

**RELATIONSHIP BETWEEN TYPES OF CORPORATE SPONSORSHIP AND
BRAND EQUITY AMONGST BEVERAGE COMPANIES IN NAIROBI CITY COUNTY,
KENYA**

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DECLARATION

This thesis is my original work and has not been presented for a degree at any other University.

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DEDICATION

I dedicate this Thesis to my dear family, for their love and unstinting support throughout the study.

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LIST OF ABBREVIATIONS AND ACRONYMS

CCBA	Coca-Cola Beverages Africa
CUK	Cooperative University of Kenya
EU	European Commission
GSS	Ghana Statistical Service
KMO	Kaiser-Meyer-Olkin
KRA	Kenya Revenue Authority
NACOSTI	National Commission for Science, Technology, and Innovation
RMSEA	Root Mean Square of Approximation
ROI	Returns on investments
SALBA	South African Liquor Brand Owners Association
SHOFCO	Shining Hope for Communities
SPSS	Statistical Package for Social Sciences
UA	Under Armour
UEFA	Union of European Football Associations
UNIDO:	United Nations Industrial Development Organization
USA	United States of America
USD	US Dollars

ABSTRACT

Global competition has called for companies to be more innovative in the way they position their brand to achieve a competitive edge. Therefore, companies have adopted more non-traditional ways to showcase their products and achieve more audiences as possible. One of the innovative ways of marketing that have gained more attraction among corporate marketers is corporate sponsorship. Marketers have found corporate sponsorship to be more effective in creating brand awareness and re-shaping brand attitudes amongst prospective customers. The purpose of the current study was to investigate the influence of corporate sponsorship on brand equity among beverage companies in Nairobi City County. The specific objectives of the study were to establish the relationship between sporting event sponsorship, education sponsorship, arts, and culture sponsorship; tradeshows, and conference sponsorship, and brand equity amongst beverage companies in Nairobi City County. The study adopted a descriptive survey while purposive sampling was used to identify 10 beverage and food manufacturing companies in Kenya as the unit of analysis. 237 public relations and marketing managers in the beverage companies sponsoring different activities such as sports, education, arts, and culture as well as trade shows and conferences were selected as the unit of observation. Sampling for the study was conducted through a stratified sampling technique in addition to the Taro Yamane Formula to achieve a sample size of 149 respondents. Data for the study was collected using questionnaires that were administered physically as well as online. A pilot test was conducted to test the reliability as well as the validity of the instrument. Collected data was analyzed through descriptive and inferential analysis. Descriptive statistics included: mean, frequency, percentage, and standard deviation. Inferential analysis on the other hand included correlation as well as regression analysis. The presentation of data was done on tables and interpreted narratively. Sports sponsorship and Brand Equity revealed a $\beta = 0.527$, $t = 2.903$, and a p-value of 0.004. Arts and Culture sponsorship and Brand Equity revealed a $\beta = 0.036$, $t = 0.392$, and a p-value of 0.069. Education sponsorship and Brand Equity revealed a $\beta = 0.254$, $t = 2.566$, and a p-value of 0.012. Trade shows, Conference sponsorship, and Brand Equity revealed a $\beta = 0.312$, $t = 2.697$, and a p-value of 0.008. The study concluded that sports sponsorship, education sponsorship, trade shows, and conferences had a positive and significant relationship with brand equity. However, arts and Culture sponsorship had a positive but insignificant relationship with brand equity. The study recommended that beverage companies and the managers identify the best sporting activities in the community. Also, the study recommended that the sporting activities being sponsored should bear a logo such as the uniform of the players for the sponsoring beverage company to boost the brand image. Additionally, the study recommended that public relations managers and marketers needed to identify talented musicians in the society. Moreover, the study recommended that the musicians can also act as the brand ambassador of the beverage companies by using sponsoring companies' tags and logos during music shows. The study also recommended that public relations managers and marketing managers need to identify needy and also bright students in society who are enrolled in schools by giving them scholarships to boost their corporate image. Besides, the study recommended that the marketers and public relations managers sponsor conferences such as smart climate. Finally, the study recommended that the speaker in such instances may prepare presentation slides or use portraits that display strategically the logo of the beverage company sponsoring such a program.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Organizations increasingly rely on collaborative trade relationships with specialized players in their networks to navigate the complexities of modern markets. Changing brand views and maintaining consumer engagement independently can be challenging. Many businesses adopt co-marketing strategies, such as corporate sponsorships, to access resources and establish more flexible connections in specific markets. By increasing exposure, corporate sponsorships serve as a strategic approach for cultivating and enhancing a brand's identity and image. Unlike charitable donations, corporate sponsorships entail a mutually beneficial business arrangement, especially when supporting reputable and socially conscious causes. Corporate sponsors often refer to the benefits of their sponsorship initiatives as "achieving positive outcomes through positive actions" (Jungbok, 2015).

