

THE EFFECTS OF BRAND ENDORSEMENT, POPULARITY, AND EVENT SPONSORSHIP ON CONSUMER PRE-PURCHASE ATTITUDES IN JAKARTA

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ABSTRACT

It aims to investigate the individual and collective effects of Brand Endorsement, Popularity, and Event Sponsorship on consumer perceived quality, uniqueness, manufacturer esteem, and corporate citizenship.

This research uses Frequency Analysis, Descriptive Analysis (Mean and Standard deviation), Independent Samples T-Test, ANOVA and MANOVA

It suggest significant main effects for both popularity and sponsorship cues, with popularity affecting perceived quality, uniqueness, and manufacturer esteem, and sponsorship affecting manufacturer esteem and corporate citizenship

Popularity is the most managerially useful, because it can give significant effects on perceived product quality, uniqueness, and manufacturer esteem. Sponsorship can give significant effects on corporate image, represented in manufacturer esteem and corporate citizenship.

Keywords: *advertising, endorsement, popularity, sponsorship, quality, uniqueness, manufacturer esteem, corporate citizenship*

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INTRODUCTION

Background

In this competitive era, competition is getting harder in the business world. Companies are struggling to survive; otherwise they will be eliminated from the competition. What they have to do is to maintain their customers, and expand the market by gaining more customers as well. They have to get customers to buy their product and services in order to be succeeded in their industry.

Nowadays, the product and services offered in the market are getting crowded. If you go to supermarkets, there are so many brands available on the shelves for one item. Consumers get plenty to choose, thus companies have to think how to grab consumer's attention in order to make them choose the brand. Consumer Pre-Purchase Attitude is one of most important key success factors in getting customers to buy a product, because it has a strong influence to the consumer's mind before buying a product.

Consumer Pre- Purchase Attitude

According to Dean (1999), Customer Pre-Purchase Attitude contains 4 dependent variables which are perceived product quality, perceived product uniqueness, manufacturer esteem, and perceived corporate citizenship.

The first dependent variable is Perceived product quality, which means how the consumers think about the quality of a particular product. Consumer perceptions of product quality are considered to be an essential determinant of shopping behavior and product choice (Zeithaml, 1988). This is different to the real product quality, which is more objective based on the facts; perceived product quality is more subjective depends on factors that influence the consumer's mind. Because of this condition, companies actually are able to increase the perceived product quality by using advertising to influence consumer's mind. Beside Perceived product quality, we have Perceived product uniqueness. This term means how the consumers think about the uniqueness of a particular product; how a product is different from other products offered by different companies. The next variable is Manufacturer esteem is needed to gain consumer's regard, trust, and respect. The last one is Perceived Corporate Citizenship that shows the organization's respect to its social obligations. Corporate citizenship is similar to Corporate Social Responsibility. It can create emotional feeling of consumers to companies with CSR.

These 4 dependent variables of Consumer Pre-Purchase attitude can be affected by advertisings. Inside the advertising, there are three advertising cues as the content of the advertising itself, those are brand endorsement, brand popularity, and event sponsorship. These three advertising cues have significant impact to the Consumer Pre-Purchase Attitude.

The Three Advertising Cues

The three advertising cues contain 3 independent variables. They are Brand Endorsement, Brand Popularity and Event Sponsorship.

Brand Endorsement

These days, the society has been over-communicated by the brands, products, and advertisings. These are caused by the media explosion, which includes advertising in television, radio, magazine newspaper, etc. Media exposure of information is never-ending;

unfortunately the capacity of consumer memory is limited. Moreover, according to Kulnarni (2005), people can forget 80% of the information in just 24 hours. Just imagine how many advertisements forgotten by the consumers.

To react to this issue, companies found a solution to use third party endorser, to promote their brands and products. By having endorsement from a third party, the brand or product can be more visible to consumer's mind because the endorser has a high appeal to some target market. This research will use WHAT HI-FI SOUND AND VISION Indonesia as an endorser of a television. The magazine contains reviews and readings about audio visual product. It gives rating to several electronic products in the same type, and chooses the best as "Supertest Winner". This kind of rating believed can increase consumer perception on the product, thus a research is conducted to prove this statement.

Brand Popularity

A firm allocates its resources to create or maintain popularity of their products or brands. This will bring an intangible positive contribution to the brand's loyalty, image, or market share (Aaker, 1991; Raj, 1985). This popularity will be a long term valuable asset to the company, and grab consumer's praise and respect towards the product and brand, thus this can bring them into market leadership.

One of the examples of the brand popularity is "best selling" achievement of a certain company. If the company advertises "best selling" cue on their advertisement, they will endorse their strength to their customers. Thus, they will influence the customer's mind. The customers will think if the brand can sell well nationally, it means that the product have a good quality and price, that result a good number in sales.

Event Sponsorship

Nowadays, competition in business is getting tighter. In response to this, companies to maximize their efforts in advertising to grab consumer's mind. In advertising, there are two techniques classified as above the line and below the line. The term above the line, means the promotional activities are carried out via mass media, such as television, radio, and newspaper. On the other hand, below the line promotions use non-media communication, such as promotional media displayed in retail stores or any events. Putting displays on an event is also known as event sponsorship. There is also a technique called through the line, which involve both above the line and below the line techniques. These advertising techniques have their own advantages and disadvantages. Above the line advertising has a large coverage of media; however they are lack of touch near the customer. Below the line has a close touch to the target customer by giving them information in close distant; but the downside is the advertising only cover specific areas.

