

CHAPTER I

INTRODUCTION

A. Background

The relationship between sport and business is a close interrelationship between these two fields where sport becomes a business subject or becomes an instrument to achieve certain business goals. This includes various aspects, including marketing, sponsorship, advertising, event management, and the sale of sport-related products. According to (Pitts, 2016) the relationship between sport and business has become increasingly important in recent decades. In addition, (Mullin, Hardy, & Sutton, 2014) provides a deep insight into the relationship between sport and business. They discuss various marketing strategies used in the context of sport, such as branding, sponsorship, and event management. The book also discusses how sport can be an effective platform for building relationships with consumers and increasing brand awareness. Therefore, the relationship between sport and business encompasses various aspects that involve using sport as a tool to achieve business objectives, whether in the context of marketing, sponsorship or brand development. According to Mullin, the sport of football has the closest relationship with business, mainly due to its wide popularity around the world. Not only is football a fun sport to enjoy, but it is also one of the major industries that affects the global economy in many ways.

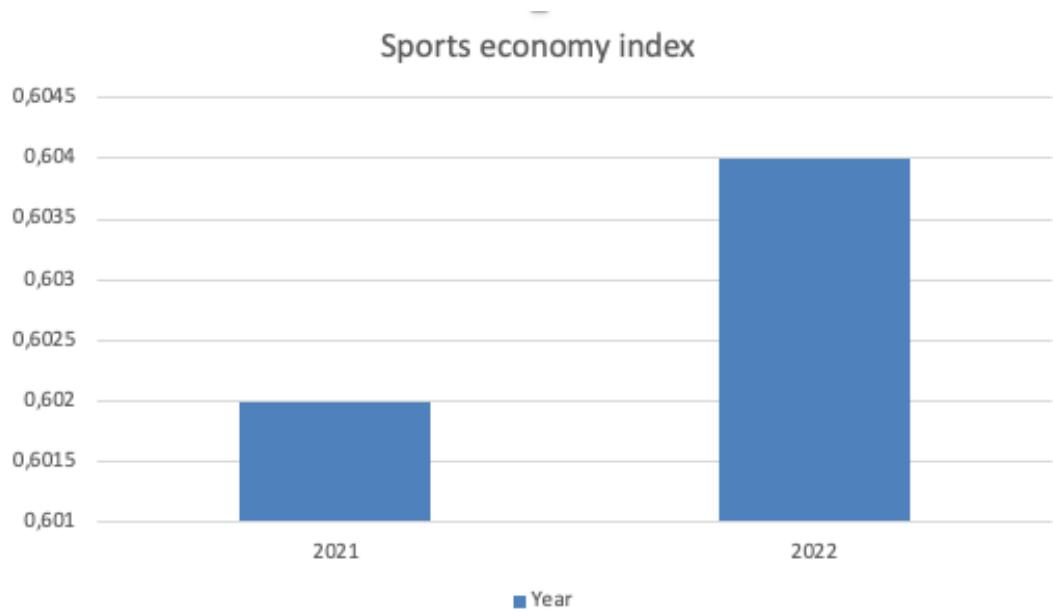


Figure 1. 1 Index of sports economy in Indonesia in 2022

Source: Sport Development Index (SDI) 2022

Based on Figure 1.1 the increase may not seem like much, but it is significant considering the unstable global economic development. There are at least three key aspects of sports-driven economic progress that pose a major challenge. First, recognizing the specific value and unique potential of sporting activities. Second, sports-driven economic progress through a touch of synergy policy on the economic ecosystem and sports in a multi-scope and multi-directorial manner. Third, the growth of the sports economy is required by the growth in the number of people participating in sports. High participation will certainly boost the volume of demand for goods and services. This means that increasing the composition of Indonesian people who participate will trigger the inevitability of demographic capital, which is the dominant factor in the Indonesian economy.

Several important things related to the detection of the economic dimension of sports have been carried out by the Central and regional SDI Teams in 2022. The economic dimension that uses the sports goods and services expenditure parameter can be an explanation of the common thread between the economy and sports, as well as an entry point for various efforts to drive the economy through sports, especially referring to the perspective of sports goods and services expenditure on society. A comparison of economic indices based on spending on goods and services can be measured.

Sports are now becoming a promising new field, as seen in the sport of football (Silva, 2022). It is undeniable that football has undergone a very rapid industrialization process. Football is no longer just a sport. A popular, criticism made by fans and pundits alike is that "football today is not a sport anymore, it's a business" (Jones, 2012). Football now is an economic, cultural, and social entity that controls the lives of many Fields (Pandit football.com, 2017). In the development of football, the economic sector is indispensable for developing a team. Therefore, football and business are now inseparable. The business side of football has expanded to encompass various streams of revenue such as television rights, stadium naming rights, and sponsorships (Silva, 2020).