Corporate sponsorships create a psychological connection between a brand and a widely recognized event, project, endeavor, or person, known as the "halo effect." Effective corporate sponsorships typically involve related businesses and sponsors, such as a sportswear manufacturer supporting a marathon. However, sponsorships between unrelated partners can also be successful if they share similar demographics. The general trend in this dynamic has shifted from a turbulent, unpredictable, and competitive environment to one that is stable, non-volatile, predictable, and competitive. This evolution highlights the strategic value of sponsorships in fostering brand recognition and loyalty (Henseler, et al., 2011).

Organizations use sponsorships similarly to advertisements to promote brand image, products, and services to prospective customers. The key difference lies in how the message is conveyed. Advertisements communicate the product message directly through paid channels in a controlled

manner. In contrast, sponsorships send messages indirectly by associating the brand with specific events. Commercial sponsors focus on logos, trademarks, and brand names, linking them to the activities and attributes of the sponsored entity. Sponsorships aim to achieve noble causes, such as promoting healthy behaviors through activities like racing, sports, and arts. This indirect approach can be highly effective in enhancing brand image and consumer perception (Cornwell & Kwon, 2020).

The beverage industry, encompassing both alcoholic and non-alcoholic drinks, illustrates the diverse application of corporate sponsorships. This sector includes multinational corporations generating billions in annual sales. Companies worldwide have embraced corporate sponsorships to boost or maintain their brand names. The interactions and impressions consumers have with a brand contribute significantly to brand equity. Positive brand equity occurs when consumers hold a brand in high regard, while negative brand equity arises when a brand consistently disappoints consumers to the extent that it discourages others from using it. Participation in point-of-sale contribution programs allows companies to align with societal values consistent with their brand statements, enhancing both profitability and social responsibility. These debates underline the complex role of corporate sponsorships in modern marketing strategies (Keller & Swaminathan, 2020).

1.1.1 Global Perspective of Corporate Sponsorship Types

Corporate sponsorship types are a crucial component of marketing strategies for companies worldwide, especially within the beverage industry. These types include sports sponsorship, arts and cultural sponsorship, education sponsorship, and trade show or conference sponsorship. Each type has its unique benefits and is implemented differently depending on the target audience and strategic goals of the company. Understanding these types is essential for comprehending how

companies strategically use sponsorships to boost brand equity and consumer engagement (Keller & Swaminathan, 2020).

Sports sponsorship is one of the most popular and visible forms of corporate sponsorship. It involves companies supporting sports teams, events, or athletes in exchange for brand visibility and advertising opportunities. This type of sponsorship can range from local sports teams to international events like the Olympics or the FIFA World Cup. Beverage companies often use sports sponsorship to reach a broad audience, as sports events typically attract large, diverse crowds. For example, Coca-Cola has a long history of sponsoring the Olympic Games, which helps the company enhance its global brand visibility and connect with a wide range of consumers. Similarly, PepsiCo's extensive involvement with the National Football League (NFL) and the Super Bowl showcases how sports sponsorships can be leveraged for mass engagement and high-impact advertising (Lin & Bruning, 2021).

Arts and cultural sponsorships are another significant type of corporate sponsorship. Companies support various cultural events, museums, exhibitions, and performances to associate their brand with creativity, sophistication, and community engagement. This type of sponsorship allows companies to reach specific demographics interested in arts and culture. For instance, Diageo sponsors the Diageo World Class Bartender of the Year competition, aligning its premium brands with luxury and high-quality craftsmanship. This sponsorship type is particularly effective for building a refined brand image and engaging with audiences who appreciate cultural and artistic endeavors. Moreover, arts sponsorships often involve long-term partnerships with cultural institutions, providing sustained brand exposure and deeper community ties (Lee & Kotler, 2015). In the United States, corporate sponsorship is a well-established practice, particularly in sports. Major beverage companies like Coca-Cola and PepsiCo have long been associated with high-

profile sports events. Coca-Cola's sponsorship of the Olympic Games is one of the most prominent examples, a relationship that dates back to 1928. This type of sponsorship helps Coca-Cola enhance its global brand visibility and connect with a diverse audience. PepsiCo, on the other hand, has heavily invested in the National Football League (NFL) and the Super Bowl, leveraging these platforms to drive brand awareness and consumer engagement through advertisements and interactive campaigns during the events. Additionally, sports sponsorship in the U.S. provides companies with opportunities for extensive media coverage and fan engagement, often incorporating social media campaigns to maximize reach (Morgan, et al., 2020).