One of the most effective below the line advertising is event sponsorship. This kind of technique can be a good solution in order to maintain communication to the consumer. People who attend an event sponsored by a company will certainly see the logo and message of certain product or brand, especially people who have emotional feeling into the event. For example, People who love sports will appraise the Samsung sponsorship to 2008 Beijing Olympics, when they attending a match or watching it from the television, they will see the sponsor company's logo and message for sure. Moreover, the event's appeal to the audience can also make the brand or product more visible and memorable in the consumer's mind. Moreover, putting this sponsorship activity as a cue in their advertising in television can be an effective effort to grab consumer's mind.

From this example of Samsung Sponsorship in Beijing Olympics, we can derive that the best advertising technique is through the line. First, Samsung use below the line technique by giving sponsorship support to Beijing Olympics, then they use above the line media such as television to tell the world that they are the proud official sponsor of Beijing Olympics.

Scope

This research is conducted to compare the effect of advertising cues, such as third party brand endorsement, brand popularity, and event sponsorship on consumer perception of product quality, uniqueness, manufacturer esteem, and corporate citizenship. The previous research done by Dean, 1999 conducted in the United States. It investigated how endorsement from a magazine named Consumer Report, rated “Most Popular Selling TV in America”, and corporate sponsorship to 1998 US Olympic Team can affect those four variables of consumer perception.

To test the validity of that research in Indonesia, this thesis conducted a research on how endorsement from a magazine called WHAT HI-FI SOUND AND VISION Indonesia, rated “Best Selling TV Manufacturer in the world”, and corporate sponsorship to 2008 Beijing Olympic Games can affect the same variables of consumer perception done by previous research. The research will be done to respondents in Jakarta. It means people that have daily activities in Jakarta. Their residence doesn’t have to be in Jakarta, some of them are spread in surrounding area of Jakarta, and some of them originated outside Jabodetabek area.

Aims and benefit

The purpose of this thesis is to reveal how third party endorsement, brand popularity, and event sponsorship can affect the consumer pre-purchase behavior. In this case the consumers are the undergraduate students. This research will prove how those three advertising cues will affect the student’s pre-purchase attitude, as well as showing what factor those are most likely to affect the pre-purchase attitude.

The practical benefit of the research for a company will be giving a clear understanding on what they can do in order to make targeted adjustments to one or more of the four dependent variables of consumer pre-purchase attitude, which are perceived product quality, perceived product uniqueness, manufacturer’s esteem and corporate citizenship. Targeted adjustment is done by giving particular emphasis on brand endorsement, brand popularity, or event sponsorship. For example, according to Dean, 1999, brands that have a credible endorsement will have a higher score on measures on brand quality, uniqueness, and esteem than brands without endorsement. If that is correct, then we can conclude that if a company wants to increase perceived product quality, then the company need to advertise the brand with a credible brand endorsement. Thus, this kind of information can help companies a lot in making their managerial decision.

LITERATURE REVIEW

Theoretical Foundation

Theories about Consumer Pre-Purchase Attitude

Consumer Pre-Purchase attitude is a consumer behavior before purchasing any products, that influenced by four dependent variables, which are Perceives Product Quality, Perceived Product Uniqueness, Manufacturer Esteem, and Corporate Citizenship. According to Dean (1999), as a group, these four dependent variables are great interests to marketers for their relationship to brand equity, and the bottom-line is profitability.

- **Definition of Perceived Product Quality**

Perceived Product Quality is defined as an overall judgment of a brand's excellence or superior performance, in the consumer's mind relative to alternative brands (Dean, 1999). Consumer perceptions of product quality are considered to be an essential determinant of consumer shopping behavior and product choice (Zeithaml, 1988). From these two statements, we can derive that perceived product quality affect how consumers think about a certain product. This factor is very important in response to tight business competition, in order to give the product superior perception that makes consumers choose this product over the competitor's.

- **Definition of Perceived Product Uniqueness**

Perceived Product Uniqueness is defined as the degree to which customers feel the brand or product is different from competitor's brands or products (Dean, 1999). According to Aaker (1996), brand differentiation is an essential for brand building process. This aspect is very important because the brand uniqueness can separate a company's brand to others, on the same time it support their brand building that is their foundation in building a brand. If they can create a good brand building process, they can plan the brand's vision and mission, credibility, long term perspective, etc. that become an advantage over their competitors.

- **Definition of Manufacturer Esteem**

Manufacturer Esteem is defined as the degree to which the customers give a brand high regard, trust and respect, relative to other brands in its product category (Dean, 1999). This is the other key success in business competition where by having good manufacturer esteem, a brand can receive high regard, trust and respect from customers. As a result customers are tending to choose this kind of brand compared to any other brand in the same category.

- **Definition of Corporate Citizenship**

Corporate Citizenship is defined as the organization's activities that are done to fulfill their societal obligations. According to Effendi (2008), Corporate Citizenship is the implementation of Corporate Social Responsibility. The main goals of these kinds of activities are to increase the company's reputation, to increase the competitive advantage, and to increase the quality of human life in the society. These commitments can make customers think that this company is a good corporate citizen, because of their services in developing their community.

The Three Advertising Cues

The previous four dependent variables can be affected by three independent variables, also known as the three advertising cues. These cues contain 3 independent variables. They are Brand Endorsement, Brand Popularity and Event Sponsorship.

Theories about Third Party Brand Endorsement

According to Dean (1999), endorsements are a type of extrinsic cue that is usually used by consumers to infer beliefs and product attributes. It means this kind of cue make consumers believe that the product is good without any other source of information. Endorsements are most effective for experience and credence attributes, where consumers will not be able to evaluate the product they wish to buy without any initial purchase or a consultation with an expert.

There are two kind of third party endorser that has their own advantages; they are endorsement done by an organization that has expertise to rate a product and celebrity endorsement. According to Dean (1999), for several reasons, endorsement done by an organization with expertise is more effective then celebrity endorsement. It is strongly supported by these following theories.

