THE EFFECT OF SPONSORSHIP ON CONSUMER PERCEPTION
IN THE KENYAN OIL AND GAS INDUSTRY

BY

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UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirements for the Degree of Masters in Business Administration (MBA).

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DECLARATION

I the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: __________________________  Date: __________________________
Natasha Haavi (ID 633483)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: __________________________  Date: __________________________
Dr. Peter Kiriri

Signed: __________________________  Date: __________________________
Dean, Chandaria School of Business
ABSTRACT
This study looked to analyze the effectiveness of sponsorship campaigns on the consumer perception of a brand with a specific focus on Kenya’s oil and gas industry. The study was centered around the following three objectives: to determine the effect of the nature of sponsorship on the perception of the consumers, to measure the effectiveness of frequent sponsorship versus one shot sponsorship on the consumer perception and to evaluate the impact of directly related sponsorship campaign verses unrelated sponsorship campaigns on consumer perception. The researcher aimed at providing key insight on this topic to marketing firms with a specific focus on the Kenyan consumers, researchers and academicians and businesses within the oil and gas sector.

The study employed the descriptive research design to investigate if at all sponsorship has an effect on consumer perception and what factors based on the objectives would influence a positive consumer perception on a brand. The sample size of the study was 155 which was selected based on the total USIU Summer 2019 population of 2835. The primary data was gathered from the respondents through structured questionnaires with the use of both open ended and closed ended questions. The questionnaires were administered both physically and electronically to allow broad collection of data. The questionnaires found correctly filled and fit for analysis were then coded and all the data entered into statistical package for social sciences (version, 20) and analyzed based on descriptive statistics. The descriptive statistics were used and included mean scores, percentages and ratios. The study also relied on regression analysis to test the relationship between the independent and the dependent variables. The results were presented using tables for easier interpretation.

The findings of the study based on the set objectives revealed that there was sufficient correlation between the variables and consumer perception. The first objective of the study was looking to test the effectiveness of the nature of the sponsorship on consumer perception. The regression analysis done between the dependent and independent variables, revealed that 59% of the variation in customer perception was explained by the variations in nature of sponsorship. This therefore meant that the nature of sponsorship does have a significant effect on consumer perception.

The second objective of the study investigated the effectiveness of the frequency in sponsorship on consumer perception. The regression analysis applied established that taking all factors into account and all other factors held constant consumer perception
The third objective looked to analyze the effectiveness of related versus unrelated sponsorship campaigns on consumer perception. Based on the analysis done 61.6% of the variation in customer perception was explained by the variations in related and unrelated events on customer perception.

The conclusion from the study revealed that the nature of sponsorship has a significant effect on consumer perception. Based on the objective investigating the nature of sponsorship the study also revealed that CSR or philanthropic sponsorship has a better effect on consumer perception than commercial centered sponsorship. When investigating the effect of the frequency of a sponsorship campaign on consumer perception the findings and analysis of the study revealed that the higher the frequency the greater the effect on consumer perception. The third objective looking into the effect of the relatedness of a sponsorship campaign revealed that consumer perception was significantly influenced by the relatedness of an event to the sponsor. When measured separately, the highest variation in customer perception was explained by the variations in frequent verses one shot sponsorship. This therefore means that the frequency of the sponsorship campaigns has the highest effect on consumer perception.

The research solely focused on the USIU population enrolled during the summer semester which provided a good basis for a relatively unexplored topic, however inclusion of the larger general population in Kenya would provide a larger pool from which to source for views around sponsorship campaigns and their effectiveness. This would therefore provide a good basis for marketers to present the benefits of sponsorship on consumer perception to brands in order to maximize on the available opportunities. The researcher therefore recommends further research testing the extent of the effect of the variables on sponsorship as well as widening of the sample size to include the greater Kenyan population.
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TABLE OF CONTENTS

DECLARATION ........................................................................................................ ii
COPYRIGHT ........................................................................................................... iii
ABSTRACT ........................................................................................................... iv
ACKNOWLEDGEMENT ......................................................................................... vi
LIST OF TABLES ...................................................................................................... vi
LIST OF FIGURES .................................................................................................... ix
CHAPTER ONE ........................................................................................................... 1
  1.0 INTRODUCTION ................................................................................................. 1
    1.1 Background of the Study ................................................................................... 1
    1.2 Statement of the Problem .................................................................................. 8
    1.3 General Objective ............................................................................................. 9
    1.4 Specific Objectives ........................................................................................... 10
    1.5 The Significance of the Study .......................................................................... 10
    1.6 Scope of the Study ........................................................................................... 10
    1.7 Definition of Key Terms ................................................................................... 10
    1.8 Chapter Summary ............................................................................................. 11

CHAPTER TWO ......................................................................................................... 13
  2.0 LITERATURE REVIEW ...................................................................................... 13
    2.1 Introduction ..................................................................................................... 13
    2.2 The Nature of the Sponsorship Campaign ....................................................... 13
    2.3 The Effect of Frequency on the Sponsorship Campaigns ................................ 16
    2.4 The Effect of the Link between the Sponsor and the Event .............................. 20
    2.5 Chapter Summary ............................................................................................. 24

CHAPTER THREE .................................................................................................... 25
  3.0 RESEARCH METHODOLOGY ............................................................................ 25
    3.1 Introduction ..................................................................................................... 25
    3.2 Research Design ............................................................................................... 25
    3.3 Population and Sampling Design ...................................................................... 25
    3.4 Data Collection Methods ................................................................................ 27
    3.5 Research Procedure ........................................................................................ 27
    3.6 Data Analysis Methods .................................................................................... 28
    3.7 Chapter Summary ............................................................................................. 29

CHAPTER FOUR ....................................................................................................... 30
  4.0 RESULTS AND FINDINGS .................................................................................. 30
4.1 Introduction .................................................................................................................. 30
4.2 Response Rate ............................................................................................................. 30
4.3 General and Demographic Information ..................................................................... 30
4.4 The effect of the Nature Sponsorship on Consumer Perception ................................. 34
4.5 Effectiveness of Frequent Verses One Shot Sponsorship on Consumer Perception .......................................................................................................................... 38
4.6 The Effectiveness of Related and Unrelated Events on Consumer Perception .......... 42
4.7 Chapter Summary ........................................................................................................ 45

CHAPTER FIVE .................................................................................................................. 46

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS ................................. 46

5.1 Introduction .................................................................................................................. 46
5.2 Summary ...................................................................................................................... 46
5.3 Discussion .................................................................................................................... 49
5.4 Conclusions ................................................................................................................. 55
5.5 Recommendations ...................................................................................................... 56

REFERENCES .................................................................................................................... 58

APPENDICES ..................................................................................................................... 63

Appendix I: NACOSTI Research Permit ............................................................................ 63
Appendix II: Informed Consent and Cover Letter ............................................................... 64
Appendix III: Questionnaire ............................................................................................... 66
LIST OF TABLES

Table 3.1: Reliability Test Results .......................................................... 28
Table 4.1: Response Rate ........................................................................ 30
Table 4.2: Reason for Preferred Station ....................................................... 34
Table 4.3: Descriptive statistics on Corporate Philanthropic Sponsorship Campaigns .... 35
Table 4.4: Descriptive statistics on Commercial Sponsorship Campaigns .......................... 36
Table 4.5: Correlation of Nature Sponsorship on Consumer Perception ......................... 36
Table 4.6: Model Summary of Nature Sponsorship ........................................ 37
Table 4.7: ANOVA of Nature Sponsorship ..................................................... 37
Table 4.8: Coefficients of Nature Sponsorship .............................................. 37
Table 4.9: Descriptive Statistics of Frequent Verses One Shot Sponsorship .................... 39
Table 4.10: Descriptive Statistics of the Effectiveness of One-Shot Sponsorship ............ 40
Table 4.11: Correlation of Frequent Verses One Shot Sponsorship on Consumer Perception .......................................................... 40
Table 4.12: Model Summary of Frequent Verses One Shot Sponsorship ......................... 41
Table 4.13: ANOVA of Frequent Verses One Shot Sponsorship ............................. 41
Table 4.14: Coefficients of Frequent Verses One Shot Sponsorship ........................... 41
Table 4.15: Descriptive Statistics of the effectiveness of related sponsorship events ....... 42
Table 4.16: Descriptive Statistics of the effectiveness of unrelated sponsorship events .... 43
Table 4.17: Correlation of Related and Unrelated Events on Consumer Perception................. 44
Table 4.18: Model Summary of Related and Unrelated Events Sponsorship .................... 44
Table 4.19: ANOVA of Related and Unrelated Events Sponsorship ............................ 44
Table 4.20: Coefficients of Related and Unrelated Events Sponsorship ........................ 45
LIST OF FIGURES

Figure 4.1: Respondents Gender .......................................................................................... 31
Figure 4.2: Respondents Age Group .................................................................................. 31
Figure 4.3: Number of Visits to the Petrol Station .............................................................. 32
Figure 4.4: Visit to the same Petrol Station ....................................................................... 33
Figure 4.5: Preferred Petrol Station .................................................................................. 33
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

The mystery that is marketing is based on the reference as one of man’s oldest activities but yet it is regarded as the most recent of the business disciplines (Baker, 1976). Marketing for many decades was seen as an art due to its very theoretical nature. However like professions such as architecture, engineering and medicine it is transitioning to a professional discipline based on years of wealth and the chronicling of the descriptive information that forms the basis of marketing. The single event that created the turning point between the production and sales approach to the birth of the marketing orientation, was the publication of the ‘Marketing Myopia,’ by Levitt (2008). In his publication Levitt hypothesized that many industries were dying because they were more product centered than consumer oriented. This therefore led to unforeseen competition and thereafter takeover by new market entrants. It is speculated that this is what lead to the fall of many of the railroad companies in America who focused more on the trains rather than the fact that they were in the transport business. This thereafter led to the takeover of transportation by other substitute entrants who wooed away their customers.

According to Kotler and Ravi (2006) marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others. The more widely accepted definition of marketing is in the 1985 update by the American Marketing Association (AMA) (1985, p. 5), where it is described as “the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create, exchange and satisfy individual and organizational objectives”. This would explain why marketing has become such an important component of product development and introduction into the market, it puts into consideration all the factors around a product with the aim of satisfying the consumer needs.

Marketing is governed by certain principles that are accepted across the board. The 4 marketing Ps is one such concept. According to Gronroos (1994, p. 347) , the marketing mix is “the toolkit of transaction marketing and model for operational market planning.”
The mix has its origins in 1964 when Borden recognized twelve controllable elements that a marketer has at their disposal which he described as a mixer of ingredients. If properly managed these elements would result in optimum profitable business operations. (Constantinides, 2006)

McCarthy four years later revised Borden’s work and reduced the twelve marketing elements to a simple four-element framework. The 12 elements included: product planning, pricing, branding, channels of distribution, personal selling, advertising, promotions, packaging, display, servicing, physical handling and fact finding analysis (Mohammed, 1995). McCarthy defined the marketing mix as an amalgamation of all of the factors at a marketing manager’s control to satisfy the companies’ selected target market (McCarthy, 1964). McCarthy is often identified as the architect of the 4 marketing Ps that are now taught as a major marketing discipline and are the indispensable elements of operational marketing management. The 4 marketing Ps are made up of: product, price, promotion and place.

With the dawn of the 20th century came the rise of the service industry. It is speculated that this contributed to the presence of more disposable income that arose from wealth accumulation after the world wars. It is theorized that people began to spend money on goods and services than they would have otherwise done for themselves or on luxury items. This can be seen in the growth of the hospitality, clothing and travel industries. Scholars have therefore presented arguments that the 4ps formulation is inadequate when dealing with the services market. To cater to this arising need Boons and Bitner, (1982) added 3 more elements to the marketing mix framework to cater to the service industry. These additional elements include: participants also referred to as people, physical evidence and process. Although there seems to be a divide among scholars on the relevance and applicability of the marketing mix in general there appears to be a general consensus in the acceptance of the additional 3 Ps when considering the service sector (Mohammed, 1995).

The product element in the marketing mix refers to the goods offered to a company’s consumers. Under the product element there are other factors around the product attributes that are covered. These include: the packaging of the product, the product quality, features, after sale services such as warranties and the company brand name. Managers must pay close attention to these product related factors to ensure they satisfy their target consumer needs. The product offering must match the needs of the target market. For example if the
target consumers are in the high end of the market segment the goods must be packaged, and presented as luxury items in order to ensure their loyalty (Ehmke, Fulton, & Lusk, 2007).

The second element of the marketing mix that should be considered are the price factors. Price refers to how much a producer charges for their product. Price is crucial as a price that is too low could be an indication of low quality. The price selected should be representative of the positioning of the product. When a marketer is assigning value to goods that are price sensitive they should consider factors such as discounts, the going rate, skimming and the psychological perception of the price (Ehmke, Fulton, & Lusk, 2007).

In the marketing mix is the place in which the good or services are being offered. Place in the context of the marketing mix refers to the distribution channels used by the producer to get their goods to their consumers. When considering the place, the producer could either use direct sales, which is a method that involves face to face interactions and would be advantageous for new products or seasonal or limited products. Indirect sales is another alternative and is useful for essential goods that require wide distribution or bulky goods that require large storage facilities. Other factors that should be considered under the place element include: sales volumes, transport logistics and the acquisition of raw materials (Kotler & Lane, 2006).