In the United Kingdom, arts and cultural sponsorship is a significant area for beverage companies. Diageo, a leading global beverage company, sponsors various cultural and arts events, including the Diageo World Class Bartender of the Year competition. This event not only promotes their premium brands but also positions Diageo as a supporter of the arts and culture, aligning with their brand's luxurious image. Additionally, Heineken UK is known for its sponsorship of music festivals like the Heineken Opener Festival, which boosts brand visibility among younger demographics and music enthusiasts. The UK's rich cultural scene offers ample opportunities for brands to associate themselves with creativity and sophistication, enhancing their brand equity through targeted sponsorships that resonate with culturally inclined consumers (Storey, et al., 2015).

Japan presents a unique case where education sponsorship plays a critical role. Asahi Breweries, a major beverage company, sponsors educational programs aimed at promoting responsible drinking and alcohol education. They collaborate with universities and educational institutions to conduct seminars and workshops, helping to build a responsible drinking culture. This type of sponsorship not only enhances Asahi's corporate image as a socially responsible company but also

strengthens its relationship with the community and educational sector. Education sponsorships in Japan also involve long-term commitments to societal well-being, positioning companies as proactive and caring entities within the community. These initiatives often include comprehensive educational campaigns, incorporating both traditional and digital media to reach a broad audience (Blake, et al., 2019).

In Germany, trade show and conference sponsorship is a prominent strategy. The country hosts numerous international trade fairs, such as the Berlin International Green Week, where beverage companies like Anheuser-Busch InBev participate actively. By sponsoring such events, these companies can showcase their latest products, engage with industry stakeholders, and enhance their corporate reputation. This sponsorship type is particularly effective for B2B marketing, allowing companies to establish and strengthen business relationships within the industry. German trade shows are renowned for their scale and influence, providing an excellent platform for brands to demonstrate their innovation and leadership in the beverage sector, fostering both domestic and international business opportunities (Locke & Latham, 2020).

1.1.2 African Perspective of Corporate Sponsorship Types

Corporate sponsorship in Africa plays an important role in enhancing brand visibility and fostering community development. For beverage companies, sponsorships are not just marketing tools but also vehicles for corporate social responsibility (CSR). They help in building brand equity, improving public relations, and establishing a positive corporate image. Sponsorship activities in sports, education, arts, and cultural events are particularly significant in Africa, where community engagement is highly valued. Sponsorships enable companies to engage with communities on a deeper level, addressing local needs and interests while promoting their brands. In addition to increasing visibility, sponsorships can enhance brand loyalty as consumers often feel a stronger

connection to brands that actively participate in their communities. By sponsoring events and initiatives, beverage companies can also demonstrate their commitment to social causes, thereby improving their reputation and gaining consumer trust (Youssef & Teng, 2023).

In South Africa, corporate sponsorship is a well-established practice, particularly in the sports sector. Beverage companies like Coca-Cola and South African Breweries (SAB) have a long history of sponsoring major sporting events. Coca-Cola, for instance, sponsors the Coca-Cola Schools Rugby Festival, which not only boosts the brand's visibility among young consumers but also promotes youth sports development. SAB's sponsorship of the Premier Soccer League (PSL) enhances its brand presence while supporting local football. These sponsorships are critical in a country where sports are a major part of the cultural fabric and community identity. The support for sports events provides companies with vast opportunities for media exposure and engagement with a wide audience, enhancing brand recall and affinity. Furthermore, by investing in local sports, these companies contribute to the development of sports infrastructure and talent, creating a positive impact on the community (Chu, 2020).