Theories about Organization with an expertise

The perceived social value dimension of credibility cannot be applied to product endorsements by an organization with an expertise to test a product and give a rating to that particular product. On his journal, Dean (1999) gave an example of a non-profit organization called Consumer Report. This organization has their own test laboratories and expert consultants. If the consumer aware that this organization has their own research sources and credibility as a non-profit organization, Consumer Report can be a very effective endorser. In practice, if Consumer Report rate a “best buy” on “product A” and consumer believe that CR is a credible source, then consumers will form an attitude to be congruent with the endorsement. In order to elaborate this theory, we will discuss two unique aspects of CR’s role as a brand endorser.

First, product ranking published by CR is widely used as objective measures in consumer research (Ratchford and Gupta, 1986). Thus, this kind of information is very useful to consumer in their effort to do research on products they are willing to buy. It really becomes an efficient guide for consumers to choose a product. The second aspect is its function as a signal about the advertiser. In the market place, companies with high quality products have been trying to separate themselves with companies selling lower quality products. They do some efforts like giving an extensive warranty as a signal that the product quality is good. Ranking given by organizations like CR can also create a signal whether a product has a good quality or not. Thus, CR can give additional information to consumers regarding the signal of the product quality.

The Source Credibility Theory

On their journal, Kulkarni and Gaulkar (2006) has written that according to Source Credibility Theory, acceptance of the message are depends on Expertness and Trustworthiness of the source”. Expertness is what consumer think of the source’s ability to make valid advertising contents. If the consumer think that the source is expert enough, then the brand endorsement will be effective. For example a computer brand endorsed by Chip magazine.

Because Chip is a credible source of IT products information, consumers will trust this kind of endorsement. The source will be considered as an expert in IT, thus the consumer will trust this source and the brand endorsement will be succeeded. Trustworthiness means how consumer think that the source have willingness to make valid assertions, meaning that the validity and credibility of the content of assertions. The more expert the sources are, and the more ability of consumer's product evaluation is; the better is the audience acceptance to the advertising assertions.

Theories about Brand Popularity

According to Dean (1999), perceived brand popularity is revealed to be an extrinsic advertising cue that may influence even a naïve consumer to consider the popular brand as superior to other brands. As the response to advertising that contain exposure of brand popularity, consumer will think that the products are better than others. The example of brand popularity is "Ford – The best selling truck in America". By exposing this in Indonesia – for example – consumer in Indonesia will think, if this kind of truck does well in America - the most developed country in the world - the product quality must be superior to other brands. In this case even a naïve Indonesian will think this way, that popular product have a superiority compared to others in term of product quality. This phenomenon regarding the perceived product quality will be proven by the research conducted in this thesis. Dean's theory about brand popularity that influences consumer evaluation to a Product can be proven by several theoretical abilities those are Positive Relationship between Popularity and Product Quality; Specificity Value; and Rationalization and Extension of the Confidence Construct.

The Positive Relationship between Popularity and Product Quality

Buzzel and Wieserma 1981a, 1981b, found that there is a positive relationship between popularity and product quality. Consistent with this theory, Szymanski, Bharadwaj, and Varadarajan, 1993, stated that buyers use popularity as a signal for brand quality and a brand's widespread acceptance as an indicator of superior quality. From these two theories, we can derive that the more people aware about the popularity, the better the consumer's perception of the product quality, and people will use the brand popularity as a signal and indicator to judge the quality of the brand. The more the brand popularity is, the more it lead the brand into superiority.

Specificity Value

According to Dawar and Parker (1994), brand popularity carries a high specificity value which believes that only one brand can have the highest market share. The relative importance of product quality signals (including brand name, price, physical appearance, and retailer reputation) follows their specificity, or the extent to which a particular signal is not shared across competitive products. The more specific a signal the more likely it will provide information that is useful in an assessment of product quality. Thus this argument will suggest the usage of brand popularity in the advertising as a useful cue.

Rationalization and Extension of the Confidence Construct

Confidence is the buyer's subjective certainty in making judgment with regard to the quality of a particular brand (Howard, 1989). It stated that brand popularity can give a state of feeling sure that can reduce their level of uncertainty of choosing a particular product, thus, consumer that is not certain in making a decision to choose a product will tend to pick the

most popular selling brand that can give them comfort and certainty. In conclusion, people will consider brand popularity to make them sure about that the product they are going to buy is the most credible product.

Theories about Event Sponsorship

In order to attract their target consumers, companies usually give sponsorship to activities like concerts, sporting events, and anything that can attract crowds. Making decision in choosing an event is very important. They have to pick an event that is really interesting to their target customer. Since they are going to display their name, logo, and advertising messages, they need to do it correctly to the correct event and the correct audience.

“Event Sponsorship is an integrated marketing communications activity where a company develops actual sponsorship relations with a particular event and provides financial support in return for the right to display a brand name, logo, or advertising message and be identified as a supporter of the event” (Belch, 2004).

Event Sponsorship is different to event marketing. Event Marketing is a type of promotion where a company is linked to an event for the purpose of creating experiences for customers and promoting a product or service (Belch, 2004). So, different to event marketing, in event sponsorship, a company does not just relate their product into an event, but also give financial support in exchange of the right to display their logo and advertising messages.

According to Dean, 1999, by supporting a particular event, the company hopes that the consumer will have a positive valuation or sentiment toward the sponsored event, thus as the consumer express a positive sentiment, they will form a positive sentiment to the company as well. After the link between the company and the event has been created, and feelings of goodwill towards the event have resulted in feeling towards the company, a halo effect will make the consumer that the sponsoring company’s product is superior to their competitor’s products. Thus, halo effect means a cognitive bias happened to the consumer who has influence by positive sentiment that result a sentimental judgment by the consumer that make them think that the products are superior.