The final element of which is most relevant to the research topic at hand is the promotion element. Promotion refers to advertising and selling part of marketing. It is the means through which consumers are made aware of what products a producer has for sale. The purpose of promotion is to lead the consumers to an understanding on the use of the product in question, the need it satisfies and thus their loyalty and trust in the product. This message can be passed on through word of mouth, radio, television, print and with the dawn of the 21st century the use of social media (Kotler & Lane, 2006). Under promotion of goods and services public relations was born. Public relations focuses on the creation of a favorable image. Under the umbrella of public relations include components such as: Corporate social responsibility, sponsorship programs and open-door communication between and their consumers (Constantinides, 2006).

“Sponsorship is an element of the communications mix where a firm provides some financial support to an entity which could be an individual, an organization, or a group to allow the entity to pursue its activities as well as benefit the sponsor’s global image and
build consumer awareness” (d'Astous, 1995, p. 15). Sponsorship has developed in its complexity and magnitude as a tool in the promotional element of the marketing mix. It began in Ancient Greece during sporting and art festivals that were sponsored by men of influence in society to improve the social standing of the sponsor (Sandler & Shani, 1989). An example of which being the Theatre of Dionysus at the Acropolis in Athens which was built by Athenian statesman in 326 BC in order to gain favor from the society. This continued to be the trend with the church and aristocrats supporting the arts in order to appease the people and gain their loyalty.

Sponsorship as a promotional tool has significantly developed over the past 30 to 40 years especially in the field of sports and athletics industry. Association with sports and athletics began to take shape in publications in America in the 1860. The gentlemen’s outfitter John Wisden developed sponsorship by incorporating its name in the title of new annual publications in order to gain traction among their customer base (Masterman, 2007).

In America the use of endorsement also began to gain momentum in 1875 with the use of trade cards. These were small cards with the descriptions and pictures of celebrities chosen based on their fame and popularity. The cigarette industry later used this theory and the trading cards were later known to many as cigarette cards (Masterman, 2007). In USA the widespread use of televisions and commercials brought new opportunities to reach wider and larger audiences. This laid the foundations for sponsorship as it is known today, advertisers began to place their commercials amongst sports programming during commercial breaks and by sponsoring venues. Notably in the last decade, North American corporate sponsorship spending has increased from US$8.73 billion in 2000 to US$16.51 billion in 2009 (IEG, 2010). According to a study done by Deloitte Consulting (2018) the sponsorship spending on the China Football Association Super League reached 4.53 billion Yuan which is approximately 700 million US Dollars between 2016 and 2017. Additionally sponsorship spending on the China basketball association show a sharp increment to 800 million Yuan in the 2018-2019 season (Yuan, Huo, & Malik, 2019).

Studies have been done across the world to measure the emotions elicited by sponsorship of sports events as these are a big expense in developed countries. One such study done by Bal and Quester (2010) with France and Australia as the case study, showed that emotional responses contributed to the formation of attitudes and perceptions towards the events and their sponsors which during the Australian and French opens. In the study, it was postulated
that sponsors of sports events needed to find ways to provide more information around their brand outside of simply the sponsorship. It was found that if additional information around the brand was not provided, the sponsor would be forced to rely on the emotions elicited by the event to form their attitude. Based on the study done using Australia and France it was found that sponsorship of sports events should be closely considered as the emotions generated heavily rely on the unpredictable nature of sports drama.

Research done in Amsterdam investigated whether creating a brand experience during an event that is sponsored had an effect on the value of the sponsorship and the memorability of the initiative. As posited by Muntiga (2013) the creation of a direct brand experience has an effect on the intrinsic benefit on the consumer experience as this cements the direct interaction or contact with the brand sponsoring the event. The study was conducted at a marathon where the participants were encouraged to take part in activities related to running including: chat sessions with fellow athletes, free massages, information about running, diets and a free shirt with the sponsoring brand logo and slogan clearly shown. Thereafter the participants were invited by email to participate in an online survey around the marathon and the sponsoring brand. The feedback received from the participants who did not take part in the sponsored events versus the ones that did, proved the hypothesis that providing opportunities for direct brand interaction does aid in the effectiveness of a sponsorship campaign. This was demonstrated in the higher brand awareness, enhanced brand recall and attitudes evident in the participants in the activities.

According to a study done in India around sponsorship of alcoholic beverages versus non-alcoholic beverages it was postulated that sponsorship has increased in its effectiveness and necessity when certain socially unacceptable products are put into question. “In India there are high alcohol restrictive policies such as the forbidden advertising of alcoholic beverages on radio, newspapers, cinemas and billboards” (Moital, 2012, p. 290). This therefore means that corporate brands must increase their brand perception through the utilization of sponsorship of events as well as the use of brand ambassadors in order to reach their focused audience (Gupta, 2003). The study by Moital (2012) using the Indian beverage sector as the case study proved that representatives of alcoholic brands viewed sponsorship as a necessary promotional tool as it significantly aided in reaching out to a niche market, increased brand awareness, entertaining the audiences and thus creating greater memorability as well as increasing their competitive advantage and creating goodwill among the community.
According to Melewar (2004) China is increasing its dominance as a force to be reckoned in the world economy and is thus pulling the focus of international companies willing to sponsor major sports events in China. In a study by Meng (2013) it was posited that different cultures around the world respond to marketing communications differently thus it is very important to understand how sports sponsorships as a component of organizations’ global marketing strategy can be used successfully. The study proved that there were important factors that would inhibit the success of a sponsorship campaign in a foreign country if not closely considered. According to the study, economic competitiveness between the organization’s country of origin and the host country could affect the consumer view of the campaign. China as the case study also further cemented the hypothesis that event involvement would improve the brand perception as the association of the brand with the event in question would increase the favorability and motivation to engage with the brand.

Sponsorship forms a major chunk of the income in the South African sports Arena, it is a major contributor to the sports unions allowing them to stay afloat and financially sustainable. Blake and Fourie (2018) conducted a study in South Africa to determine the relationship between company revenue growth and their sponsorship of sports events. In the study it was found that companies involved in sponsorship experienced greater income growth as compared to companies with similar characteristics that did not sponsor events. It was noted that increased revenue growth was evident in consumer service sector. This is a clear indication that sports sponsorship boosts brand image and enhances loyalty thus translating it into returns. The study concluded that sports sponsorship achieves a broad spectrum of outcomes that could in the long and short run could contribute to increased profitability.

Since the oil and gas discovery in the 1950s it has become the world’s most important source of energy. This is because it is not only used for fueling of automobiles and machinery but it is also the raw material chemical in the manufacturing of pharmaceuticals, organic solvents, pesticides, plastics and fertilizers (Rhodes, 2008). The complete reliance on oil and gas is further pushed by rapid economic development as it is the foundation upon which development is built. According to Rhodes, 84 million barrels of oil are consumed daily with an approximation of 40 billion consumed a year. This figure is speculated to only increase with the price of renewal energy still being so high and the growth and expansion of economic giants such as China on the rise.
The tradeoff between economic development and environmental protection has always been the criticism surrounding the oil and gas industry. Despite the vast evidence of environmental degradation being closely related to the consistent use of oil and gas and the industry in general, its use has not decreased but the general global perception has strongly turned away from the promotion of oil and gas. Using China as a case study Xiayo (2014) speculates that governments believe that environmentally friendly techniques would hinder their economic performance and stunt their global domination. This he relates to the significantly high carbon emissions in China that are the highest around the world. For this reason the Chinese oil and gas industry has put in the forefront strategies to improve their image through CSR initiatives. The major oil companies in China are state owned meaning that oil and gas is not just an economic play but also has strong political ties. To prevent political uprisings and distaste the state oil companies have formed major partnerships around the world to promote CSR initiatives especially with the focus on environmental sustainability and conservation. The oil and gas industry around the world therefore looks to improve its image by participating in sponsored events especially CSR initiatives in order to protect industry and brand images (Liu, Garcia, & Vredenburg, 2014).

The oil and gas industry is divided into three segments along the value chain. These include the upstream sector which deals with the exploration and appraisal activities up until the expulsion of oil or gas from the ground, the midstream sector which deals with the refining and transportation of both crude and the refined product from the source to the market and the downstream sector deals with the interaction of the final product with the consumers through the fuel pumps or at the depots for huge manufacturing companies. The oil and gas downstream sector in Kenya has evolved in terms of policy creation and regulation. The top 10 downstream oil and gas companies control approximately 77% of the market share. Due to the strict regulation of the industry, the price of fuel is closely regulated therefore the companies have to develop unique tactics of differentiating themselves from their competition. Place is a big factor when gas station services are being considered. However, in the last decades downstream companies are sponsoring numerous events in order to build awareness and encourage consumer loyalty. These events are sometimes philanthropic in nature as has been seen, companies sponsor students to go abroad and study or any other activities that are of direct benefit to the community around them. The predominant sponsorship is however event-based sponsorship. These are both recurring in nature as well as one-time sponsorships. There has been little research done on the effectiveness of these
strategies in East Africa let alone Kenya and it would be important to measure the effect the sponsorship campaigns have on consumer perception.

1.2 Statement of the Problem

Sponsorship is a key element of promotion in the 21st Century. Numerous studies have been done around the subject to test effectiveness and the influencing power on the perception of the business target market. In the detailed review put together by Gardner and Shuman (1987) it was highlighted that there is a gap in the linkages between the impact on consumers and the sponsorship campaigns and therefore a greater need to examine closely the consumer factors that influence the effectiveness of sponsorship campaigns. While it is widely agreed that sponsorship can be very successful as a marketing tool and can give a company a competitive advantage, the processes as well as the effect to the consumers remains relatively undiscovered in the literary and research world (Fahy, Farrelly, & Quester, 2004). While there is relatively sufficient information at a global level the extensive review of literature has fallen short of any information on the sponsorship sphere in Kenya and the effectiveness of the campaigns. The general information provided can be related to the Kenyan market however there are nuances that exist in different markets that need to be investigated.

Companies are approached every day to sponsor events with the promise of awareness creation from the sponsorship and the philanthropic benefits attached to the association with the event. In a study by Jensen (2011), he reported that the North American spend on sponsorship in 2010 was 16.51 billion USD and a global spend of 44 billion USD in the same year. The results of the study showed a correlation between companies that regularly invested in sponsorship and the achievement of better business results based on increased market shares, increased value of their stock prices and competitive advantage. This therefore shows that there is a correlation however little research has been done in Kenya to investigate the effectiveness. As has been witnessed in the recent past sponsorship is becoming an alternative source of sponsorship with companies such as SportPesa recently signing major deals with English Premier League champions and multi-billion shilling sponsorship arrangement with Formula 1 racing point (Kuria, 2019). There is however no information proving the effectiveness of the campaigns despite the large spending. Companies do not have information on what form of sponsorship their target markets most relate to and therefore may be spending their money without achieving their set objectives.
1.3 General Objective

The general objective of this study was to investigate the effectiveness of sponsorship campaigns on the consumer perception of the oil and gas industry in Kenya.

1.4 Specific Objectives

The study was guided by the following objectives;

1.4.1 To determine the effect of the nature of sponsorship on the perception of the consumers.

1.4.2 To measure the effectiveness of frequent sponsorship versus one shot sponsorship on the consumer perception.

1.4.3 To evaluate the impact of directly related sponsorship campaign verses unrelated sponsorship campaigns on consumer perception.

1.5 The Significance of the Study

The findings of this study will go a long way in benefiting a number of stakeholders, which include:

1.5.1 The Oil and Gas Companies’ Strategists

The findings of this study suggest the best approaches which organization managers and top executives can effectively craft sponsorship programs for maximum benefit in terms of awareness and effectiveness. This will enable better spending of money to ensure the maximum benefits and value is received. It will also provide them with deeper insight on the types of campaigns the consumers would most respond to in order to inform the setting of their campaign objectives.

1.5.2 Marketing Firms in Kenya

Sponsorship has become an integral part of the marketing mix with companies spending large sums of money to invest in sponsorship campaigns. This study would be beneficial in advising marketers on the various modes of sponsorship and their effectiveness in influencing the perception of consumers.
1.5.3 Researchers and Academicians

The previous studies on sponsorship have highlighted the benefits of sponsorship, presented a case on the benefits to the countries and attempted to measure the consumer effectiveness. However there is little research done on the effects of sponsorships benefits in Africa, let alone in Kenya. This research paper would help future researchers build a case on the effectiveness of sponsorship in Kenya for the businesses, with the oil and gas industry as a simple case study that could be applied to other industries.

1.6 Scope of the Study

The study focused on private motor vehicle owners. The researcher used the USIU population of students to gather this data. While there was a total number of students presented by the student registrar department there existed no record of the number of vehicles or motor vehicle drivers in USIU. For this reason the researcher used the total number of USIU students enrolled for the Summer Semester 2019 to conduct the study. The researcher conducted the research in June and analyzed the data in July and August 2019.

There were a few foreseeable limitations for this study. The first being the unavailability of data such as exact numbers that can be used for accurate measurement of the exact number of motor vehicles in USIU. To mitigate this the researcher used systematic research methods to gather data at different intervals of the day for a duration of two weeks and used both physical and digital data collection tools. The respondents may also not have knowledge on any actual sponsorship campaigns that have been run, the questionnaire was therefore customized to have a broad range of questions and was further simplified after a pilot of the data collection tool was administered and analyzed.

1.7 Definition of Key Terms

1.7.1 Sponsorship

Sponsorship is an element of the communications mix where a firm provides some financial support to an entity which could be an individual, an organization, or a group to allow the entity to pursue its activities as well as benefit the sponsor’s global image and build consumer awareness (Bitz & d'Astous, 1995).
1.7.2 Consumer Perception

This is interpretation in the meaning of certain initiatives by the people to whom these initiatives are targeted (Kotler & Lane, 2006).