In Nigeria, beverage companies leverage corporate sponsorship to tap into the country's vibrant entertainment and sports sectors. Nigerian Breweries, a subsidiary of Heineken, sponsors the annual Lagos Beer Festival, which attracts large crowds and provides a platform for brand engagement. Additionally, Nigerian Breweries sponsors the Nigerian Professional Football League (NPFL), reinforcing its connection with football fans across the country. These sponsorships are important for brand differentiation in a highly competitive market and for reaching a diverse consumer base in a country with a young and dynamic population. The Lagos Beer Festival, for instance, not only offers exposure but also creates a unique experience that strengthens brand-consumer relationships. Moreover, the sponsorship of the NPFL positions the

company as a supporter of national sports, which resonates well with the patriotic sentiment among Nigerian consumers, further enhancing brand loyalty and preference (Keller & Swaminathan, 2020).

Ghanaian beverage companies are increasingly recognizing the value of arts and cultural sponsorships. For example, Guinness Ghana Breweries Limited (GGBL) sponsors the annual Chale Wote Street Art Festival in Accra. This sponsorship aligns the brand with contemporary African art and culture, enhancing its appeal among young, urban consumers. Similarly, GGBL's sponsorship of the Ghana Music Awards underscores the brand's commitment to promoting local music and culture. These initiatives are important in a country where cultural heritage and artistic expression are integral to national identity and community life. By associating with cultural events, beverage companies can differentiate themselves and build emotional connections with consumers who value and support local culture. Additionally, these sponsorships often receive substantial media coverage, providing companies with a cost-effective way to enhance their brand visibility and reach a broader audience (Amoako, et al., 2020).

In Egypt, corporate sponsorship by beverage companies often focuses on sports and educational initiatives. PepsiCo Egypt sponsors the Pepsi Schools Cup, a nationwide football tournament that promotes sports among schoolchildren. This sponsorship not only enhances PepsiCo's brand visibility but also supports youth development through sports. Additionally, Coca-Cola Egypt sponsors the Cairo International Film Festival, aligning the brand with the arts and entertainment industry (Jamali, et al., 2020). These sponsorships are significant in a country with a rich cultural history and a growing emphasis on youth empowerment and education. By supporting educational and cultural events, beverage companies can foster goodwill and improve their corporate image. The Pepsi Schools Cup, for instance, not only engages young consumers but also creates a lasting

impact by promoting physical activity and teamwork among schoolchildren. Similarly, the Cairo International Film Festival sponsorship positions Coca-Cola as a patron of the arts, enhancing its appeal among culturally inclined consumers (El-Bassiouny & El-Bassiouny, 2019).

Corporate sponsorships, therefore, are a crucial strategy for beverage companies in Africa, helping them to build brand equity and foster community engagement. By supporting sports, arts, and education, beverage companies can create meaningful connections with their audiences and contribute to social development in their respective countries. These sponsorships not only enhance brand visibility but also strengthen the companies' reputations as socially responsible entities. As African markets continue to grow and evolve, the role of corporate sponsorships will likely become even more critical, offering opportunities for brands to engage with consumers in innovative and impactful ways (Alshbili, et al., 2020).

1.1.3 Kenyan Perspective of Corporate Sponsorship Types

Kenyan businesses have been operating in a highly dynamic marketing environment for the last ten years. In Kenya in the early 1990s, numerous companies benefited from uncontested monopolies and government protection. Given the lack of competition and the limited selection of products available to customers at the time, the production marketing concept seems to have prevailed. Competitive pricing was the primary strategy for outperforming any rivals at the time. Consequently, companies in Kenya associate with non-profitable organizations, including orphanages, homes, and schools to give back to society. For instance, the Coca-Cola Foundation provides community assistance initiatives that raise the standard of living in local communities. During the COVID-19 pandemic, Coca-Cola companies in Nairobi County donated to neighboring communities such as Kibera and Muthurua. With an emphasis on the global pillars of environmental conservation, active and healthy lifestyle culture, communal recycling, and

training, The Coca-Cola Company's social investment initiatives reflect the company's international and domestic aspects (Jungbok, 2015).

In Kenya, the Coca-Cola company took steps to support various organizations like Shining Hope for Communities (SHOFCO), the Kenya Red Cross, and Amref Health Africa in their efforts to combat the COVID-19 pandemic. To aid in this endeavor, the Coca-Cola Foundation, the local Coca-Cola franchise in Kenya, and their bottling partner Coca-Cola Beverages Africa (CCBA) collectively contributed over Kshs 30 million. Moreover, Coca-Cola has also been actively promoting sanitation through its marketing channels, which include digital platforms, broadcasts, and films, especially during the ongoing pandemic. This demonstrates that the success of most companies is closely tied to the way consumers behave when making purchases and how well the company's marketing strategies align with their objectives.