Theoretical Framework

This thesis discusses about how the Consumer Pre-Purchase Attitude is affected by the Three Advertising Cues. Consumer Pre-Purchase attitude contains of four dependent variables, which are Perceived Product Quality (QUALITY), Perceived Product Uniqueness (UNIQUE), Manufacturer Esteem (ESTEEM), and Corporate Citizenship (CITIZEN).

These dependent variables are affected by the Three Advertising cue’s independent variables which are Third Party Brand Endorsement, Brand Popularity, and Event Sponsorship. The Third Party Brand Endorsement is supported by two theories which are Theories about Organization with an expertise and Source Credibility Theory. Brand Popularity is supported by three theories, which are The Positive Relationship between Popularity and Product Quality, Specificity Value, and Rationalization and Extension of the Confidence Construct. Event Sponsorship is supported by theories taken from Advertising and Promotion: An Integrated Marketing Communication Perspective book, and Dean’s journal.

Consumer Pre-Purchase Attitude

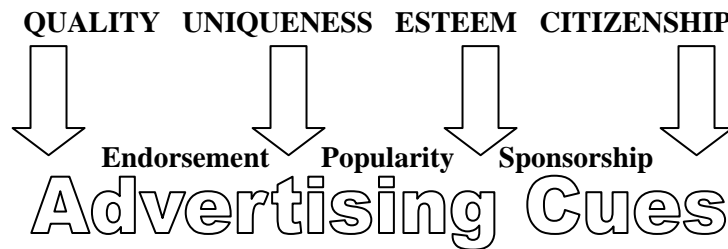


Figure 1. Theoretical Framework

HYPOTHESES DEVELOPMENT

Hypotheses from Original Journal

This research will use three hypotheses as a guide in conducting the research, similar to the hypotheses that Dean,(1999) used. Those hypotheses are:

- Hypotheses 1: Brands that have a credible endorsement will have a higher score on measures of brand quality, uniqueness, and esteem compared to brands without endorsement.
- Hypotheses 2: Brands that have participated in sponsoring an event will have a higher score on measures of corporate citizenship compared to brands that didn't participate in any event sponsorship.
- Hypotheses 3: Brands with a popularity claim will have a higher score in measures of brand quality that brands without any popularity claim.

Hypotheses used in this Research

Third Party Brand Endorsement

- H0: Subjects exposed to a third party endorsement perceived as highly credible for a brand will show same scores on measures on brand quality, uniqueness, and esteem than will subject not exposed to a highly credible endorsement for the same brand.
- H1: Subjects exposed to a third party endorsement perceived as highly credible for a brand will show higher scores on measures on brand quality, uniqueness, and esteem than will subject not exposed to a highly credible endorsement for the same brand.

Sponsorship

- H0: Subject exposed to an event sponsorship claim about a brand will show same scores on measures of corporate citizenship than subjects not exposed to an event sponsorship claim for the same brand.
- H1: Subject exposed to an event sponsorship claim about a brand will show higher scores on measures of corporate citizenship than subjects not exposed to an event sponsorship claim for the same brand.

Popularity

H0: Subjects exposed to a popularity claim about a brand will show same scores on measures of brand quality than subjects not exposed to a popularity claim for the same brand.

H1: Subjects exposed to a popularity claim about a brand will show higher scores on measures of brand quality than subjects not exposed to a popularity claim for the same brand.

DATA AND RESEARCH METHODOLOGY

This chapter will cover the research method that will be used in order to conduct this research. With this research, we can know how brand endorsement, brand popularity, and event sponsorship will affect the consumer pre-purchase attitude in Indonesia. We will focus on the significance of the affect represented in numbers.

Research Objectives

This study analyzed how third party endorsement, brand popularity, and event sponsorship affected the consumer pre-purchase attitude among the university students.

Research Questions

The research questions that guide this study are:

1. Will subjects exposed to a third party endorsement perceived as highly credible for a brand show higher scores on measures of brand quality, uniqueness, and esteem than will subject not exposed to a highly credible endorsement for the same brand?
2. Will subject exposed to an event sponsorship claim about a brand show higher scores on measures of corporate citizenship than subjects not exposed to an event sponsorship claim for the same brand?
3. Will subjects exposed to a popularity claim about a brand show higher scores on measures of brand quality than subjects not exposed to a popularity claim for the same brand?

Scope of research

This research compared a TV with its three advertising cues, such as Consumer Report Endorsement, Most Popular Selling TV in America and Winter Olympics Sponsorship in perception of consumers in The United States; with a television with endorsement from WHAT HI-FI? SOUND AND VISION Indonesia, Best Selling TV manufacturer in the world, and 2008 Beijing Olympic Games in perception of consumers in Jakarta.

The author conducted the research on undergraduate students from 5 private universities in Jakarta area. Those are Atma Jaya University, BINUS University, BINUS International University, Prasetya Mulya Business School, and Pelita Harapan University. The reason of choosing undergraduate students is the fact that young people are more aware to media, events, and advertisement, such as magazines, sport events, etc.

The reasons of choosing these universities:

- ✓ The students of these universities mostly came from various region of Jakarta, thus the data can contain characteristics of respondents from various region in Jakarta.

- ✓The students of these universities are mostly middle class and above. Since I am conducting a research on consumer's perception of a plasma TV, the respondents have to be people who have enough purchasing power to buy a plasma TV. The parameter used to measure whether a university's student can be categorized as middle class and above is the Tuition Fee of the universities. There are different definitions of middle class, but I define middle class as universities with semester tuition fee at least Rp.150, 000 per SCU.