1.7.3 Philanthropic Sponsorship

Philanthropic sponsorship implies the support of a cultural or social cause. In this type of sponsorship, the sponsor’s participation is considered a donation and no financial returns are expected (Bitz & d'Astous, 1995).

1.7.4 Nature of Sponsorship

According to Pierre Bitz and d’Astous (1995) the nature of sponsorship can be either philanthropic or commercially focused based on the company objectives and the cause supported.

1.7.5 Related Sponsorship

Related sponsorship is the strategic match between the sponsoring firm and the sponsored event. (Olsen, Cudmore, & Hill, 2006)

1.7.6 Frequent Sponsorship

Frequency of sponsorship can be continuous or a one time or one-shot expenditure. One shot sponsorship occurs when a company invests its support in an event that occurs only once and therefore there is a lot of anticipation around the event. A continuous event is one that occurs frequently, and the sponsor’s participation is expected and a constant (Bitz & d'Astous, 1995).

1.8 Chapter Summary

This section of the study explored introductory sections of the study notably; the background and history of sponsorship around the world, the statement of the problem which is the lack of proper benefits and research around sponsorship. This section also covered the general objectives of the study which were: to investigate the contribution of the nature of the event, the frequency of the event and the direct relatedness of the event on the consumer perception. Chapter two will cover the literature review which highlights effectiveness of sponsorship campaigns in the crafting of consumer perception. Chapter
three will examine the research methodology to be used in the study. Chapter four will present the results collected from the field using the approved research tool in the document annex. Chapter five will be an analysis of the field findings in the relation to the set objectives and provide recommendations based on the findings.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This section of the study shall cover the existing literature on sponsorship elements that affect the perception of consumers as a marketing strategy. The focus on: the nature of sponsorship campaigns and the effects they have on consumer perception, the measure of effectiveness of frequent or infrequent sponsorship campaigns and the linkage between cooperate objectives and the sponsored events or campaigns.

2.2 The Nature of the Sponsorship Campaign

According to Bitz & d’Astous (1995) sponsorship can be either philanthropic or commercially focused based on the company objectives and the cause supported. According to Sahoun (1989) philanthropic sponsorship dictates that the sponsor’s participation be generally less prominent than the commercial sponsorship as they are making a donation and do not expect a return. Bitz and d’Astous also hypothesized that commercial sponsorship involves the firm associating itself with a public event in order to gain direct commercial benefits.

2.2.1 Corporate Philanthropic Sponsorship Campaigns

The twentieth century has changed the look of corporate philanthropy. It consists of strategic charitable contributions that focus on bringing benefit to the society as well as the business at the same time (Schnurbein, 2016). Porter and Kramer (2002) further supports this view that corporate philanthropy is giving with the expectation of getting in return, he postulates that corporations only support moral values or initiatives that accentuate or enhance their competitive advantage. They claim that an accurate test for a good philanthropic initiative is whether the desired social change has such significant value to the company that even if no one outside of the company ever knew of their support of it the organization would still pursue the initiative. Godfrey (2005) however contradicted this by theorizing that non-reciprocity is a crucial necessity to corporate philanthropy. This therefore means that an initiative cannot be considered philanthropic unless the company does not expect any returns.
The benefits achieved from corporate philanthropy can be tangible or measurable such as a better position in the market or intangible though the acquiring of moral capital from the necessary stakeholders. Saiia (2003) highlighted the importance of strategic philanthropy as it is a priceless business opportunity that involves the allocation of corporate resources to meet the non-business community issues or needs but also strengthen the bottom line or company positioning.

Gautler and Pache (2015, p. 353) further broke down corporate philanthropy into three different forms: “corporate foundations, corporate giving and corporate volunteering.” Corporate giving involves the provision of measurable benefits in the form of money or in kind which could include professional services that are of benefit to the receiving end and would otherwise have monetary value. Noble, Cantrell and Kyriazis (2008) suggested that corporate giving is motivated by four different factors which include: strategic profit maximization, altruistic motivations, political and managerial benefit. These factors are combined based on the community in question’s needs to provide the most useful sponsorship. Corporate volunteering is defined as the supporting and deployment of corporate employees to perform community service during the prescribed working hours to enhance the company’s image and community relations (Grant, 2012). Corporate foundations are charity based foundations almost entirely funded and established by a for profit company. They are often recognized as separate legal entities from the main company such as Mpesa and the Mpesa foundation in Kenya that are bound by close ties due to the close relationship to the founder and the funding organization (Von Schnurbein, 2014). Foundations are very important to the image of the company due to the close relationship to the mother company and therefore have a very strong benefit to the communicative benefit to the society as it is a clear benefit of the goodwill and the commitment to support the sustainable growth of the community (Marquardt, 2001).

Numerous studies have been done to demarcate or distance corporate social responsibility from corporate philanthropy. Aakhus and Bzdak (2012) look at the controversial role CSR once played in business operations that later evolved into corporate philanthropy. At the onset of this concept CSR was viewed as the voluntary reductions in a company’s declared income. This therefore meant that companies got tax reprieves and exemptions dependent on their CSR activities instead of furthering social good. Key research in the field of CSR viewed CSR as operating in three overlapping circles with three different dimensions which are the economic, legal and ethical (Carroll, Lipartito, Post, & Werhane, 2012). Corporate
responsibility was put under the ethical tier and was speculated not to be expected by the society and would therefore not affect the general perception of the company if not applied. Spence and Thompson (2009), however later came to refute that despite there being the three aspects of CSR with legal and economic being required by the community, ethical standards being expected philanthropy stood on its own as being a desired corporate responsibility.

2.2.2 Commercial Sponsorship Campaigns

There are numerous arguments that say there is no clear distinction between philanthropic sponsorship and commercial sponsorship as they are often grouped under the same umbrella. One such definition was provided by the Acumen Marketing group (1972) who began this discussion by providing a definition of commercial sponsorship as the provision of material or financial support for some independent activity which is tied to the furthering of the company’s commercial goals but from which the receiving party would expect to gain commercial benefit. This idea despite vaguely mentioning the commercial benefits was however refuted solely based on the fact that it mentioned independent activities. This however is not the case on the ground as companies often specifically sponsor events due to the close relation to their activities. A good example as highlighted by Meenaghan (1983) was the oil companies and automobile manufacturers who support motor racing sporting events. The numerous definitions that came after failed to highlight the commercial motives of the donor organizations, until Waite (1979) highlighted the key features of commercial sponsorship as an organization providing resources for a non-commercial activity with the expectation of gaining some commercial benefit, with the sponsored activity allowing the donor using a facility it has to offer in exchange for the resources received. The key distinguishing factor between philanthropic and commercial sponsorship is the returns expected largely in terms of publicity.

2.2.2.1 Product Related Objectives for Commercial Sponsorship

Commercial sponsorship as highlighted by Meenaghan (1983) could be easily confused with philanthropic sponsorship but bares a key distinction when a company focuses on product related objectives. When a company does not want to or is legally barred from directly advertising, commercial sponsorship is often a good substitute as it can be used to increase product awareness, to alter or reinforce the product image and associate a
particular product to a particular market segment. This was predominantly used by goods that had societal misgivings and could therefore not be directly advertised such as the Marlboro British Grand Prix or the Hennessey Cognac Gold Cup. These companies were able to gain significant national and international recognition without directly advertising thus promoting the product and successfully positioning themselves in the mind of their target market.

2.2.2 Sales Related Objectives for Commercial Sponsorship

The fulfilling of sales objectives is another factor that classifies a company’s sponsorship as commercial. Although this is often not a common view point for sponsorship in regard to short term sales results under the promotional marketing mix commercial sponsorship must be able to contribute to corporate sales and profits. As stated by Meenaghan (1983) tobacco and alcohol focused companies often substitute mass media advertising for branded sponsorship at related activities. The expectation of increased sales is not isolated to just tobacco and alcohol based products but generally any company that sponsors activities that are closely related to their products. According to a study done by Cornelius (1979) a good example of this was brought to light, TI Raleigh a bicycle manufacturing company sponsored the Raleigh Road Racing Team in the Tour de France and saw an increase in their sales by 30% in their European market. The direct benefit or contribution of sponsorship to sales was however refuted by Buckley (1980) as he theorized that the role of sponsorship should be linked to: helping to sell the products and creating a background for brand awareness but not to direct sales.

Despite there being limited studies that have attempted to measure the effectiveness of sponsorship on sales, studies have been done to evaluate the effect of sponsorship on consumer purchase intention. A study by Pope and Voges (2000) found a positive relation between the sponsorship of sports events and the purchase intention of consumers as it boosts the corporate image

2.3 The Effect of Frequency on the Sponsorship Campaigns

Cooperate sponsorship can be continuous or a one time or one-shot expenditure. “One shot sponsorship occurs when a company invests its support in an event that occurs only once and therefore there is a lot of anticipation around the event. A continuous event is one that occurs frequently, and the sponsor’s participation is expected and a constant” (Bitz &
d’Astous, 1995, p. 8). According to Yukyoum and Hyun (2014) in their research into sponsorship effectiveness, it was noted that exposure is a key attribute to the effectiveness of a sponsorship campaign. Using the argument of the exposure effect lens, the simple process of consumers being repeatedly exposed to stimulus is likely to generate the desired response toward the sponsor and their brand image (Bornstein, 1989). There have been numerous arguments however to support one-shot sponsorship that have gained preference due to cost savings and the potential effectiveness.

2.3.1 The Effectiveness of Continuous Sponsorship

Benveniste (1988) theorized that continuous sponsorship has a greater likelihood to be effective in altering the perception of the public as it takes continuous and consistent efforts for a company to gain credibility as a sponsor. According to Lafferty and Goldsmith (2000), a company’s credibility plays one of the most significant roles in forecasting consumer attitude towards the firm and its brand offerings. This therefore implies that once the credibility has been established through the continuous sponsorship the attitude of the consumer is likely to be altered or shifted in favor of the brand.

Anantachart (2005) supports the theory that sponsorship is more efficient when the sponsorship is done on a long-term basis to ensure a slow and steady approach to the building of the brand equity. It is posited by Nickell (2011), that the longer the connection or relationship between the sponsor and the sponsored event the stronger and deeper routed the consumer attitude and identification towards the brand and its image. This therefore means that as the consumers’ familiarity with a sponsored event and the sponsor increases, so does the ease in formation of associations related to the brand and the image that the company is attempting to portray. Tsiotsou and Alexandris (2009) looked at the relationship between sponsorship and sports teams and hypothesized that team attachments that can be associated with a brand would work in strong favor of the sponsoring brand. Team attachment was viewed as the emotional and psychological connection of a team to its fans or consumers. The study revealed that individuals who had high levels of attachment to their teams of choice would attend more games and thus interact more with the brand and in the long term view the associated brand with the same attachment given to their preferred teams.
These theories support the common company allocation of resources to long term sponsorship support in order to gain a competitive advantage as these partnerships are not easily imitable by their competitors (Donlan, 2014). Meenaghan (1983) suggests that the optimum sponsorship commitment should be between three and five years. According to Sleight (1989) the first year of sponsorship should be used as the learning ground where a company would gather more information on the event, establish contacts and make their fair share of mistakes. The second year would begin to see some of the anticipated or expected benefits of sponsoring the event, by the third and fourth year the anticipated benefits should have come to actualization. According to Sleight only in the fifth year would the consumers accept the brand and directly link it to the sponsored event or activity.

In a study done using the Australian Grand Prix as a case study, Quester and Farell (1998) hypothesized that long term sponsorship could be persuasive in the view that consumers have of a brand. This is especially evident when it involves an element of patronage. Patronage especially in terms of a team or an athlete shows that the brand takes care of the athlete and aims to improve their performance. This would then make the brand look supportive, trustworthy and align itself with the consumer’s preferences.

Crompton (2004) however, argues that frequent exposure in itself is not sufficient in the measurement of effectiveness of a sponsorship campaign or whether the sponsorship information has been internalized by the consumer. Based on the frequent sponsorship of sports events this was a particularly notable aspect of the effectiveness of sponsorship campaigns. The presence of mounting clutter or numerous competing messages in the regular present-day sports events has limited the effectiveness of the sponsorship related signage (Donlan, 2014).

Crompton (1993) however highlighted three main concerns that would convince a sponsor to take up a one-shot approach rather than a longer term one. The first issue highlighted was the change in market conditions over the period of the contractual agreement. The next issue highlighted was the change in management that could perhaps inspire the change in brand direction and image creation through their external communication. Drawn out or long term partnerships or sponsorships could make the delinking of a brand from an undesirable event very difficult (Sleight, 1989). The third disadvantage is the reduction in the impact of the advert and the inability for consumers to associate the brand with their actual product offering. An example of a company that suffered this was Gillette who
provided sponsorship for sporting events for so many years that their consumers associated Gillette more with sports rather than the shavers that were their main product (Crompton 1993). Repetitive sponsorship may prove monotonous and unproductive in penetrating new markets and takes on no movement and later declining nature of effectiveness (Gratton, 1985).

