiments, social identification, and purchasing intention, respectively.

2.4 Data Processing Method

As for the processing of the data for this study, indirect effect verification was conducted by administering correlation analysis by utilizing SPSS 17.0 and Amos 18.0, and CFA, SEM, and bootstrapping.

Table 1. Hypothesis testing (accepted hypothesis)

Hypothesis path	S.R.W.	S.E.	C.R.
Communication → negative sentiments	-.157	.070	-2.318**
Image promotion → negative sentiments	.437	.181	2.835**
Image promotion → social identification	.517	.176	3.438***
Event contribution → negative sentiments	-.511	.183	-3.050**
Event contribution → social identification	-.319	.173	-2.003*
Social identification → purchasing intention	.314	.044	5.165***

* $p < .05$, ** $p < .01$, *** $p < .001$

3. Results

3.1 Testing of Hypothesis and Moderating Effect

Results derived from the path analysis conducted among the variables to verify this study's hypotheses are shown in (Table 1). Further, for analysis of loose cross validation using multiple group analysis to verify the moderating effect between tournament title sponsor and player endorsement, the following verifications were conducted; 1) verification on the whole group's model suitability, 2) verification on suitability of each group, and 3) verification on path coefficient's significance through the parameter value of each group's matrix according to the procedure as shown in (Table 2) and (Table 3)²¹.

4. Discussion

Main discussion based on the findings of this study is as follows. First, out of sports sponsorship activities, communication, image promotion, and event contribution exerted effect on negative sentiments, whereas existing preliminary research demonstrated that sponsorship activities affected consumers' positive sentiments^{22,23}. This study herein demonstrated that the effect of sponsorship on both positive and negative sentiments. In other words, communication activities and event contribution out of lower factors of sponsorship reduce negative sentiments, which can bring out consumers' amicable reaction to companies. Meanwhile, image promotion increases negative sentiments as consumers were affected by the

Table 2. Results of research model fit value

Model	χ^2	df	p	CFI	TLI	RMSEA	CMIN/df
Total	1091.584	428	.000	.875	.852	.066	2.550
Sponsor	455.320	214	.000	.902	.884	.078	2.128
Endorsement	636.210	214	.000	.852	.825	.108	2.973

Table 3. Moderating effect testing

Hypothesis path	S.R.W.	S.E.	C.R.
Event contribution – (sponsor/endorsement) → social identification	-1.962 / -.121	1.037 / .195	2.108**
Social identification – (sponsor/endorsement) → purchasing intention	.455 / .212	.069 / .060	-2.044**

** $p < .01$

sponsor company's negative financial incident during the time when the survey was conducted. These results demonstrate that consumers perceive companies' sponsorship activities as dishonest activities when a company that wants to promote company image through title sponsorship activities commits crime or engaged in company activities that go against the consumer sentiment.

Second, out of Korean companies' LPGA sponsorship activities, event contribution and image promotion affected social identification. It is revealed that the viewers' amicable perception of the companies that sponsor sports event or teams brings out positive sentiments, forming identification with oneself²⁴. As such, given the fact that identification with oneself is formed due to company reputation and familiar brands, it is implied that there is need to participate in sponsorship activities after reviewing sports categories, players and sports events satisfying consumers' interest more carefully. Moreover, there is a need to consider the parts that can be connected to the consumers' sentiment or reciprocal experience apart from the sponsorship activities that are limited to the famous sports stars or sports events.

Third, social identification affected purchasing intention.²⁵ claimed that consumers consider suitability with their own image as a very important factor when they favor products of specific companies, and that the consumers who perceive the quality of such products positively feel higher identification while their purchasing intention increases as well. These speak for the fact that brand symbolism and image became increasingly important when it comes to the product selection standard, instead of product quality or functional aspect. If precedence factors that can bring out consumers' identification with one self are identified, then these would be resourceful for companies' marketing activities.

Fourth, tournament title sponsor exerted greater effect(-) compared to player endorsement when it comes to the effect that the event contribution exerts on social identification depending on the type of participation as a sponsor (i.e. tournament title sponsor and player endorsement). As for the effect of the social identification on the purchasing intention, tournament title sponsor was manifested higher than player endorsement. In case of title sponsorship, company name is exposed through tournament advertising and publicity since company names are attached to sports events. Thus, they are more effective than any other mediums^{1,26}. Consumers tend to recognize brands better when they are exposed to sponsorship, and

purchasing intention surfaces along with the increasingly amicable attitude towards a brand. These results back up the findings of this study²⁷. Although these results can be considered resourceful when it comes to prioritizing when companies sponsor events or players, these results were derived from simple comparison between title sponsorship and player sponsorship. Therefore, there is a need to conduct research considering many different factors such as situation, season, and category regarding correlation between companies and tournaments, suitability with players' images and so forth.

5. Conclusion and Suggestion

The purpose of this study was to verify the effects of sport sponsorships by Korean corporations by comparing the LPGA Hana Bank Championship sponsored by Hana Bank and an athlete endorsement of LPGA In-kyung, Kim. To that end, the causal relationship between negative emotions involved with corporate sponsorship activities, social equation and willingness to purchase was reviewed and the controlling effects of title sponsorship and athlete endorsements were verified. The analysis led to the following conclusion.

First, of corporate sport sponsorship activities, communication activities appeared to reduce the negative emotions while a burnishing of the image led to increased negative emotions and also had a positive effect on social equating. Moreover, event contributions reduced both negative emotions and social equating, while social equating had a positive effect on the willingness to purchase. Second, in the relationship between event contributions and social equation and between social equation and willingness to purchase, title sponsorship activities had more effect than athlete endorsements.

Based on such findings, the following is suggested for follow-up studies. This study limited its subjects to those who viewed the LPGA Hana Bank Championship games who were then given a survey. Because of this, there is a limit in conducting a practical analysis that Hana Bank's products and financial performance improved when measuring the effects of sponsorships. Therefore, in follow-up studies an approach that allows for interpretation of the sales quantity of related products and financial performance in the business field, along with theoretical review will be needed. In addition, it was confirmed that subjects had low awareness of corporations that offered endorsements of athletes. Therefore, corporations that endorse

athletes will have to conduct more proactive promotion to the general public about their sponsorship of athletes.

6. Acknowledgement

This data of research was conducted with the data collection of Lim²⁶

7. References

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