East African breweries limited had committed about Kshs 12 million to sponsor the open Kenya Golf tournament that was held in April 2022, Safaricom Plc had also pledged an amount of Kshs 8 million to the sports personality in the yearly awards in 2022, Kenya post office and the DStv re as other partners who joined Safaricom in that move with a Kshs 500,000 each. The Kenya commercial bank and the Kenya data network have each committed a bounty amount of Kshs 30 million and 6 million each in supporting the Kenya Golf union in different clubs in Kenya (Gul, et al, 2021).

Consumer purchasing decisions and strategies have been consistently evolving over the years. This is primarily due to businesses' ongoing efforts to keep up with the latest marketing trends and demands to maintain a competitive edge (Trudel, 2019). In today's highly competitive landscape, every company must focus on every customer who uses or buys their products. To stand out from their rivals, businesses must employ differentiation strategies, which involve making their products

and services highly sought after by customers. Consequently, corporations aim at consumer behavior and strive to achieve customer loyalty through various strategic advertising plans. Thus, corporations can maintain their relevance in society by altering their customers' behavior. To improve sales and promote the market, the beverage companies in Kenya study their primary market and change the look of the product to be more attractive and enticing. For instance, the Coca-Cola company may use enticing messages (Trudel, 2019).

Additionally, beverage companies use product labeling to convey comparable signals to drinkers. Licensing encompasses anything from goods that extend the organization's goal to the use of its emblem on promotional items such as T-shirts, cups, umbrellas, and prepaid cards to the accreditation or endorsement of specific products by the nonprofit. For instance, during promotional campaigns around Kenya, T-shirts, and caps that have the company's logos are distributed to the local people (Mothersbaugh, et al., 2020).

1.1.4 Brand Equity Concept

Brand equity is the perceived value of a widely recognized brand name. When a brand is well-known, consumers are more inclined to trust and choose its products over lesser-known alternatives, leading to increased sales for the brand owners. The consumers' awareness of a particular brand's features can raise attitudes and perceptions. Information perspective about brand equity postulates that very popular brands are an indication of product quality and are a form of asymmetry / imperfect information among buyers who pay a premium for a product. It has empirically been proven that strong brands dictate pricing structures with brands that enjoy brand acceptance attracting premium pricing for their products. There are no universally accepted ways of measuring brand equity: brand awareness, brand attachment, or brand perception. Benefits associated with brand equity fall into quantitative and qualitative measures. The quantitative

measures include profit margins as well as market share. On the other side, the qualitative benefits include prestige associated with customers using the product as well as the association of interests (Alhaddad, 2015;Kotler, 2012;).

Marketing researchers agree that a brand is one of the most attractive, / valuable assets that a brand owner can enjoy the financial value associated with its value associated with the brand includes the profit margin, market share, recognition of brand logos, perception of product quality, etc. Brand equity is created through market education, as well as communication channels which are strategic investments; brand equity is felt through the profit margin, the market share, the brand association as well and the prestige of being associated with a particular product (Ansary & Nik Hashim, 2018).

A brand encompasses various elements, including its logo, slogans, imagery, and the overall perception people have of a specific product. The brand is pushed into the minds of the consumer through advertising, market communication, sponsorship, public relations, etc. With time the product/brand sells information about quality as well as performance which enables the consumer to choose a product over others in the market. Consumers who trust a product may even pay a premium for it and choose it over other competing products. A trusted and valued product has a value that is referred to as brand equity. Positive brand equity refers to a situation of the difference between what consumers pay for a product against the benefits the consumers receive from buying the product. On the other hand, negative brand equity exists when there is a catastrophic event that leads to a massive recall of the product or the existence of negative press attention (Kotler, 2012) Management of brands presents a competitive advantage for organizations. Brand equity supports the customers' value by enhancing brand awareness, loyalty to the brand as well as profit margin. Brand equity is the major motivation for customers to buy from certain products and not those of

the company in competition with it. Brand equity refers to the value associated with a product that carries a recognized and reputable brand name. This means that a well-known brand can influence consumers to choose its products over lesser-known alternatives. In essence, brand equity signifies the significance and appeal of a brand's reputation or image. Brand equity is mainly derived from brand awareness or the consciousness of the product. Brand equity can be presumed to be the brand worthiness that is in the mind of the consumers as the value of the product. Organizations with strong brands have been argued to enjoy cost advantage as well as demand advantage (Ebrahim, 2020).