2.3.2 The Effectiveness of One-Shot Sponsorship

One-shot or once off sponsorship as referred to by Meenaghan (1983) is the sponsorship of events or campaigns that happen only once. He postulates that the main benefit of once-off sponsorship is the considerable media coverage and public attention that a new or novel event possesses. He speculates that the media is more likely to cover an event that is new and unheard off as there is general public anticipation and curiosity to get information on the event or campaign. An additional reason highlighted as to why a company would choose once-off sponsorship is the alleviation of long term financial commitments that come with recurring sponsorship obligations. Meenaghan also suggested that once off sponsorship gives a company flexibility in brand association. A company can be more selective on what campaign it chooses to associate its brand to as there is no long term commitment and campaigns that do not act in favor of the desired brand image can be shed almost immediately. Way (1980) disproved the concept that one-shot sponsorship is cost effective and brought forward a study that showed that companies spend a lot more money on one-shot sponsorship. This is because companies have to spend a lot more on budgetary allocation for the numerous one-off events that they sponsor in order to gain the same coverage and publicity that would be received from continuous sponsorship.

In the study by Quester and Farrelly (1998) they set out to investigate the effectiveness of continuous sponsorship on consumer perception. The study was conducted over a period of four consecutive Australian Grand Prix events and a consumer recall of the sponsoring brands was measured. The study showed that some brands actually did better when they broke the frequency of sponsorship. For example the study looked at Kodak who had sponsored the event for three years and in the last year downgraded their involvement from a fully-fledged sponsor to a supplier. The respondents interviewed during the study reported a greater recall in the brand during the period that they broke the sponsorship. This implied that greater notice was taken when the brand moved from a fully-fledged continuous
sponsor to a sponsor supplying relevant products that had a greater effect on the ability of the consumers to recall the brand.

Television sponsorship is also considered one shot sponsorship when an organization contributes funds to the production of a program for the benefit of exposure in the form of an endorsing spot (Olson & Mathias, 2012). TV sponsorships have recently become an important source of revenue for producers especially in instances when governments such as the American government cut down funding or sponsorship for public broadcasting services. In the case of TV sponsorships the sponsor’s brand logo and a simple message are displayed for a maximum of 15 seconds before the TV program is aired or immediately after breaks. The sponsorship is not mentioned during any other broadcasting and can only be seen during the show time of the sponsored program. Often once the TV program’s airing is cut so is any promotional benefit the sponsor receives. This is often criticized when compared to TV advertising that shows regularly depending on the package paid for. Olson however hypothesized that the effectiveness of sponsored TV adverts like other modes of sponsorship strongly depend on the three main factors: high fit between the sponsor and the program, linkage between the advertisement and the sponsor program and target market interest to the program being aired. The major benefit highlighted by Erik in his research of TV sponsorship was the cost effectiveness of TV sponsorship. He estimated that the “exposure of ten seconds of TV sponsoring could be equated to the financial cost of a 30 second advertising spot reaching the same audience” (Olson & Mathias, 2012, p. 1732). The hypothesis included the sponsored production costs. This could be attractive for small businesses looking to reach a large market base but lacking the funds to pay for large advertising cost.

2.4 The Effect of the Link between the Sponsor and the Event

Fit in sponsorship is broadly defined as a strategic match between the sponsoring firm and the sponsored event (Olsen, Cudmore, & Hill, 2006). It is speculated that if the fit is high consumers experience consistency in their view and respond favorably (Boush, 1991). Meenaghan (2002) articulates that when the fit is low customers experience cognitive inconsistency which negatively affects their responses and dilution effect occurs. The relationship between the sponsorship campaign and the companies’ product offering can either attract or greatly discourage consumers from pledging their loyalty to a brand (Gross, 1987).
2.4.1 The Effectiveness of Related Sponsorship Events

Studies have highlighted that consumers look for the link between a sponsorship event and the sponsor in order to build an association (Bitz & d'Astous, 1995). As posited by Otker and Hayes (1987), the more robust or close the linkage between the sponsor and the event the more significant the impact on the image of the company. There has however been speculation that sponsorship campaigns outside of the direct company’s industry could provide access to a wider and more diverse market.

Donlan (2014) in her analysis of the factors affecting the brand building effectiveness of sponsorship highlighted that 78% brand awareness of sport’s related companies were associated with athletic sponsorship. This provides clear evidence of the very strong link between the sponsor and the sport. Smith (2004) hypothesizes that the event sponsored by a company should be significantly linked to the brand image and product offering to ensure seamless transfer of the image. While there is a strong argument for brand awareness through title sponsorship the main factor guaranteeing success of a brand is the formation of a strong sponsor-event link which creates a conducive environment and sets the platform from which sponsorship can have a significant impact on the other elements of brand equity and transfer brand associations.

Grohs (2005) conjectured that the effectiveness of a sponsorship campaign was largely tied to the fit between the sponsoring brand and the sponsored property. Theoretical models around the effectiveness of image transfer have speculated that sponsor event-fit is crucial as it is the psychological way consumers convert associations in brand communication from the sponsored events or properties. Olsen, Cudmore and Hill (2006) further cemented these research-based theories by theorizing that an indistinguishable fit between the sponsor and the sponsored event could move the consumers even further from just the basics of association to the manipulation of the consumer attitude which often registers in a positive purchase intention. The capability of high profit sponsorship programs to sway beliefs associated with the brand image, brand meaning, brand relationship and brand response are informed by Mc Cracken’s (1989) ‘Meaning Transfer Mode’. This theory stipulates that transfer from sponsoring firms to sponsored campaigns or events and the development of a collective set of associations require a foundational relationship between the two objects. High fit partnerships or parings meet the standards of the creation of a collective objective as clear connections are identified and utilized to the maximum thus reinforcing the
partners’ brand association and competitive positioning in the mind of the consumer. Low fit sponsorships according to numerous studies done tend to dilute the brand identity as there is a confusion in the messages being passed and the relationship with the two brands.

According to Yang and Ha (2015) in the case study of the Korean financial industry, sponsorship can be looked at through the lenses of branding strategy. This is because sponsorship aims to establish and cement brand equity using positive knowledge transfer of the brand between the sponsored event and the sponsoring company. Gwinner and Eaton (1999) focused on how sponsorship of an event can be looked at as a brand image building strategy. They theorized that this was possible for two reasons. The first being that sponsoring of events would lead to image transfer where the event image would determine the image of the participating sponsoring brand. The second reason further affirms the argument for sponsoring of related events as the connection between the event and the sponsoring brand would facilitate what McCracen (1989) hypothesized as brand image transfer, which builds the knowledge and understanding around a brand.

Yang and Ha through the case study concluded that image transfer provoked by marketing initiatives such as sponsorship play a crucial role in shaping brand knowledge and consumer decision making. According to Yang and Ha brand awareness in the case of a sponsored entity is the ease in recollection that consumers have in the recognition of corporate image in relation to a sponsored event or initiative. As image transfer takes into consideration two entities the fit between the two is the primary concern. They hypothesize that when the sponsor’s corporate image or identity matches that of the sponsored event congruence or a fit occurs leading the targeted consumers to encode and understand information more proficiently about the corporate image or brand. From the study carried out within Korea’s financial institution they examined the sponsorship fit to sponsored events and concluded that the greater the fit the more favorable the consumer perception of a brand.

2.4.2 The Effectiveness of Unrelated Sponsorship Events

While high fit sponsorship is generally encouraged, Meyers and Tybout (1989) argue that a moderate level of incongruence between the sponsor and the sponsored event or campaign is important and provides the consumers with an interesting perspective of the brand and greater attention is paid to this kind of sponsorship. The in congruency must however be at
a very moderate level as extreme separation between the sponsor and the sponsored event would cause the consumers to develop a negative attitude. This negative attitude is theoretically based on the forced cognitive structure change based on confusion and frustration from completely unrelated events and subject. The negative attitudes from the incongruent message would cause the consumers to mirror this negativity onto the brand and the sponsorship event as a whole. Bitz and d’Astous (1995) hypothesized that the corporate image improves as the sponsor-event link becomes stronger.

With the great advantage sponsorship has brought to the game of advertising companies that were previously barred from publicly advertising now have an avenue to bring their products to their markets these include products such as gambling, alcohol and tobacco (McDaniel & Mason, 1999). Sports events have become particularly prime ground to advertise for these socially frowned upon products due to very restrictive policies imposed by governments, as it provides an avenue to advertise without the use of the overt tools usually involved with marketing.

As highlighted in the study by Moital (2012) on India’s alcohol advertising, corporation are focused on assigning resources to sponsored events outside of their day to day activities in order to reach their focused target group whose habits have been charted in order to inform the sponsorship decision. Crompton (2015) in his journal reviewing the possible negative outcomes of linking events he adeptly stated that with the possible effect often associated with sponsorship there is the same possibility of a counter horn effect if the event is directly linked or associated with the event. He further stated the importance of close analysis of an event and the linkages with the sponsor in order to avoid the negative effects. A case of Newcastle United’s sponsored name change was highlighted in the journal. The change of name to incorporate the new owner’s equipment company in order to showcase the potential of naming rights held by the stadium had the opposite effect on the brand. Instead of encouraging loyalty the name change did not increase sales and was even greeted with outrage. It was argued that the idea to push the sports equipment would have been better placed away from an initiative that was so closely linked to a national brand and the owner’s vested interests. This clearly shows that brands may benefit from delinking their sponsorship initiatives from the causes for diversity, increased brand awareness and reduction in associated bias.
A study carried out by Yuan, Huo and Malik (2019) investigating the possibility of negative spillover effects in sports sponsorship further cemented the need for some level of incongruence between sponsoring companies and the sponsored events. The authors Yuan, Huo and Malik used Chinese businesses who sponsor sports events as a case study to investigate the effects of associated sports teams on the consumer perception of a brand. One such brand was Shenyang Kaixin a second hand sales car services company, who sponsored the Lioning Hongyun Football club. The football club performed dismally and this lead to association of Shenyang Kaixin by football fans with weakness or poor performance which lead to a very poor perception and thus reduced sales. This is a clear indication that affiliation or relation with a losing team or an unfavorable brand could negatively affect a brand equity. They spoke of the “halo” effect which is a theory that talk about the relation of one’s unknown characteristics based on associated known characteristics. The authors theorized that a team’s poor performance would act as a “halo”, negatively affecting the consumer perception of a brand in terms of qualities such as its trustworthiness, and success. For this reason Yuan, Huo and Malik speculated that a level of disassociation between a brand and the sponsored event could have a Great Wall of China effect and thus prevent direct association with the brand.

2.5 Chapter Summary

This chapter covered the literature associated with the various aspects of sponsorship and the effect it has on consumer perception. The literature centered around the significance of the link between the event and the sponsor, the effectiveness of regular versus one shot sponsorship and the various aspects included in the nature of the event and the measure on the consumer perception. The next chapter titled the research methodology will cover the: research design, the population and the various tools that will be employed in sampling, the data collection methods, research procedures and data analysis methods.
3.0 RESEARCH METHODOLOGY

3.1 Introduction

This section of the study describes the methodology that was adopted in the process of gathering data required for assessing the effect of sponsorship by oil and gas companies in Kenya on consumer perception. The research methodology covered critical components including: research design, population & sampling, data collection methods, research procedure and data analysis methods. Research methodology, can also be explored as the research philosophy, which builds the scope for the research paradigm (Mugenda & Mugenda, 2003).

3.2 Research Design

Research design is defined as the way a study is designed, which is also the method used to conduct the field survey. The study adopted the descriptive research design. Gall and Borg (2007) define descriptive research as one that looks to investigate and analyze a phenomenon and its related characteristics. Descriptive research involves qualitative collection of data that is further analyzed using quantitative tools in order to determine relationships between variables. The researcher deems this method most relevant to be applied in this study as it provided an analysis of the different variables against the consumer perception when sponsorship is applied.

3.3 Population and Sampling Design

3.3.1 Population

Population is defined as the collection of individuals or object, which are the focus of a scientific query (Cooper & Schindler, 2014). Research population is defined as a well-defined collection of individuals or objects known to have similar characteristics (Karthik, Skinner, & Kothari, 2010). The study targets motor vehicle drivers with a specific focus on USIU drivers. The targeted population are private vehicle drivers who either own or regularly drive motor vehicles and have the independence and ability to make decisions on where and when the vehicle is fueled. Screener questions in the sample tool will eliminate any individual who is not a frequent driver.
3.3.2 Sampling Design

3.3.2.1 Sampling Frame

Sampling frame is defined as the list of all eligible sampling units (Mugenda & Mugenda, 2003). Sampling frame is the set of sources material from which the sample is selected. The sample frame used in this study was the total number of USIU students at the undergraduate, graduate and doctorate level whose records were sourced from the USIU registrar.

3.3.2.2 Sampling Technique

Sampling technique is the actual process through which the entities of a sample are selected (Saunders, Lewis, & Thornhill, 2012). The study will rely on systematic sampling, according to Alvi (2016) this sample is used when the elements are relatively homogenous or similar and the sampling elements are chosen at intervals at either time or space. The researcher selected this method because with the nature of the selected population, there is no list from which to pre select the elements and this would technique would thus present the most comprehensive and inclusive way to select subjects for the study.

3.3.2.3 Sample Size

A sample size refers to the actual respondents the researcher aims to interview (Saunders, Lewis, & Thornhill, 2012). They further observed that when selecting a sample size, a researcher must ensure that the right procedures are followed so as to get the most adequate number of respondents. According to USIU’s student’s registrar, the total population of USIU students enrolled at the undergraduate, graduate and doctorate level in the summer of 2019 was 2582, with the exact numbers being 1616, 877 and 89 respectively. The researcher used this number as the population size because the number of motor vehicle drivers on campus is unknown.

The researcher used Cochran’s (1977) sample size formula to select the sample size. This formula is specifically useful when selecting a sample from a large population. The formula is:
\[
N_0 = \frac{Z^2pq}{e^2}
\]

Where:
- \(e\) is the desired level of precision which in this case is 95% 
- \(p\) is the estimated proportion with the studied attributes in this case is 0.1 
- \(q\) is 1-\(p\)

Based on this formula the sample size required for the study was 155.