Data Collection Method

There are two methods of data collection. The first one is monitoring which includes studies in which the researcher monitors activities of subjects. The other one is Communication study. In the communication study, the researcher questions the subjects and collects their responses by personal and impersonal mean. In this research, the author used communication study. The data may result by self –administered instruments (questionnaire) given directly to the respondents (Dean, 1999).

The questionnaire was distributed with 4 pages containing Demographic Questions, Subjective Knowledge Questions, Advertising Presentation, and Research Questions. These questionnaires are distributed in 8 types based on the advertising presentation for 30 respondents each type that result a total of 240 respondents. The types are Absent, E, P, S, E+P, E+S, P+S, and E+P+S. These types will be elaborated more in the Chapter 5.

Sampling plan

The appropriate sampling method for this research was probability sampling method. By choosing this method of sampling, we do not need to do research on the whole potential respondent, but the number can be adjusted based on the population size and the proportion is based on demographics and subjective knowledge.

The convenience sampling was used in this thesis. The sampling is based on the convenience of the researcher; the selection of sampling units is left primarily to the researcher. The respondents are chosen because they happen to be in the right place at the right time is allowed. This type of sampling is used because it is useful when the objective is to generate ideas, gain insights, or develop hypotheses (Malhotra and Peterson, 2006).

Research Design

The research was divided into several processes: Formulating Questions, Instrument Development, Data Collection, Data Input, Data Analysis, and Conclusions.

Define the Information Needed

All the information needed, including research questions, hypotheses, and research purposes were available in the original journal. This thesis follows the information from the original journal because it has the same purpose as the original journal.

Specification of Measurement and Scaling Procedures

The questionnaire measured statements on 7-point likert scales like explained below:

1 = Strongly Disagree

2 = Disagree

3 = Slightly Disagree

4 = neither Agree nor Disagree

5 = Slightly Agree
6 = Agree
7 = Strongly Agree

The reason of using 7-scales is because it allows a finer grade of judgments than any other scales (Al-Hindawe, 2003). Some people argued that 9-scale is even has a better judgments; however it is rarely employed in attitude studies. According to Strongman & Woosley 1967, the scale those have finest results for grading are 6-point and 7-point. 7-point scale allows neutrality, while 6-point scale doesn't.

Neutrality is important since respondents are often cannot decide whether they agree or not. In the case of neutral respondents, the danger of 6-point scaling is forcing the respondents to choose while they want to give a neutral answer. It can generate bias on the research. The 7-point scale has enough gradation to give meaningful data, thus 7-point scale is the best choice.

Construct a Questionnaire

The next step is creating questionnaires to build communication to respondents. The content of the questionnaire is questions that are previously formulated, delivered in a good structure.

Specifying the Sampling Process and the Sample Size

As stated in the Scope of research, this research analyzed the undergraduate students as respondents from Atma Jaya University, BINUS University, BINUS International University, Prasetya Mulya Business School, and Pelita Harapan University.

According to Malhotra, 2006, For the Print Advertising type of study, the minimum sample size is 150 respondents, while the typical range is 200-300. As required samples for each advertising treatment is 30, thus the sample needed is $30 \times 8 = 240$ respondents.

Developing a Plan of Data Analysis

After gathering the data, it will be analyzed by using statistical software like SPSS. Using this statistical software, we can process the data with analysis discussed in the Data Analysis Method.

Data Analysis Method

Reliability Test

This analysis was used to test the validity of the questions. In the SPSS, It used the Reliability Analysis as a part of Analyze function. As a parameter, Cronbach's Alpha is used to determine the validity of the questionnaire.

Frequency Analysis

This analysis was used to analyze the data from demographic and subjective knowledge. It shows the frequency as well as percentages to know how many respondents are belonging to particular demographic groups.

Descriptive Analysis

- Means. It was used to estimate the average when the data have been collected using an interval or ratio scale. The data should display some central tendency, with most of the responses distributed around the mean. (Malhotra and Peterson, 2006)
- Standard deviation. The purpose was to help us to understand how clustered or spread the distribution is around the mean value.

Independent Samples T-Test

This test is used when different types of questions are given to different respondents. The purpose of using this T-Test is to test the significant difference between two conditions and to test the hypothesis.

One-way ANOVA

A One-way analysis of variance technique involves only one categorical variable, or one single factor that defines the different samples or groups (Malhotra, 2006). The purpose of this analysis is to find whether in the, the quality, uniqueness, esteem and citizenship are affected by overall advertising treatments or not.

MANOVA

Multivariate Analysis of Variance (MANOVA) is similar to AVOVA; expect that instead of one metric dependent variable, it have two or more. The purpose of MANOVA is to investigate the effect of Advertising as a whole on the dependent variables as a whole.

Hypothesis Test

This method answers questions given by several hypotheses previously generated at the beginning of this research. It can be decided whether the hypotheses are rejected or not using the data collected and processed during the research. After testing the hypothesis, an interpretation can be done to generate findings from the research.

FINDINGS AND DISCUSSIONS

Research Data and Analysis of the Results

Reliability Test

The parameter of reliability test was the Cronbach's Alpha. If the Cronbach's Alpha was more than 0.7, the questionnaire was considered valid, if the score was 0.7, the questionnaire was considered as not valid.

Based on the SPSS result, the Questions of Subjective Knowledge and Involvements, such as Involvements with Beijing Olympics, Consumer inference with TV set, and Involvement with WHAT HI-FI SOUND AND VISION Magazine were valid. However, Cronbach's Alpha score for Subjective Knowledge and Involvement with TV set were less than 0.7.