One form of football business is sponsorship. The goal of sponsorship is to increase sales, brand recognition, and brand image, and also develop consumer loyalty to the brand (Parganas, Papadimitriou,

Anagnostopoulos, & Theodoropoulos, 2017). Sports sponsorship has a wide market. The reason is that football, a spectator-based sport, has received high mainstream media exposure, providing an attractive way for sponsors to engage with specific audiences (Eddy & Cork, 2019). This sponsorship activity establishes cooperation with football teams through special negotiations and agreements. Sports sponsorship is also deliberately instrumental in creating impressive revenues for sports clubs and leagues (Koronios, Travlos, Douvis, & Papadopoulos, 2020).

Sports sponsorship increases every year because of the high fanaticism of football supporters (Silva, 2020). Fanaticism in football has many advantages including providing fun for fans helping them relax and helping to build social cohesion among young people when they gather to support a particular team (Iwuagwu, Ekoh, Ngwu, & Gyimah, 2023). Fanaticism in football makes football more interesting to enjoy. However, it can also cause misery because football fanaticism is associated with feelings of anger, anxiety, and frustration that lead to fights and even murder (Iwuagwu et al., 2023).

Football is not only involved by players who are on the field but without us realizing it, often in football games, there are people from outside the field who support the team that is competing (goal.com, 2020). These individuals provide encouragement and motivation in various ways so that the team they support can beat their opponent in a game played eleven against eleven people. Football is the most-watched, most-played, and most-

supported sport in the world (Iwuagwu et al., 2023). Attending football events is by far one of the most preferred leisure activities amongst fans around the world, namely when it involves their favorite team (Silva, 2020).

Supporters' fanaticism triggers them to support the team in various ways (Iwuagwu et al., 2023). One of the most common ways is by purchasing team merchandise, such as jerseys (Unlucan, 2015). These products not only help us feel closer to our team but also aid in supporting them during matches. Let us continue to support our teams while keeping in mind our primary goal.

Based on the phenomenon that has been described, research from (Silva & Veríssimo, 2020; Wang, Cheng, Purwanto, & Erimurti, 2011) shows appropriate variables. The research (Koo & Lee, 2019) also explains the variables that are often used in this research direction. Mentioned again by the research (Silva, 2020) that similar research uses the variables Team Identification, Perceive congruence, and Purchase Intention. Thus the right variables to use include Team Identification, Perceived Congruence, Sponsor Credibility, Attitude Toward Sponsor, and Purchase Intention.

Team identification is the extent to which individuals perceive themselves as fans of the team are involved with the team, care about the team's performance, and view the team as a representation of themselves (Silva & Veríssimo, 2020). It represents the sense of belonging that each member feels towards a particular team. Team identification motivates members to behave in the interests of the support group and strengthens

bonds between members (Nugraha, Komaladewi, & Budhyawan, 2023). It can also be said that supporters' social identifications with sports teams show that the feelings, judgments, evaluations, Attitude Toward Sponsors, intentions, and consequent behaviors are developed with the companies sponsoring them (Silva, 2022).

Perceived Congruence is the extent to which consumers see a logical connection between the two parties in the relationship, the sponsor and the sponsored (Silva & Veríssimo, 2020). In the context of sponsorship, this states that the more similarities between the sponsor and the sponsored, the greater the tendency for consumers to view the sponsor positively (Silva, 2022). So that the sponsor and the sponsored are mutually beneficial to each other. Therefore, it is plausible that fans who perceive higher levels of congruence between the sponsor and the sports team develop a more Attitude Toward Sponsor towards the sponsoring company (Koo & Lee, 2019).

Sponsor Credibility may be defined in line with the source credibility theory and corporate credibility research (Silva & Veríssimo, 2020). Source credibility theory explains that individuals tend to be persuaded when they consider the source of information to be credible (Wang, Jain, Cheng, & Aung, 2012). Credible sources generate more positive Attitude Toward Sponsors and behavioral intentions than less credible sources. Therefore, sponsor credibility should be carefully taken into account when companies sponsor specific sporting events (Koo & Lee,

2019). Despite its importance, previous sponsorship research has ignored sponsor credibility as a dependent variable. From this perspective, researchers consider sponsor credibility as an outcome variable before Attitude Toward Sponsor and purchase intention.

Attitude Toward Sponsor is a psychological tendency that is expressed by evaluating certain entities with a certain degree of favourability or unfavourability (Silva & Veríssimo, 2020). Attitude Toward Sponsor is also a determinant of a person's intention to buy a good or service. Evaluating consumers' Attitude Toward Sponsors toward their sponsorship or brand is the main objective of the sponsor (Nguyen & Vu, 2022). It is important to take action to control their Attitude Toward Sponsors towards buying a product. Consumer Attitude Toward Sponsors can be seen from trust, and emotions to own an item, with a positive Attitude Toward Sponsor that can influence consumers to purchase (Nguyen & Vu, 2022).