### 3.4 Data Collection Methods

Primary data presents the actual information that was obtained for the purpose of the research study. A data collection instrument is a device used to collect data in an objective and a systematic manner for the purpose of the research (Saunders, Lewis, & Thornhill, 2012). Data collection instruments can be questionnaires, interviews, schedules and available records. Questionnaires are physical data collection instruments filled in by respondents for the purpose of the research study (Mugenda & Mugenda, 2003).

The main data collection instruments used to collect data was a structured questionnaire containing closed-ended questions with the quantitative section of the instrument utilizing an ordinal scale format. The ordinal format was selected because according to Cooper and Schindler (2014), this format yields equal-interval data, a fact that allows for the use of more powerful statistical tools to test research variables. According to Mugenda and Mugenda (2003) questionnaires are highly effective data collection instruments that allow respondents to give much of their opinions pertaining to the researched problem.

### 3.5 Research Procedure

It is widely recognized that research procedure is the sequence of activities that are followed when carrying out field study (Karthik, Skinner, & Kothari, 2010). The researcher sought out an official letter from USIU that was to request for a NACOSTI license that permitted data collection. The researcher then carried out a two-step pre-test process which first involved piloting the questionnaire with a small sample size between 10-15 people to highlight any changes required to the questionnaire, thereafter a reliability test using SPSS.
was carried out in order to test the reliability of the questions posed to get the required data. The results of which are presented in the table below:

**Table 3.1: Reliability Test Results**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Number of Items Measured</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Nature of Sponsorship</td>
<td>.751</td>
<td>11</td>
</tr>
<tr>
<td>The Frequency of Sponsorship</td>
<td>.727</td>
<td>13</td>
</tr>
<tr>
<td>Related versus unrelated events</td>
<td>.753</td>
<td>11</td>
</tr>
</tbody>
</table>

Upon completion of the pretest the researcher went into the field to conduct the survey, the researcher took the initiative to personally deliver the questionnaire to the respondents, with the help of research aids. The researcher provided utmost confidentiality throughout the whole process.

The field exercise involved gathering of raw primary data as the questionnaire offered first hand responses from the respondents in regards to the topic of study.

**3.6 Data Analysis Methods**

Upon completion of the field study, detailed data analysis followed. The data and information obtained through the questionnaire was first keenly checked for completeness. The questionnaires found correctly filled and fit for analysis were then coded and all the data entered into Statistical Package for Social Sciences (SPSS) (version, 20) and analyzed based on descriptive statistics. The descriptive statistics were used and included mean scores, percentages and ratios. Percentages were used to determine the level of awareness of various existing sponsorship campaigns. Mean scores were computed to establish the most popular sponsorship campaigns and thus lead to a theory on why they are popular. The study also relied on regression analysis to test the relationship between the independent and the dependent variables. The results were presented using tables for easier interpretation.
3.7 Chapter Summary

This part of the proposal explored the research methodology, which included a detailed description of the process that the researcher will undertake while conducting the field survey. The section covers the research design which the researcher adopted. The chapter has also defined the target population for this study and the sample size which is the number of participants who took part in the study. The section detailed the research procedure adopted in the course of field survey and finally highlighted the research analysis method which was applied upon completion of the field survey. The next section is chapter four, which covers data presentation and analysis.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results established from the data analysis done. This included results relating to the demography and specific research objectives aimed at establishing the effectiveness of scholarship campaigns on the consumer perception of the oil and gas industry in Kenya.

4.2 Response Rate

The research issued a total of 138 questionnaires and a total of 125 were filled and returned giving a response rate of 95%. This was sufficient for the study as indicated in Table 4.1.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and returned</td>
<td>125</td>
<td>95</td>
</tr>
<tr>
<td>Non-response</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>100</td>
</tr>
</tbody>
</table>

4.3 General and Demographic Information

The research analysed data with regard to the demographic factors and the results were presented as follows:

4.3.1 Respondents Gender

An analysis was done to establish the respondents’ distribution by gender and the results established that male students were 79 and formed the majority representing 63% of the total respondents, on the other hand female students were only 46 and represented 37% of the total respondents as shown in Figure 4.1. This implied that the research was able to acquire feedback from all genders.
4.3.2. Respondents Age Group

An analysis was done to establish the respondents distribution by age and the results established that students aged 18-25 were 22 representing 18% and those aged between 26-30 were the majority and accounted for 54% of the total. The study also revealed that respondents aged 31-35 were only 35 and represented 28% of the total respondents as shown in Figure 4.2. This implied that the research was able to acquire feedback from various age group categories.
4.3.3 Number of Visits to the Petrol Station

An analysis was also done to establish the respondents number of monthly visits to the petrol station and findings established that 41% had 1-4 visits to the petrol station on a monthly basis while 42% had 1-5 visits to the petrol. The study also revealed that 21 respondents representing 17% had more than 10 visits to the petrol station on a monthly basis as shown in Figure 4.3.

![Figure 4.3: Number of Visits to the Petrol Station](image)

4.3.4 Visit to the same Petrol Station

The study also sought to establish if respondents made a visit to the same petrol station all the time and the findings indicated that 72 respondents accounting for 58% made a regular visit to the same petrol station all the time. It was also established that 53 respondents representing 42% did not visit the same petrol station as shown in Figure 4.4.
4.3.5 Preferred Petrol Station

The study sought to establish if the respondents had a preferred petrol station for fueling and the results indicated that a majority accounting for 91% indicated that they had a preferred petrol station while only 9% had no specific preferred station as established from the respondents.
4.3.6 Reason for Preferred Station

The study sought to establish the reason for preferred station and the results revealed that a majority accounting for 40% preferred a particular petrol station because of the quality of fuel and convenient location, 28% fueled at the same petrol station because of the trust in the quality of the product and service. Similarly, 16.8% were for Friendly and hearty customer service/Good Service and 15.2% was for personal preference.

Table 4.2: Reason for Preferred Station

<table>
<thead>
<tr>
<th>variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friendly and hearty customer service/Good Service</td>
<td>21</td>
<td>16.8</td>
</tr>
<tr>
<td>Personal preference</td>
<td>19</td>
<td>15.2</td>
</tr>
<tr>
<td>Quality of fuel and convenient location</td>
<td>50</td>
<td>40</td>
</tr>
<tr>
<td>Trust in the Quality of the product and service</td>
<td>35</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>125</td>
<td>100</td>
</tr>
</tbody>
</table>

4.4 The effect of the Nature Sponsorship on Consumer Perception

The first objective was set to establish the level of respondents agreement on whether the nature of a sponsorship campaign would affect the way they viewed a brand. Using scale 1- strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree.

4.4.1 Descriptive statistics on Corporate Philanthropic Sponsorship Campaigns

Findings revealed that respondents were more likely to fuel at a petrol station that has a socially beneficial event though it has no benefit to me (mean=3.98, sd=0.746). Findings also revealed that they were likely to fuel at a petrol station that supports initiatives of benefit to society such as total’s tree planting (mean=3.88, sd=0.894). The findings also indicated that respondents had a perception that Petrol stations that advertise their products and offers using events especially sponsorship appear more dependable (mean=3.86, sd=1.073) and they think that companies that enhance societies are more reliable and do better than those that do not (mean=3.83, sd=1.162). at the same time they were more likely to fuel at a petrol station that has built awareness through sponsoring events and initiatives (mean=3.63, sd=1.429).
They however disagreed about having awareness of some of the sponsorship campaigns supported by various petrol stations (mean=2.87, sd=1.397). Result also show that majority disagreed that they are more likely to fuel at a petrol station immediately after seeing it advertised through a sponsored event such as a motor shows (mean=2.8, sd=1.391). Results also indicated that respondent disagreed that they would go out of their way to look for petrol stations that they had seen through sponsored events such as car shows (mean=2.74, sd=1.128).

Table 4.3: Descriptive statistics on Corporate Philanthropic Sponsorship Campaigns

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am aware of some of the sponsorship campaigns supported by various petrol stations</td>
<td>125</td>
<td>2.87</td>
<td>1.397</td>
</tr>
<tr>
<td>I am more likely to fuel at a petrol station that has built awareness through sponsoring events and initiatives</td>
<td>125</td>
<td>3.63</td>
<td>1.429</td>
</tr>
<tr>
<td>Petrol stations that advertise their products and offers using events especially sponsorship appear more dependable</td>
<td>125</td>
<td>3.86</td>
<td>1.073</td>
</tr>
<tr>
<td>I am more likely to fuel at a petrol station immediately after I see it advertised through a sponsored event such as a motor shows</td>
<td>125</td>
<td>2.80</td>
<td>1.391</td>
</tr>
<tr>
<td>I would go out of my way to look for petrol stations that I have seen through sponsored events such as car shows</td>
<td>125</td>
<td>2.74</td>
<td>1.128</td>
</tr>
<tr>
<td>I am likely to fuel at a petrol station that supports initiatives of benefit to society such as total’s tree planting</td>
<td>125</td>
<td>3.88</td>
<td>.894</td>
</tr>
<tr>
<td>I am more likely to fuel at a petrol station that has a socially beneficial event though it has no benefit to me</td>
<td>125</td>
<td>3.98</td>
<td>.746</td>
</tr>
<tr>
<td>I think companies that enhance societies are more reliable and do better than those that do not</td>
<td>125</td>
<td>3.83</td>
<td>1.162</td>
</tr>
</tbody>
</table>

4.4.2 Descriptive statistics on Commercial Sponsorship Campaigns

The finding revealed that many agreed that they were more likely to support a company that sponsors events that do not have direct commercial benefit to themselves but helps others (mean=4.09, sd=0.284). It was also revealed that respondents would be interested to know what sponsorship activities my petrol station of choice is involved in (mean=4.07, sd=1.009). There was uncertainty about the respondent being more loyal to a petrol station
that has sponsorship campaigns from which I could directly benefit such as discounts (mean=3.49, sd=1.09).

Table 4.4: Descriptive statistics on Commercial Sponsorship Campaigns

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am more likely to support a company that sponsors events that do not have direct commercial benefit to themselves but helps others</td>
<td>125</td>
<td>4.09</td>
<td>.284</td>
</tr>
<tr>
<td>I would be more loyal to a petrol station that has sponsorship campaigns from which I could directly benefit such as discounts</td>
<td>125</td>
<td>3.49</td>
<td>1.090</td>
</tr>
<tr>
<td>I would be interested to know what sponsorship activities my petrol station of choice is involved in</td>
<td>125</td>
<td>4.07</td>
<td>1.009</td>
</tr>
</tbody>
</table>

4.4.3 Correlation of Nature Sponsorship on Consumer Perception

A Pearson correlation analysis was utilized to establish the relationship between the dependent variable (customer perception) against nature sponsorship (r=0.768, \( p \) value = 0.006). Therefore, an increase in nature of sponsorship results into an increase in customers perception.

Table 4.5: Correlation of Nature Sponsorship on Consumer Perception

<table>
<thead>
<tr>
<th>Nature sponsorship</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.768***</td>
<td>.006</td>
<td>125</td>
</tr>
</tbody>
</table>

4.4.4 Regression Analysis of Nature Sponsorship on Consumer Perception

The research analyzed relationship between (customer perception) against nature sponsorship. The results showed that the \( R^2 \) value was 0.590 hence 59% of the variation in customer perception was explained by the variations in Nature Sponsorship as illustrated in Table 4.6
Table 4.6: Model Summary of Nature Sponsorship

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.768a</td>
<td>.590</td>
<td>.29607</td>
<td>.590</td>
<td>12.942</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), nature sponsorship

An ANOVA analysis was done between customer perception) against nature sponsorship at 95% confidence level, the F critical was 12.942 and the P value was (0.006) therefore significant the results are illustrated below in Table 4.7

Table 4.7: ANOVA of Nature Sponsorship

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1</td>
<td>1.134</td>
<td>12.942</td>
<td>.006b</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>123</td>
<td>.088</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>124</td>
<td>1.923</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: customer perception
b. Predictors: (Constant), nature sponsorship

Table 4.8: Coefficients of Nature Sponsorship

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.790</td>
<td>.559</td>
</tr>
<tr>
<td></td>
<td>nature sponsorship</td>
<td>.549</td>
<td>.153</td>
</tr>
</tbody>
</table>

a. Dependent Variable: customer perception
b. Predictors: (Constant), nature sponsorship

As per Table 4.7, the equation \( Y = \beta_0 + \beta_1X_1 \) becomes:

\[ Y = 1.790 + .549X_1 \]

Where Y is the dependent variable consumer perception

\( X_1 \) – nature sponsorship

The regression equation illustrated in Table 4.7 has established that taking all factors into account and all other factors held constant consumer perception increased by 1.790. The findings presented also showed that with all other variables held at zero, a unit change in nature sponsorship would lead to a.549 positive increase in consumer perception. All the
variables were significant (p<0.05), therefore in the equation nature sponsorship was significant in determining consumer perception.

4.5 Effectiveness of Frequent Verses One Shot Sponsorship on Consumer Perception

The second objective was set to establish the level of respondents agreement on effectiveness of frequent verses one shot sponsorship on consumer perception. Using scale 1- strongly disagree, 2-disagree, 3-moderate, 4- agree, 5- strongly agree

4.5.1 Descriptive Statistics of Effectiveness of Continuous Sponsorship

The findings revealed that there are some brands that respondents could directly relate to events because they always sponsor them (mean=4.09, sd= 0.696) and results also indicated that respondents have seen frequent sponsorship campaigns such as supporting of sports teams or games (mean=3.78, sd=0.761) and majority were aware of some sponsorship campaigns in the Kenyan oil and gas industry (mean=3.5, sd=1.082).