The research questions about Perceived Product Quality, Perceived Product Uniqueness, Manufacturer Esteem, and Corporate Citizenship had valid results, shown by the Cronbach's Alpha.

Although there were some invalid questions on subjective knowledge and involvements, the core questions of research regarding Quality, Uniqueness, Esteem and Citizenship were valid. Based on Cronbach's Alpha if Item Deleted scores, most of the questions were valid.

Demographic Data

The respondent's demographic included gender, age, residence, monthly expense. From the total of 240 respondents, 53.3% is male and 46.7% is female. Most of the respondents were 19-20 years old with 52.5% of total respondent. 17-18 years old and 21-22 years old follows with 23.8% and 16.7 respectively, while people above 22 and below 17 has the least percentage with 5.8% and 1.3% respectively.

In case of residence, most respondents lived in west and south Jakarta with percentage of 28% and 22.1 respectively. The other significant number of percentage is in north and central Jakarta with 19.6% and 10% respectively. The rest area has insignificant percentage (below 10%) that includes East Jakarta, Jabodetabek area, and a little number from outside Jabodetabek area.

For the monthly expense, 51.7% of the respondents claimed that they spent Rp.500,000-Rp.1,500,000 per month. 23.3 percent said they spent less than Rp.500,000 a month. While the rest claims that they spent Rp.1,500,000-Rp2,500,000 and more than Rp.2,500,000with percentage of 13.8% and 11.3% respectively.

Involvements and Subjective Knowledge

The respondents were eligible to answer questions about television because 95% of respondents claimed that they have a color TV. However, in case of participation in last purchase of television only 42.9% said they were participated. It means that most of the respondents (57%) did not participate in choosing a television in their pas purchase.

When they were measured by subjective knowledge questions, it can conclude that their subjective knowledge of TV sets and Involvements with television is moderately high. That means they were not naïve respondents those have a good knowledge of TV sets.

Generally, respondent's involvement with Beijing 2008 Olympic Games is moderately low. However, when asked whether corporate sponsorship is important to Olympic Games or not, most respondents thinks that the corporate sponsorship is important for Olympic Games.

Respondent's knowledge and involvement with WHAT HI-FI SOUND AND VISION Magazine was low. The cause was perhaps the magazine was targeted to sophisticated customers of audio-video products, while the respondents are students who generally are not a dedicated customer of audio-video products.

Descriptive Analysis of each Advertisement

This Analysis showed that individual data of each advertising cue(s) presented. In the following table, we could see how respondents think about the product after looking at the advertisement, represented in four variables: Quality, Uniqueness, Esteem, and Citizen.

Table 1. Cell Means

Advertising	Quality	Uniqueness	Esteem	Citizenship
A	3.767	3.656	3.856	4.078
E	4.111	3.933	4.011	4.044
P	4.600	4.133	4.256	4.189
S	4.278	3.956	4.156	4.322
E+P	4.522	4.289	4.189	4.389
E+S	4.433	3.856	4.344	4.667
S+P	4.489	4.433	4.633	4.422
E+P+S	4.878	4.478	4.922	4.711

From the table, we could see that the presence of advertising cues affected how respondents think of the four dependent variables. It showed an increasing trend on scores depends on how the respondents appreciate the advertising cues. Before presenting any advertising cue (A), the mean score lies between 3.767 and 4.078. That means most respondents give a moderate scores on those dependent variables. On the Appendix table, it showed standard deviation that shows how the values are distributed. The value of standard deviation ranged between 0.92 and 1.39.

On the advertising with Endorsement present, there is a slight increase on the scores. This condition shows that the presence of endorsement did not give a significant effect on consumer perception of the brand and the manufacturer.

Different with the Endorsement results, the presence of popularity gave significant incremental effect on Quality, moderate increase on Uniqueness and Esteem, but only slight increase on Citizenship. It shows that People perceive a better product quality when they see a brand with high popularity.

The rest were combination of three previous advertising cues. From the table we can see which combination results better scores. The score results of the combination are affected by the individual scores as well. For example, the Quality score of popularity was the highest, thus the score of E+P and P+S is higher than E+S, because the presence of popularity can increase the scores of four dependent variables. In overall analysis, the combination of the three advertising cues got the highest score on all four dependent variables. Thus, the usage of E+P+S presentation was valuable to incremental value of a brand image, as well as manufacturer image.

Comparison with absent using Independent sample T-Test

The previous mean data did not give an exact standard of significant difference. Because of that, an Independent sample T-Test was needed to determine the p value. The table below shows us the significant difference of each variable on specific advertising material compared with the absent condition, to see whether the presence of the advertisement cues is significantly useful or not.

Table 2. Comparison with Absent Condition using p value
Independent sample T-Test

	Quality	Uniqueness	Esteem	Citizenship
E	0.239	0.408	0.565	0.912
P	0.004	0.158	0.188	0.717
S	0.860	0.363	0.347	0.452
E+P	0.130	0.047	0.287	0.349
E+S	0.016	0.526	0.087	0.940
P+S	0.033	0.028	0.011	0.301
E+P+S	0.000	0.022	0.000	0.570

When the p value was less than 0.05, it is classified as “significant” while the rest is “not significant”. Thus, we can conclude that Quality is the most affected variable compared to others; it is significantly affected by Popularity cue, as well as combination of E+S, P+S, and E+P+S. While the least affected dependent variable is Citizenship. None of the advertisement can significantly affect the Citizenship.

Comparison with absent using One-way ANOVA Post Hoc – LSD

Similar to Independent T-Test, ANOVA compared the difference of advertising cues compared to absent condition. The difference is Independent T-Test do comparison on pair variable, while ANOVA did comparison on overall variables.