Purchase Intention is the expectation or probability of a person to behave in a certain way concerning the acquisition the use of a product (Silva & Veríssimo, 2020). From the sponsor's point of view, consumer purchase intention is the most useful indicator of sponsorship effectiveness because of its impact on future sales according to Crompton (Nguyen & Vu, 2022). Future purchase intentions can be a strong indicator of sponsorship effectiveness, especially when sponsors participate in events that target fans with a common identity. In addition, purchase intent is a key indicator for

sports organizations to legitimize their relationship with the actual sponsor and negotiate future sponsorship contracts (Nguyen & Vu, 2022). When fans see sponsors supporting their team, they may purchase their products as an act of goodwill or pay sponsors to support the team according to Parker & Fink in (Nguyen & Vu, 2022).

The setting of this research is the main sponsor of the Persija Bantul team, Total Sportswear (@Persiba on X). The selection of this setting was deliberate, driven by the fact the Special Region of Yogyakarta, a province on the island of Java that witnessed the birth of the Indonesian football federation (PSSI, 2018). Yogyakarta has three football teams that have big names and fanatical supporters. One of them is Persija Bantul, which has several militant supporter groups (Wijanarko, 2022). When the team is in a slump, thousands of supporters remain loyal to guard Persija when competing in any city (Fajar, 2023). Because they believe that Persija Bantul can reclaim the supremacy of football in the country (Bantulkab.go.id, 2021).



Figure 1. 2 Persiba Bantul Jersey 2022

Source: Instagram (@persibabantulofficial)

Based on Figure 1.2 it is evident that Total Sportswear is prominently featured on the Persiba Bantul jersey. This is a clear indication that Total Sportswear is one of the sponsors of the Persiba Bantul team. As a result, supporters of Persiba Bantul are becoming increasingly familiar with the Total Sportswear brand. The ultimate aim is to create a sense of interest among Persiba Bantul supporters regarding the jersey products offered by Total Sportswear.

This research is a modified replication of research conducted by (Silva & Veríssimo, 2020) and (Wang et al., 2012). The difference between this research and previous research is making modifications by adding sponsor credibility variables because researchers want to find out and analyze respondents regarding sponsors who remind them of the Persiba Bantul team. The object of this research is also more specific, namely Total Sportswear as the main sponsor of the Persiba Bantul team.

Indonesia is a country with a high fanaticism of football supporters. With the popularity of football, it can generate sponsor interest to help the team's finances. However, there is still little research and information about the influence of Team Identification, Perceived Congruence, Sponsor Credibility, and Attitude Toward Sponsor on Purchase Intention on sponsors of football teams in Indonesia. Therefore, this research aims to analyze the purchase intention of Persiba Bantul supporters who are

influenced by the Persib Bantul team's sponsors through Team identification, Perceived Congruence, Sponsor Credibility, and Attitude Toward Sponsor which can then be used as a source of information for sponsors to work with football teams.

B. Research Question

Based on the background previously described, the research questions are as follows:

1. Does Team Identification affect on Perceived Congruence?
2. Does Team Identification affect on Sponsor Credibility?
3. Does Team Identification affect on Attitude Toward Sponsor?
4. Does Perceived Congruence affect on Attitude Toward Sponsor?
5. Does Sponsor Credibility affect on Attitude Toward Sponsor?
6. Does Perceived Congruence affect on Sponsor Credibility?
7. Does Attitude Toward Sponsor affect on Purchase Intention?
8. Do Perceived Congruence mediate the affect of Team Identification on Attitude Toward Sponsor?
9. Do Sponsor Credibility mediate the affect of Team Identification on Attitude Toward Sponsor?

C. Research Objectives

Based on the formulation of the problem above, the objectives of this research are to:

1. To Analyze the effect of Team Identification on Perceived Congruence

2. To Analyze the effect of Team Identification on Sponsor Credibility
3. To Analyze the effect of Team Identification on Attitude Toward Sponsor.
4. To Analyze the effect of Perceived Congruence on Attitude Toward Sponsor
5. To Analyze the effect of Sponsor Credibility on Attitude Toward Sponsor
6. To Analyze the effect of Perceived Congruence on Sponsor Credibility
7. To Analyze the effect of Attitude Toward Sponsor on Purchase Intention
8. To Measure the effect of Perceived Congruence mediate Team Identification on Attitude Toward Sponsor
9. To Measure the effect of Sponsor Credibility mediate Team Identification on Attitude Toward Sponsor

D. Research Benefits

The benefits of this research are:

1. Benefits for Researchers

The benefits of this research for researchers are to find out the influence that occurs on Total Sportswear which has become a sponsor of Persib Bantul on Persib Bantul Supporters and to provide experience to improve the researcher ability.

2. Benefits for the object of research

The benefits of this research for the object of research are as a form of community service and individual experience to participate in supporting the development of science.

3. Share Next Research

The benefit of this research for the next study is to evaluate all shortcomings that may occur and become an overview and reference for readers

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