There was uncertainty about seeing a petrol station frequently linked to an event would encourage respondent to go and buy their products (mean=3.41, sd=0.814) or whether respondents regularly look for who sponsors an automobile event even if there are many other sponsors (mean=3.14, sd=1.24). It was also uncertain if respondent were more likely to rely on an oil and gas company that sponsors the same event e.g. motocross and rallies (mean=3.1, sd=0.995). It was also disagreed that respondents would prefer to fuel at a petrol station that sponsors events more than once a year such as car shows and rallies(mean=2.92, sd=0.997).
Table 4.9: Descriptive Statistics of Frequent Verses One Shot Sponsorship

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have seen frequent sponsorship campaigns such as supporting of sports teams or games</td>
<td>125</td>
<td>3.78</td>
<td>.761</td>
</tr>
<tr>
<td>I am aware of some sponsorship campaigns in the Kenyan oil and gas industry</td>
<td>125</td>
<td>3.50</td>
<td>1.082</td>
</tr>
<tr>
<td>I would prefer to fuel at a petrol station that sponsors events more than once a year such as car shows and rallies</td>
<td>125</td>
<td>2.92</td>
<td>.997</td>
</tr>
<tr>
<td>I am more likely to rely on an oil and gas company that sponsors the same event e.g. motocross and rallies</td>
<td>125</td>
<td>3.10</td>
<td>.995</td>
</tr>
<tr>
<td>Seeing a petrol station frequently linked to an event would encourage me to go and buy their products</td>
<td>125</td>
<td>3.41</td>
<td>.814</td>
</tr>
<tr>
<td>I would regularly look for who sponsors an automobile event even if there are many other sponsors</td>
<td>125</td>
<td>3.14</td>
<td>1.240</td>
</tr>
</tbody>
</table>

4.5.2 Descriptive Statistics of the Effectiveness of One-Shot Sponsorship

The findings indicated that once a brand is linked to a negative event I am unlikely to purchase their products (mean=4.01, sd=1.181) and an oil and gas company that sponsors many events once is more likely to get my attention than the one that only sponsors one event regularly (mean=3.65, sd=1.116). Whether a company that sponsors a T.V. program that respondent like is likely to encourage them to fuel at the petrol station (mean=3.37, sd=0.963), and continuous exposure to a brand’s sponsorship puts them off (mean=3.14, sd=0.846). Respondents disagreed that the more media attention an oil and gas company receives the more likely they were to fuel at the station (mean=2.97, sd=0.608). Results also show that respondents disagreed that they were less likely to notice the oil and gas company if it is always sponsoring the same event (mean=2.9, sd=1.322).
Table 4.10: Descriptive Statistics of the Effectiveness of One-Shot Sponsorship

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once a brand is linked to a negative event I am unlikely to purchase their products</td>
<td>125</td>
<td>4.01</td>
<td>1.181</td>
</tr>
<tr>
<td>I am less likely to notice the oil and gas company if it is always sponsoring the same event</td>
<td>125</td>
<td>2.90</td>
<td>1.322</td>
</tr>
<tr>
<td>The more media attention an oil and gas company receives the more likely I am to fuel at the station</td>
<td>125</td>
<td>2.97</td>
<td>0.608</td>
</tr>
<tr>
<td>An oil and gas company that sponsors many events once is more likely to get my attention than the one that only sponsors one event regularly</td>
<td>125</td>
<td>3.65</td>
<td>1.116</td>
</tr>
<tr>
<td>A company that sponsors a T.V. program that I like is likely to encourage me to fuel at the petrol station</td>
<td>125</td>
<td>3.37</td>
<td>0.963</td>
</tr>
<tr>
<td>Continuous exposure to a brand’s sponsorship puts me off</td>
<td>125</td>
<td>3.14</td>
<td>0.846</td>
</tr>
<tr>
<td>There are some brands that I can directly relate to events because they always sponsor them.</td>
<td>125</td>
<td>4.09</td>
<td>0.696</td>
</tr>
</tbody>
</table>

4.5.3 Correlation of Frequent Verses One Shot Sponsorship on Consumer Perception

A Pearson correlation analysis was utilized to establish the relationship between the dependent variable (customer perception) against frequent verses one shot sponsorship ($r=0.899$, $p$ value $=0.000$). Therefore, an increase in nature of sponsorship results into an increase in customers perception.

Table 4.11: Correlation of Frequent Verses One Shot Sponsorship on Consumer Perception

<table>
<thead>
<tr>
<th>Frequent verses one shot sponsorship</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.899**</td>
<td>.000</td>
<td>125</td>
</tr>
</tbody>
</table>

4.5.4 Regression Analysis of Frequent Verses One Shot Sponsorship on Consumer Perception

The research analyzed the relationship between (customer perceptions) against frequent verses one shot sponsorship. The results showed that the $R^2$ value was 0.808 hence 80.8% of the variation in customer perception was explained by the variations in frequent verses one shot sponsorship as illustrated in Table 4.12
Table 4.12: Model Summary of Frequent Verses One Shot Sponsorship

| Model | R Square | R | Adjusted R Square | Std. Error of Estimate | Square F | Change | df1 | df2 | Change
|-------|----------|---|-------------------|------------------------|----------|--------|-----|-----|--------|
| 1     | .899a    | .808| .787              | .20257                 | .808     | 37.873 | 1   | 9   | .000

a. Predictors: (Constant), frequent verses one shot sponsorship

An ANOVA analysis was done between customer perception against frequent verses one shot sponsorship at 95% confidence level, the F critical was 37.873 and the P value was (0.000) therefore significant the results are illustrated below in Table 4.13

Table 4.13: ANOVA of Frequent Verses One Shot Sponsorship

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1.554</td>
<td>1</td>
<td>1.554</td>
<td>37.873</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>.369</td>
<td>123</td>
<td>.041</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1.923</td>
<td>124</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: customer perception
b. Predictors: (Constant), Frequent Verses One Shot Sponsorship

Table 4.14: Coefficients of Frequent Verses One Shot Sponsorship

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.107</td>
</tr>
<tr>
<td></td>
<td>Frequent Verses One Shot Sponsorship</td>
<td>.786</td>
</tr>
</tbody>
</table>

a. Dependent Variable: customer perception
b. Predictors: (Constant), Frequent Verses One Shot Sponsorship

As per Table 4.14, the equation \( Y = \beta_0 + \beta_1 X_1 \) becomes:

\[ Y = 1.107 + .786X_1 \]

Where \( Y \) is the dependent variable consumer perception

\( X_1 \) – frequent verses one shot sponsorship

The regression equation illustrated in Table 4.12 has established that taking all factors into account and all other factors held constant consumer perception increased by 1.107. The findings presented also showed that with all other variables held at zero, a unit change in
frequent verses one shot sponsorship would lead to a.786 positive increase in consumer perception. All the variables were significant (p<0.05), therefore in the equation frequent verses one shot sponsorship was significant in determining consumer perception.

4.6 The Effectiveness of Related and Unrelated Events on Consumer Perception

The last objective was set to establish the level of respondents agreement on effectiveness of related and unrelated events on consumer perception. Using scale 1- strongly disagree, 2-disagree, 3-moderate, 4-agree, 5- strongly agree.

4.6.1 Descriptive Statistics of the effectiveness of related sponsorship events

Majority agreed that they also agreed that they think oil and gas companies that sponsor related events are more reliable and credible (mean= 3.82, sd=1.011) result show that they can remember at least one event that an oil and gas company has sponsored (mean= 3.77, sd=1.056). Majority also established more likely to understand what a company offers if the event is related to sponsored event (mean= 3.39, sd=0.915). In addition majority were uncertain that they are likely to fuel at a station that sponsors relevant events such as the motocross or rallies (mean= 3.29, sd=1.224).

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am likely to fuel at a station that sponsors relevant events such as the motocross or rallies</td>
<td>125</td>
<td>3.29</td>
<td>1.224</td>
</tr>
<tr>
<td>I can remember at least one event that an oil and gas company has sponsored</td>
<td>125</td>
<td>3.77</td>
<td>1.056</td>
</tr>
<tr>
<td>I am likely to fuel at petrol stations that have sponsored events at their premises</td>
<td>125</td>
<td>2.96</td>
<td>1.439</td>
</tr>
<tr>
<td>I am more likely to understand what a company offers if the event is related to sponsored event</td>
<td>125</td>
<td>3.39</td>
<td>.915</td>
</tr>
<tr>
<td>I think oil and gas companies that sponsor related events are more reliable and credible</td>
<td>125</td>
<td>3.82</td>
<td>1.011</td>
</tr>
</tbody>
</table>

4.6.2 Descriptive Statistics of the Effectiveness of Unrelated Sponsorship Events

Majority agreed that they that they don’t care if a brand supports a related activity as long as they are supporting some initiative(mean= 4.31, sd=2.585) and a company would seem more credible to me if the products were used in related activities (mean=4.12,sd=0.885)
and they are more likely to buy the products of a brand who supports their own industry events (mean=3.78, sd=1.293). It was also established that majority agree that they look for other factors to consider when considering a successful sponsored event (mean= 3.57, sd=1.042). There was uncertainty of respondents thinking oil and gas companies and the events they sponsor cannot be differentiated (mean= 3.43, sd=1.166). There was also uncertainty on respondents preferring an oil and gas company that sponsors a variety of events such just motor vehicle associated ones (mean= 3.38, sd=0.869). It was disagreed by a majority that they were likely to fuel at petrol stations that have sponsored events at their premises (mean= 2.96, sd=1.439). It was also disagreed by a majority that they recognize oil and gas companies by the campaigns they sponsor (mean=2.69, sd=0.756).

### Table 4.16 Descriptive Statistics of the effectiveness of unrelated sponsorship events

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>I think oil and gas companies and the events they sponsor cannot be</td>
<td>125</td>
<td>3.43</td>
<td>1.166</td>
</tr>
<tr>
<td>differentiated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I prefer an oil and gas company that sponsors a variety</td>
<td>125</td>
<td>3.38</td>
<td>.869</td>
</tr>
<tr>
<td>of events not just motor vehicle associated ones</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I look for other factors to consider when considering a successful</td>
<td>125</td>
<td>3.57</td>
<td>1.042</td>
</tr>
<tr>
<td>sponsored event</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I recognize oil and gas companies by the campaigns they sponsor</td>
<td>125</td>
<td>2.69</td>
<td>.756</td>
</tr>
<tr>
<td>I don’t care if a brand supports a related activity as long as they are</td>
<td>125</td>
<td>4.31</td>
<td>2.585</td>
</tr>
<tr>
<td>supporting some initiative</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A company would seem more credible to me if the products were used in</td>
<td>125</td>
<td>4.12</td>
<td>.885</td>
</tr>
<tr>
<td>related activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am more likely to buy the products of a brand who supports their own</td>
<td>125</td>
<td>3.78</td>
<td>1.293</td>
</tr>
<tr>
<td>industry events</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 4.6.3 Correlation of Related and Unrelated Events on Consumer Perception

A Pearson correlation analysis was utilized to establish the relationship between the dependent variable (customer perception) against related and unrelated events ($r=0.789, p\text{ value} = 0.004$). Therefore, an increase in related and unrelated events results into an increase in customers perception.
Table 4.17: Correlation of Related and Unrelated Events on Consumer Perception

<table>
<thead>
<tr>
<th>Related and Unrelated Events</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.785**</td>
<td>.004</td>
<td>125</td>
</tr>
</tbody>
</table>

4.6.4 Regression Analysis of Related and Unrelated Events on Consumer Perception

The research analyzed relationship between (customer perception) against frequent verses one shot sponsorship. The results showed that the $R^2$ value was 0.808 hence 80.8% of the variation in customer perception was explained by the variations in frequent verses one shot sponsorship as illustrated in Table 4.17

Table 4.18: Model Summary of Related and Unrelated Events Sponsorship

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>R Square</th>
<th>Std. Error of R Square</th>
<th>Change F</th>
<th>Change df1</th>
<th>df2</th>
<th>Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>.616</td>
<td>.573</td>
<td>28665</td>
<td>14.408</td>
<td>1</td>
<td>124</td>
<td>.004</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Related and Unrelated Events

An ANOVA analysis was done between customer perception against Related and Unrelated Events Sponsorship at 95% confidence level, the F critical was 14.408 and the P value was (0.004) therefore significant the results are illustrated below in Table 4.18

Table 4.19: ANOVA of Related and Unrelated Events Sponsorship

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1.184</td>
<td>1</td>
<td>1.184</td>
<td>14.408</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>.739</td>
<td>124</td>
<td>.082</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1.923</td>
<td>125</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: customer perception
b. Predictors: (Constant), Related and Unrelated Events Sponsorship
Table 4.20: Coefficients of Related and Unrelated Events Sponsorship

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.823</td>
</tr>
<tr>
<td>Related and Unrelated Events Sponsorship</td>
<td>.777</td>
<td>.205</td>
</tr>
</tbody>
</table>

a. Dependent Variable: customer perception
b. Predictors: (Constant), Frequent Versus One Shot Sponsorship

As per Table 4.19, the equation \( Y = \beta_0 + \beta_1 X_1 \) becomes:

\[ Y = .823 + .777X_1 \]

Where \( Y \) is the dependent variable consumer perception

\( X_1 \) – Related and Unrelated Events Sponsorship

The regression equation illustrated in Table 4.19 has established that taking all factors into account and all other factors held constant consumer perception increased by .823 The findings presented also showed that with all other variables held at zero, a unit change in Related and Unrelated Events Sponsorship would lead to a .777 positive increase in consumer perception.