Table 3. Comparison with Absent using Mean Difference
LSD ANOVA Post Hoc

	Quality	Uniqueness	Esteem	Citizenship
E	-0.344	-0.278	-0.156	0.033
P	-.83333*	-0.478	-0.4	-0.111
S	-0.511	-0.3	-0.3	-0.244
E+P	-.75556*	-.63333*	-0.333	-0.311
E+S	-.66667*	-0.2	-0.489	-0.589
S+P	-.72222*	-.77778*	-.77778*	-0.344
E+P+S	-1.11111*	-.82222*	-1.06667*	-.63333*

The result of ANOVA showed slightly different result. By using ANOVA, E+P on Quality and E+P+S on citizenship those were previously insignificant became significant.

From the ANOVA table, we can conclude the same result, that is Quality is the most affected variable and Citizenship is the least affected variable. The difference is Quality is also significantly affected by E+P, and Citizen is affected significantly by E+P+S.

Analysis based on absence and presence of each advertising cue

The previous analysis only analyzed the advertisement one by one. The data was still spread and difficult to analyze. In this analysis, the comparison is based on presence or absence of each advertising cue. “Endorsement present” consists of all advertisement that has endorsement inside it, while “Endorsement absent” consists of advertisement without any endorsement. The same method was used for popularity and sponsorship as well. The result of comparison can be seen in the following table.

Table 4. Two-Group Means, Standard Deviation, and Pairwise Comparisons on each

Cue Group		Quality	Uniqueness	Esteem	Citizenship
Endorsement Present (N=120)	Mean	4.486	4.139	4.367	4.453
	Std.Dev.	1.099	1.107	1.116	1.274
Endorsement Absent (N=120)	Mean	4.283	4.044	4.225	4.253
	Std.Dev.	1.204	1.248	1.223	1.214
p value		0.174	0.536	0.350	0.214
Popularity Present (N=120)	Mean	4.622	4.333	4.500	4.428
	Std.Dev.	1.176	1.154	1.188	1.233
Popularity Absent (N=120)	Mean	4.147	3.850	4.092	4.278
	Std.Dev.	1.086	1.158	1.121	1.269
p value		0.001	0.001	0.007	0.352
Sponsorship Present (N=120)	Mean	4.519	4.181	4.514	4.531
	Std.Dev.	1.165	1.170	1.164	1.295
Sponsorship Absent (N=120)	Mean	4.250	4.003	4.078	4.175
	Std.Dev.	1.133	1.185	1.141	1.173
p value		0.071	0.243	0.004	0.027

Dependent Variable

The results were measured with the same output as previous tables. Those were mean, standard deviation, and Sig. value. Information needed from the table is the significant difference between the present condition and absent condition.

From the results of Endorsement, we can conclude that there is no significant difference on the dependent variables. Endorsement seemed not interesting for respondents in term of both perceived brand superiority and corporate image.

On the contrary, Popularity cue has affect Quality, Uniqueness and Esteem significantly. This means, brand popularity can increase the perception of respondents on the product superiority, as well as their trust to the company who create the product.

The results for sponsorship showed that the presence if sponsorship can increase both variables of corporate image, those are manufacturer esteem and corporate citizenship. This result has the same findings with the previous research done by Stipp and Schiavone, 1996.

Results of One-way ANOVA

As displayed in the One Way ANOVA table in the Appendices, Quality and Esteem showed a significant number with p value of 0.11 both. On the other hand, Uniqueness and Citizenship did not have significant value with Sig. value of 0.073 and 0.305 respectively.

From the results, we can conclude that advertisement with the three extrinsic cues can increase the perceived quality and manufacturer esteem significantly.

Results of MANOVA

The MANOVA result, using all methods, showed that the advertising affects the dependent variables significantly.

Table 5. MANOVA

Effect		Value	F	Sig.
Advertising	Pillai's Trace	0.177	1.539	0.037
	Wilks' Lambda	0.832	1.545	0.036
	Hotelling's Trace	0.19	1.547	0.035
	Roy's Largest Root	0.102	3.379b	0.002

Because the p value is less than 0.05, we can conclude that the advertising as a whole, representing endorsement, popularity, and sponsorship have significant effects to the dependent variable as a whole, representing Quality, Uniqueness, Esteem, and Citizenship.

Hypothesis Test

Endorsement

H0: Subjects exposed to a third party endorsement and subject not exposed to a third party endorsement for the same brand will show same scores on measures on brand quality, uniqueness, and esteem.

H1: Subjects exposed to a third party endorsement perceived as highly credible for a brand will show higher scores on measures on brand quality, uniqueness, and esteem than will subject not exposed to a highly credible endorsement for the same brand.

Table 6. Endorsement

Cue Group		Quality	Uniqueness	Esteem	Citizenship
Endorsement Present (N=120)	Mean	4.486	4.139	4.367	4.453
	Std.Dev.	1.099	1.107	1.116	1.274
Endorsement Absent (N=120)	Mean	4.283	4.044	4.225	4.253
	Std.Dev.	1.204	1.248	1.223	1.214
p value		0.174	0.536	0.35	0.214

Analysis: p values of all variables are higher than 0.05; thus Do not reject H0

It showed that endorsement does not give a significant effect to scores of quality, uniqueness and manufacturer esteem.

Sponsorship

H0: Subject exposed to an event sponsorship claim and subjects not exposed to an event sponsorship claim for the same brand will show same scores on measures of corporate citizenship.

H1: Subject exposed to an event sponsorship claim about a brand will show higher scores on measures of corporate citizenship than subjects not exposed to an event sponsorship claim for the same brand.