4.7 Chapter Summary

This chapter has highlighted results and findings. The first section provided an analysis of demographic data of the respondents, the second section dealt with data on nature sponsorship, the third section looked at the data on frequent verses one shot sponsorship, and the fourth section covered issues of related and unrelated events. In chapter five this results will be discussed and relevant conclusions and recommendations made with regard to effectiveness of scholarship campaigns on the consumer perception of the oil and gas industry in Kenya.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter consists of the summary of the study, discussions of the results and findings expressed in the studies literature review in Chapter two. This chapter further highlights the major conclusions of the study extracted from the studies analysis as well as presents the recommendations for further studies that can be conducted around some of the key gaps highlighted in the course of the study.

5.2 Summary

This study looked to analyze the effectiveness of sponsorship campaigns on the consumer perception of a brand with a specific focus on Kenya’s oil and gas industry. The study as centered around the following three objectives: to determine the effect of the nature of sponsorship on the perception of the consumers, to measure the effectiveness of frequent sponsorship versus one shot sponsorship on the consumer perception and to evaluate the impact of directly related sponsorship campaign verses unrelated sponsorship campaigns on consumer perception. The researcher aimed at providing key insight on this topic to marketing firms with a specific focus on the Kenyan consumers, researchers and academicians and businesses within the oil and gas sector.

The study employed the descriptive research design to investigate if at all sponsorship has an effect on consumer perception and what factors based on the objectives would influence a positive consumer perception on a brand. This research design was selected as there existed very little research done prior to this on the oil and gas industry and the researcher deemed it crucial to describe the existing variables and the possible effect they have on the conceptual framework. A sample of 155 respondents was selected based on the total USIU summer 2019 population of 2835. A total of 138 tools were administered and 125 were returned dully filled and useful for the study. The researcher used systematic sampling to gather the data with one out of every three motor vehicle drivers physically selected. The primary data gathered from the respondents was done so through structured questionnaires with the use of both open ended and closed ended questions. The questionnaires were
administered both physically and electronically to allow broad collection of data. As highlighted above the data was analyzed using descriptive methods and inferential methods with the findings presented in tabular form and the use of figures.

The field research captured data from a total sample of 125 respondents, of this 63% identified as male while 46% were female. This therefore means that a majority of the drivers who took part in this study were male, the information however gathered information from both genders ensuring that both perspectives were covered. The study also gathered data from different age groups, 18-25 represented 18% of the sample, 26-30 accounted for 54% while 31-35 represented 28% of the sample size. The percentages represented by the age groups may be due to the fact that majority of the motor vehicle drivers in USIU are masters students and therefore own or regularly drive vehicles, this would explain the 54% in the age group of 26-30, which would be the dominant age group of master students. The study further indicated that 41% of the sample made 1-4 visits monthly to petrol stations while another 42% made between 5-10 visits and only 17% made more than ten monthly visits to petrol stations. From the study it was evident that motor vehicle drivers make conscious decisions about the petrol stations they fuel at as 91% of the sample indicated that they had preferred stations they fuel at while only 9% having no preference. This indicates the existence of brand loyalty in majority of the sample to specific petrol station brands.

The researcher attempted to understand the general factors that caused individuals to choose on brand over another. Majority of the respondents indicated that they preferred one petrol station over another due to the quality of the fuel and the convenience of location, 28% indicated that the trust in just the quality of the product and service was a huge factor of consideration while the minority indicated friendly and hearty customer service and personal preference which were individual factors.

The descriptive findings of the first objective around the nature of sponsorship on consumer perception revealed that many agreed that they were more likely to support a company that sponsored events that do not have direct commercial benefit to themselves but help others in the community. The general opinion was that the respondents would be interested to know what sponsorship activities their petrol station of choice is involved in. It was also indicative that respondents were more likely to fuel at a petrol station that had a socially
beneficial event though it has no benefit to them directly. The findings around the first objective also indicated that respondents had a perception that petrol stations that advertise their products and offers using events especially sponsorship appear more dependable and consider companies that enhance societies are more reliable and are financially superior to the ones that do not. Respondents agree that they were more likely to fuel at a petrol station that has built awareness through sponsoring events and initiatives as this boosts the brand image.

There was uncertainty about the respondent being more loyal to a petrol station that has sponsorship campaigns from which they could directly benefit such as discounts or other promotional tools. They however disagreed about having awareness of some of the sponsorship campaigns supported by various petrol stations. Results also showed that majority disagreed that they were more likely to fuel at a petrol station immediately after seeing it advertised through a sponsored event such as a motor shows. The study done further indicated that respondents disagreed that they would go out of their way to look for petrol stations that they had seen through sponsored events such as car shows.

The second objective focused on frequent versus one shot sponsorship. The findings revealed that there are some brands that respondents could directly relate to events because they always sponsor them and once a brand was linked to a negative event they are unlikely to purchase their products. This indicates that consumers do actually notice sponsorship campaigns and these would have an effect on the perception they hold of a brand. The study also indicated that respondents have seen frequent sponsorship campaigns such as supporting of sports teams or games and an oil and gas company that sponsors many events once is more likely to get their attention than the one that only sponsors one event regularly. Majority of the respondents were aware of some sponsorship campaigns in the Kenyan oil and gas industry.

There was uncertainty about seeing a petrol station frequently linked to an event that would encourage respondent to go and buy their products or whether a company that sponsors a T.V. program that a respondent likes is likely to encourage them to fuel at the petrol station. There was uncertainty about respondents regularly looking for who sponsors an automobile event even if there are many other sponsors or whether continuous exposure to a brand’s sponsorship puts them off. It was also uncertain if respondents were more likely to rely on
an oil and gas company that sponsors the same event e.g. motocross and rallies. Respondents disagreed that the more media attention an oil and gas company received the higher the likelihood they were to fuel at the station, this supports the argument of consumer fatigue. It was also largely disagreed that respondents would prefer to fuel at a petrol station that sponsors events more than once a year such as car shows and rallies.

The third objective was around the effectiveness of related versus unrelated events. Majority of the respondents agreed that they don’t care if a brand supports a related activity as long as they are supporting some initiative. They agreed that a company would seem more credible to them if the products were used in related activities and they are more likely to buy the products of a brand who supports their own industry events. While many could remember at least one event that an oil and gas company had sponsored. It was also established that majority of the respondents agree that they look for other factors to consider when considering a successful sponsored event. There was uncertainty of respondents who thought that oil and gas companies and the events they sponsor cannot be differentiated. Majority also established that they are more likely to understand what a company offers if the event is related to sponsored event.

There was also uncertainty on respondents preferring an oil and gas company that sponsors a variety of events not just motor vehicle associated ones. In addition majority of the respondents were uncertain if they were likely to fuel at a station that sponsors relevant events such as the motocross or rallies. It was disagreed by a majority that they were likely to fuel at petrol stations that have sponsored events at their premises.

5.3 Discussion

This following section represents the inferential findings of the study

5.3.1 The Effect of the Nature of Sponsorship on Consumer Perception

The inferential statistics utilized for this study revealed that there is sufficient correlation between the dependent variable which in this case is the customer perception and the nature of sponsorship. According to the Pearson correlation analysis ($r=0.768$, $p$ value = 0.006) this therefore means an increase in nature of sponsorship results in an increase in customers’ positive perception. Using the regression analysis the $R^2$ value was 0.590 hence
59% of the variation in customer perception was explained by the variations in the nature of sponsorship. This therefore clearly illustrates that the nature of sponsorship has a direct correlation to consumer perception. Despite there being limited studies that have attempted to measure the effectiveness of sponsorship on sales, studies have been done to evaluate the effect of sponsorship on consumer purchase intention.

A study by Pope and Voges (2000) found a positive relation between the sponsorship of sports events and the purchase intention of consumers as it boosts the corporate image. This is evident in the study and proves that sponsorship benefits are not just limited to the sports sector. The direct benefit or contribution of sponsorship to sales was refuted by Buckley (1980) as he theorized that the role of sponsorship should be linked to: helping to sell the products and creating a background for brand awareness but not to direct sales. Kramer and Porter (2002) further support the view that corporate philanthropy is giving with the expectation of getting in return, he postulates that corporations only support moral values or initiatives that accentuate or enhance their competitive advantage. They claim that an accurate test for a good philanthropic initiative is whether the desired social change has such significant value to the company that even if no one outside of the company ever knew of their support of it the organization would still pursue the initiative.

Godfrey (2005) however contradicted this by theorizing that non-reciprocity is a crucial necessity to corporate philanthropy. This therefore means that an initiative cannot be considered philanthropic unless the company does not expect any returns. According to this study it is evident that philanthropic initiatives have a greater effect on the perception held by the target audience. The respondents indicated that they did not particularly care what initiative the organization is funding as long as it has significant benefit to the community. The benefits achieved from corporate philanthropy can be tangible or measurable such as a better position in the market or intangible though the acquiring of moral capital from the necessary stakeholders (Godfrey, 2005). Saiia (2003) highlighted the importance of strategic philanthropy as it is a priceless business opportunity that involves the allocation of corporate resources to meet the non-business community issues or needs but also strengthen the bottom line or company positioning. This is clearly the case when looking at the inferential statistics, change in the nature of sponsorship would lead to a significant effect on the consumer perception.
Commercial sponsorship is the providing of material or financial backing for some independent activity which is not directly reliant on the furthering of the company’s commercial goals but from which the supporting company might reasonably expect to gain commercial benefit (Acumen, 1972). This idea despite vaguely mentioning the commercial benefits was however refuted solely based on the fact that it mentioned independent activities did not appear to be of particular interest to the respondents of the study. Sales related commercial sponsorship was investigated in the study and it was evident that sponsorship initiatives did not directly influence individuals to purchase the associated products. The fulfilling of sales objectives is another factor that classifies a company’s sponsorship as commercial. Although this is often not a common view point for sponsorship in regard to short term sales results under the promotional marketing mix commercial sponsorship must be able to contribute to corporate sales and profits.

5.3.2 The Effectiveness of Frequency of Sponsorship on Consumer Perception

This study employed inferential statistics to establish the relationship between the dependent variable against frequent versus one shot sponsorship. The r value calculated using the Pearson correlation analysis method was 0.899 therefore implying that an increase in the frequency of sponsorship results in an increase in consumer perception. Regression analysis was also used in order to analyze the relationship between consumer perception and frequency of sponsorship campaigns the $R^2$ value generated was 80.8% explaining the effect of variations in frequency on consumer perception. The regression equation used established that taking all factors into account and all other factors held constant consumer perception increased by 1.107.

The findings presented also showed that with all other variables held at zero, a unit change in frequency in sponsorship would lead to a 0.786 positive increase in consumer perception. Anantachart (2005) supports the theory that sponsorship is more efficient when the sponsorship is done on a long-term basis to ensure a slow and steady approach to the building of the brand equity. It is posited by Nickel, Cornwell and Johnston (2011) that the longer the connection or relationship between the sponsor and the sponsored event the stronger and deeper routed the consumer attitude and identification towards the brand and its image. This therefore means that as the consumers’ familiarity with a sponsored event
and the sponsors increase, so does the ease in formation of associations related to the brand and the image that the company is attempting to portray. These theories support the common company allocation of resources to long term sponsorship support in order to gain a competitive advantage as these partnerships are not easily imitable by their competitors (Donlan, 2014). Meenaghan (1983) suggests that the optimum sponsorship commitment should be between three and five years.

In a study done using the Australian Grand Prix as a case study, Quester and Farrelly (1998) hypothesized that long term sponsorship could be persuasive in the view the consumers have of a brand. This is especially evident when it involves an element of patronage. Patronage especially in terms of a team or an athlete shows that the brand takes care of the athlete and aims to improve their performance. This would then make the brand look supportive, trustworthy and align itself with the consumer’s preferences. This theory was evident in this study as consumers trusted brands that they linked more with a particular initiative especially if it was one of significant benefit to those around them. In the study by Quester and Farrelly they also set out to investigate the effectiveness of continuous sponsorship on consumer perception similar to this study. The study was conducted over a period of four consecutive Australian Grand Prix events and a recall of the sponsoring brands was measured. The study showed that some brands actually did better when they broke the frequency of sponsorship. For example the study looked at Kodak who had sponsored the event for three years and in the last year downgraded their involvement from a fully-fledged sponsor to a supplier.

The respondents interviewed during the study reported a greater recall in the brand during the period that they broke the sponsorship. This implied that greater notice was taken when the brand moved from a fully-fledged continuous sponsor to a sponsor supplying relevant products that had a greater effect on the ability of the consumers to recall the brand. Meenaghan (1983) further supported this argument by suggesting that one off sponsorship gives a company flexibility in brand association. A company can be more selective on what campaign it chooses to associate its brand to as there is no long term commitment and campaigns that do not act in favor of the desired brand image can be shed almost immediately.
Way (1980) disproved the concept that one-shot sponsorship are cost effective and brought forward a study that showed that companies spend a lot more money on one-shot sponsorship. This is because companies have to spend a lot more on budgetary allocation for the numerous one-off events that they sponsor in order to gain the same coverage and publicity that would be received from continuous sponsorship. As illustrated in the study a brand’s image could have significant effect on the perception consumers have of it and attachment to a negative event would negatively affect consumer perception.

5.3.3 The Impact of Related Versus Unrelated Sponsorship Campaigns on Consumer Perception

On the final objective the findings from the study inferential statistics reveal that there was a sufficient correlation in the relationship between event relatedness and consumer perception. Using the Pearson correlation analysis the r value presented was 0.789 indicating that there is a strong relationship between the two. The results from the regression analysis showed that the $R^2$ value was 0.808 hence 80.8% of the variation in customer perception was explained by the variations in frequency of sponsorship. The findings presented also showed that with all other variables held at zero, a unit change in the relationship between the event and the sponsoring brand would lead to a 0.777 positive increase in consumer perception.

These findings are supported by Otker and Hayes (1987), who presented that the stronger the link between the sponsor and the event the greater the impact on the image and therefore brand equity of the company. There has however been speculation that sponsorship campaigns outside of the direct company’s industry could provide access to a wider and more diverse market.

Donlan (2014) in her analysis of the factors affecting the brand building effectiveness of sponsorship highlighted that 78% brand awareness of sport’s related companies were associated with athletic sponsorship. This provides clear evidence of the very strong link between the sponsor and the sport. Smith (2004), hypothesizes that the event sponsored by a company should be significantly linked to the brand image and product offering to ensure seamless transfer of the image. Grohs (2005) conjectured that the effectiveness of a sponsorship campaign was largely tied to the fit between the sponsoring brand and the
sponsored property. Theoretical models around the effectiveness of image transfer have speculated that sponsor event-fit is crucial as it is the psychological way consumers convert associations in brand communication from the sponsored events or properties. Olsen, Cudmore and Hill (2006) further cemented these research-based theories by theorizing that an indistinguishable fit between the sponsor and the sponsored event could move the consumers even further from just the basics of association to the manipulation of the consumer attitude which often registers in a positive purchase intention.

The capability of high profit sponsorship programs to sway beliefs associated with the brand image, brand meaning, brand relationship and brand response are informed by McCracken’s (1989) ‘Meaning Transfer Mode’. This theory stipulates that transfer from sponsoring firms to sponsored campaigns or events and the development of a collective set of associations require a foundational relationship between the two objects. High fit partnerships or parings meet the standards of the creation of a collective objective as clear connections are identified and utilized to the maximum thus reinforcing the partners’ brand association and competitive positioning in the mind of the consumer (Olsen, Cudmore, & Hill, 2006). Low fit sponsorships according to numerous studies done tend to dilute the brand identity as there is a confusion in the messages being passed and the relationship with the two brands. This study showed that high fit sponsorship lead to a greater understanding of the brand and the products being sold, it highlighted that there is greater association and trust when a brand sponsors events that have high a fit with their core business.

The respondents however presented uncertainty about the correlation of brands and the campaigns already sponsored this may then lend a hand to the argument presented by Meyers and Tybout (1989) argue that a moderate level of incongruence between the sponsor and the sponsored event or campaign is important and provides the consumers with an interesting perspective of the brand and greater attention is paid to this kind of sponsorship. The incongruency must however be at a very moderate level as extreme separation between the sponsor and the sponsored event would cause the consumers to develop a negative attitude. This negative attitude is theoretically based on the forced cognitive structure change based on confusion and frustration from completely unrelated events and subject. The negative attitudes from the incongruent message would cause the consumers to mirror this negativity onto the brand and the sponsorship event as a whole.
While both the arguments may hold water the findings of this study clearly highlight the need for some level of relation in the event sponsored and the sponsoring brand.

5.4 Conclusions

5.4.1 The Effect of the Nature of Sponsorship on Consumer Perception

The findings from the study inferential statistics reveal that the there was a sufficient correlation between the item of the variables of the study. Using Pearson and Regression analysis methods utilized the findings revealed that there is sufficient correlation between the dependent variable which in this case is the customer perception and the nature of sponsorship. This therefore means the nature of a sponsorship campaign has a significant impact on the perception consumers hold of a brand. The selection of either commercial or philanthropic sponsorship should however be in line with the company objectives as the nature of sponsorship would affect the perception held by consumers.

5.4.2 The Effect of Sponsorship Frequency on Consumer Perception

The findings from the study’s statistical analysis revealed that the there was a sufficient correlation between the item of the variables of the study. Through the use of regression analysis consumer perception against frequent verses one shot sponsorship, the results indicate that the $R^2$ value was 0.808 hence 80.8% of the variation in customer perception was explained by the variations in frequent verses one shot sponsorship. This therefore means that the higher the frequency the more significant the change in consumer perception.

5.4.3 The Impact of Related Versus Unrelated Sponsorship Campaigns

The findings from the study inferential statistics reveal that the there was a sufficient correlation between the item of the variables of the study. The brand should therefore look very closely into the evaluation of their sponsorship options when considering the relationship with the sponsored events. As the study has revealed too close a relationship could have a devastating effect on the consumer perception while too large the congruence could lead to confusion on the part of the consumers.
5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 The Effect of the Nature of Sponsorship on Consumer Perception

As reflected throughout the study, it is evident that the nature of sponsorship plays a significant role in the perception consumers have of the sponsoring oil and gas companies. The study recommends that marketing managers and strategists within the different oil and gas companies pay close attention to the effect the nature of the sponsorship campaign have on the perception of the brand. It was evident from the responses received that most consumers have little knowledge of the sponsorship campaigns run by their oil and gas companies of choice but would however be interested to know about them. The study also recommends that extensive marketing campaigns should be run to increase awareness of the different sponsorship campaigns in order to maximize the benefit drawn.

5.5.1.2 The Effect of Sponsorship Frequency on Consumer Perception

The study findings revealed that frequency does have an effect on sponsorship, meaning the more frequent the sponsorship the more likely the shift in consumer perception. This is crucial when considering a sponsorship strategy. As highlighted in previous studies other factors such as price should be considered when marketers are selecting the frequency of a campaign and target audience. It was however very evident that frequency significantly affected the consumer perception and therefore should be a significant factor when sponsorship is being considered.

5.5.1.3 The Impact of Related Versus Unrelated Sponsorship Campaigns on Consumer Perception

The findings and analysis revealed that while consumers had little knowledge of the sponsorship campaigns run by their preferred petrol stations/oil and gas companies they thought that companies that supported initiatives within their own sector were more reliable and credible. This is important for marketing strategists as it helps in educating their consumers on what products they offer and how they can be optimally used. Brands or in this case oil and gas companies should use this strategy very carefully as it was evident that
a close sponsorship relationship with a negative event could do more harm than good to a company.

5.5.2 Recommendations for Further Research

The research solely focused on the USIU population enrolled during the summer semester which provided a good basis for a relatively unexplored topic, however inclusion of the larger general population in Kenya would provide a larger pool from which to source for views around sponsorship campaigns and their effectiveness. This would therefore provide a good basis for marketers to present the benefits of sponsorship on consumer perception to brands in order to maximize on the available opportunities.
REFERENCES


Mohammed Rafiq, P. K. (n.d.). Using the 7ps as a generic marketing mix. *Marketing intelligence and P*.


APPENDICES

Appendix I: NACOSTI Research Permit

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Ref. No. NACOSTI/P/19/31996/31896

Date: 15th August, 2019

Natasha Gizemba Haavi
United States International University
P.O. Box 14634- 00800
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “The effect of sponsorship on consumer perception in Kenya’s oil and gas sector,” I am pleased to inform you that you have been authorized to undertake research in Nairobi County for the period ending 15th August, 2020.

You are advised to report to the County Commissioner, and the County Director of Education, Nairobi County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The said copy of the same should be submitted through the Online Research Information System.

GODFREY P. KALERWA, MSc, MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Nairobi County.

The County Director of Education
Nairobi County.
Appendix II: Informed Consent and Cover Letter

Dear Sir/ Madam

RE: REQUEST TO PARTICPATE IN MY RESERACH

My name is Natasha Haavi, a postgraduate student at USIU-Africa undertaking Master of Business Administration. As a part of my graduation requirements I am to complete a research thesis. I’m carrying out AN INVESTIGATION INTO THE EFFECT OF SPONSORSHIP ON CONSUMER PERCEPTION IN THE OIL AND GAS INDUSTRY.

You have been chosen to participate in the study. I kindly request you to answer the questionnaire as appropriately as possible. Participation is voluntary. Your honesty will be highly appreciated. Do not indicate your name on the questionnaire. The information provided will only be used for academic purposes and it will be kept confidential.

The questionnaire has 4 parts and should take about 30 minutes of your time to complete.

Thank you for your cooperation

Natasha Haavi
I………………………. agree to participate in research on THE EFFECT OF SPONSORSHIP ON CONSUMER PERCEPTION IN THE OIL AND GAS INDUSTRY. I fully understand what the study is about. Moreover, I am ready to withdraw from the study at any time without recursion. I have been assured of confidentiality.

Signed……………………………

Witness……………………………
Appendix III: Questionnaire

Part A: General Information
Kindly tick appropriately
1. What is your gender?

Male ( ) Female ( )

2. What is your age group?

18 – 25 years ( ) 26 – 30 years ( )
31 – 35 years ( ) 36 – 40 years ( )
41 – 50 years ( ) above 50 years ( )

4. How many times a month do you visit a petrol station?

1 – 4 times ( ) 5 – 10 times ( )
More than 10 times ( )
Not often ( )

5. Do you visit the same petrol station and its branches every time you fuel?

Yes ( )
No ( )

6. Is there a specific reason you visited this petrol station and this branch today?

Yes ( )
No ( )

7. If yes please specify the reason
________________________________________________________________________
________________________________________________________________________

____
8. What is your level of agreement on the following statements on whether the nature of a sponsorship campaign would affect the way you view a brand? Using scale 1- strongly disagree, 2-disagree, 3-moderate, 4- agree, 5- strongly agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am aware of some of the sponsorship campaigns supported by various petrol stations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am more likely to fuel at a gas station who have built awareness through sponsoring events and initiatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petrol stations that advertise their products and offers using events especially sponsorship appear more dependable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am more likely to fuel at a petrol station immediately after I see it advertised through a sponsored event</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would go out of my way to look for petrol stations that I have seen through sponsored events such as car shows</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am likely to fuel at a petrol station that supports initiatives of benefit to society</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am more likely to fuel at a petrol station that has a foundation event though it has no benefit to me</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I think companies that enhance societies are more reliable and do better than those that do not</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am more likely to support a company that sponsors events that do not have direct commercial benefit to them</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would be more loyal to a petrol station that has sponsorship campaigns from which I could directly benefit such as discounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would be interested to know what sponsorship activities my petrol station of choice is involved in</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Part C: The effectiveness of Frequent Verses One Shot Sponsorship on Consumer Perception

9. What is your level of agreement on the following statements on whether frequent sponsorship campaigns as opposed to one shot sponsorship would affect the way you view a brand? Using scale 1- strongly disagree, 2-disagree, 3-moderate, 4- agree, 5- strongly agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>1</th>
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<tbody>
<tr>
<td>I have seen frequent sponsorship campaigns such as supporting of sports teams or games</td>
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<tr>
<td>I am aware of some sponsorship campaigns in the Kenyan oil and gas industry</td>
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<td>I would prefer to fuel at a petrol station that sponsors events more than once a year (such as car shows or rallies)</td>
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<tr>
<td>I am more likely to rely on an oil and gas company that sponsors the same event (e.g. motocross, marathons)</td>
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<tr>
<td>Seeing a petrol station frequently linked to an event would encourage me to go and buy their products</td>
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<td>I would regularly look for who sponsors an automobile event even if there are many other sponsors</td>
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<tr>
<td>Once a brand is linked to a negative event I am unlikely to purchase their products</td>
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<td>I am less likely to notice the oil and gas company if it is always sponsoring the same event</td>
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<tr>
<td>The more media attention an oil and gas company receives the more likely I am to fuel at the station</td>
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<tr>
<td>An oil and gas company that sponsors many events once is more likely to get my attention than the one that only sponsors one event regularly</td>
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<tr>
<td>A company that sponsors a T.V. program that I like is likely to encourage me to fuel at the petrol station</td>
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<tr>
<td>Continuous exposure to a brand’s sponsorship puts me off</td>
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There are some brands that I can directly relate to events because they always sponsor them.

Part C: The Effectiveness of Related and Unrelated Events on Consumer Perception

10. What is your level of agreement on the following statements on whether the close connection between a sponsorship campaign and the company would affect the way you view a brand? Using scale 1- strongly disagree, 2-disagree, 3-moderate, 4- agree, 5- strongly agree

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<tr>
<td>I am likely to fuel at a station that sponsors relevant events such as the motocross or rallies</td>
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<tr>
<td>I can remember at least one event that an oil and gas company has sponsored</td>
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<tr>
<td>I am likely to fuel at petrol stations that have sponsored events at their premises</td>
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<td>I am more likely to understand what a company offers if the event is related to sponsored event</td>
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<td>I think oil and gas companies that sponsor related events are more reliable and credible</td>
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<tr>
<td>I think oil and gas companies and the events they sponsor cannot be differentiated</td>
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<tr>
<td>I prefer an oil and gas company that sponsors a variety of events such just motor vehicle associated ones</td>
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<td>I look for other factors to consider when considering a successful sponsored event</td>
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<td>I recognize oil and gas companies by the campaigns they sponsor</td>
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<td>I don’t care if a brand supports a related activity as long as they are supporting some initiative</td>
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<td>A company would seem more credible to me if the products were used in related activities</td>
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<td>A brand would seem more widespread to me if they support a wide array of initiatives</td>
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<td>I am more likely to buy the products of a brand who supports their own industry events</td>
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<td>I prefer companies that go the extra mile to sponsor campaigns that are of interest to me whether they are related or not</td>
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