Table 7. Sponsorship

Dependent Variable	Value	Sponsorship Present	Sponsorship Absent	p value
Citizenship	Mean	4.531	4.175	0.027
	Std.Dev	1.295	1.173	

Analysis: $p < 0.05$; thus Reject H0

It showed that sponsorship gives a significant increase to the score of corporate citizenship.

Popularity

H0: Subjects exposed to a popularity claim about a brand and subjects not exposed to a popularity claim for the same brand will show same scores on measures of brand quality.

H1: Subjects exposed to a popularity claim about a brand will show higher scores on measures of brand quality than subjects not exposed to a popularity claim for the same brand.

Table 8. Popularity

		Popularity Present	Popularity Absent	p value
Quality	Mean	4.622	4.147	0.001
	Std.Dev.	1.176	1.086	

Analysis: $p < 0.05$; thus Reject H0

It showed that popularity gives a significant increase to the score of quality.

Discussion of the Results

In the research analysis, several methods of data analysis had been done. Each method showed some slight difference in result findings. Analysis on each advertising presentation used Independent sample T-Test and LSD Post Hoc ANOVA. The results of these methods were similar; however the results couldn't generate any conclusion because the significance was not shown very well. The purpose of the study is to investigate the significance of each advertising cues. By looking at those tables, what we could see that only Popularity affects Perceived Quality significantly.

On the other hand, analysis based on the presence or absence of advertising cues gave better understanding on the results. The analysis showed that Endorsement did not have

significant effects, Popularity affects 3 dependent variables, while Sponsorship 2 dependent variables. Because this analysis showed better understanding, this analysis method was used as a basis to create hypotheses and conclusions.

ANOVA results gave us the big picture of the research findings. One-way ANOVA conclude that Advertising affects perceived quality and manufacturer esteem significantly. As a whole, the four dependent variables were affected significantly by the advertising. This can conclude that Advertising was powerful to make a difference in consumer perception.

CONCLUDING REMARKS

Conclusion

Perceived Quality, Perceived Uniqueness, and Manufacturer Esteem

In his journal, Dean, 1999, stated that Endorsement significantly affected product variable (quality and uniqueness) and image variable (esteem), while Brand Popularity is not significant. However, when the same method of research was done in Jakarta, respondents appreciate Brand Popularity more compared to Brand Endorsement.

In Jakarta, the Brand Popularity could increase those three variables (quality, uniqueness and esteem) significantly, while Brand Endorsement cannot give a significant increase. In conclusion, respondents in Jakarta like “Best Selling” title better than “Good Rating”. Thus, the author recommends using Brand Popularity as an advertising cue to attract consumers in Jakarta.

Corporate Image

The research found that Event Sponsorship could increase the consumer perception of corporate image that is represented by Manufacturer Esteem and Corporate Citizenship. The result was slightly different with Dean’s research that stated Event Sponsorship only affects Corporate Citizenship.

Managerial Implications

Building a Perceived Brand superiority in this competitive environment

In this globalization era, the competition is getting tougher. Having brand superiority can give companies competitive advantages over their competitors. This brand superiority can be obtained by having popularity cue in the advertisement. It is because the brand popularity is the most managerially useful; looking at the significant difference it has given to the variable scores. Thus, the company can increase the perceived quality, uniqueness and their trust to the company that results brand superiority by using brand popularity cue in its advertising.

The issue of CSR in Indonesia

In year 2008, Indonesian government pushed companies to do Corporate Social Responsibility programs. Similar demand was asked by the society. Both government and society want companies to allocate their fund to build their environment. By having a Sponsorship cue, companies could create an image of a good corporate citizen in the perception of the government and society.

Scientific Implications to Marketing

In marketing, the 4P, known as marketing mix is very important. The research has proven that advertising (as part of Promotion) can affect perceived brand superiority (as part of Product). Thus, we found that those variables correlated each other and can be optimized by using an effective cue in advertising. Those cues are Endorsement, Popularity and Sponsorship.

Limitations

Limited variables of research are the weakness of this research. In this research, the investigation is done only on the effect of advertising cues on consumer perceptions. However, in the real world, there are more complex variables, such as product classes, price levels, brand name, store name, and store location. This condition limits the analysis on those advertising cues only.

Future Research Recommendations

Usage of more complex variables

The future research may use more product classes, price levels, brand name, store name, and store location. By having more variables, more interaction and more findings can be resulted

Repetitive viewing also can be done in the future. Because the respondents only have the opportunity to fill the questionnaire once, they don't view it repetitively. The nature of advertising is to remind consumers over and over again. In the real situation, consumers view advertising repetitively. If the research investigate the repetitive advertising, the result might be useful for implications in both management and marketing.

Usage of more appropriate advertising design

In this research, the advertising cue is delivered in text, however in the real world, advertising uses sophisticated design where the message delivered in creative way. In the future, a research conducted with good designed stimuli might create better results. People might be more attracted with the design.

Usage of more accurate sampling method

The future research may use wider respondents and more accurate sampling method. Wider respondents can be got by distributing questionnaires not only to undergraduate students, but also people from different demography, such as professionals, labors, entrepreneurs, etc. When more diverse respondents covered, probability is more appropriate, since the respondents are heterogeneous.

Usage of more advertising cue

Beside Endorsement from experts, Brand Popularity, and Event sponsorship, the future research could use more advertising cue, such as celebrity endorsement. By using more advertising cue, the research could discover more knowledge about the effectiveness of using more advertising cue.

Usage of Filtering in Data Analysis

To increase the credibility of the research data, the future research could use filtering on respondents based on their subjective knowledge. It can be done by using a set of standard as requirement to filter the respondents.

For example, in a research conducted on a TV set, if a respondent claimed that he/she don't have a TV set, then the data from that respondent have to eliminated.

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