1.2 Statement of the Problem

Corporate sponsorship has gained more attraction among marketers over traditional marketing, with over \$97 billion spent globally by companies to market their products in the year 2020. Marketers have found corporate sponsorship to be more effective in creating brand awareness and reshaping brand attitudes among prospective customers. Spending on corporate sponsorship is projected to double by 2030 due to its potential to double returns on investments (ROI) and increase net profits (Ebrahim, 2020). However, despite this increased investment, the problem lies in the lack of a clear understanding of how corporate sponsorship affects brand equity, particularly within the beverage industry in Nairobi.

Environmental dynamics presented by new global competition, innovativeness, and changes in tastes and preferences have made beverage companies come up with long-lasting ways of maintaining loyal customers as well as attracting new ones. Gul, et al. (2021) noted that companies are pumping more and more resources into marketing strategies that enhance closer attention and relationships with customers through the creation of brand awareness. However, there are no automatic results from corporate sponsorship because companies have to do more than just pump

money into projects associated with their business allies. A mismatch between marketing outcomes and the resources employed can lead to businesses suffering huge marketing costs at low sales outcomes. This makes it crucial to investigate the relationship between corporate sponsorship and brand equity, specifically among beverage companies in Nairobi County.

The debate on the influence or relationship between sponsorship and brand equity is ongoing, with different sectors presenting inconclusive and contradictory findings. Whereas some scholars find a positive and significant influence of sponsorship on brand equity, others argue that there is no relationship. For instance, Akwensivie, et al. (2014) found that sponsorship was positively associated with four brand equity concepts: brand loyalty, brand image, and brand awareness. Conversely, Lang, et al. (2020) reported no significant impact of sponsorship on brand equity. Additionally, Jalleh, et al. (2022) found that sponsorship had a positive influence on brand awareness, particularly in health-related firms, but did not establish a significant impact on brand attitude compared to commercial firms. The majority of studies have focused on sports sponsorship and ignored other areas, such as arts and culture, education, and trade shows. The current study aims to include these other areas and investigate their effects on the brand equity of beverage companies.

By examining sponsorships beyond the sports sector and considering areas like arts and culture, education, and trade shows, the research, therefore, will provide a nuanced understanding of how these activities influence brand equity. This approach not only contributes to the academic debate by offering empirical data from a different sector but also equips beverage companies with actionable insights to enhance their sponsorship strategies. Ultimately, this study aims to guide marketers in making informed decisions about their sponsorship investments, ensuring that their marketing efforts align with desired business outcomes and contribute to sustained brand equity

growth. This study, therefore, aimed to answer the following question: How do different types of corporate sponsorship impact the brand equity of beverage companies in Nairobi City County?

1.3 Research Objectives

1.3.1 General Objective

The primary goal of this study was to explore the connection between the various types of corporate sponsorships and the brand equity of beverage companies located in Nairobi City County.

1.3.2 Specific Objectives

- i. To investigate the influence of sports sponsorship on brand equity for beverage companies in Nairobi City County.
- ii. To examine the influence of education sponsorship on the brand equity of beverage companies in Nairobi City County.
- iii. To assess the influence of sponsorship of arts and culture on brand equity of beverage companies in Nairobi City County.
- iv. To explore the influence of sponsorship of tradeshows and conferences on brand equity for beverage companies in Nairobi City County.

1.4 Research Hypotheses

HO₁: There is no significant relationship between sports sponsorship and brand equity for beverage companies operating in Nairobi City County.

HO₂: There is no significant relationship between education sponsorship and brand equity for beverage companies operating in Nairobi City County.

HO₃: There is no significant relationship between arts and culture sponsorship and brand equity for beverage companies operating in Nairobi City County.

HO4: There is no significant relationship between tradeshows and conference sponsorship and brand equity for beverage companies operating in Nairobi City County.

1.5 Justification of the Study

This study holds significance for policymakers within the marketing sector. It also carries importance for future researchers in the same field and contributes to the development of marketing theory. The study recommendations are important to public relations and marketers who can get policy guidelines on sponsorship practices that they need to adopt for them to promote the brand equity of their products.

This study's findings will be valuable to future scholars in the same field, as they can incorporate them into their future research, contributing to the development of empirical literature. The study is also important because it employs quantitative techniques in hypothesis development, the findings of the hypothesis tests will be used to support the propositions of the theory used in the study or criticize them.

1.6 Scope of the Study

The study was conducted within four sponsorship activities: sporting event sponsorship, education sponsorship, arts and culture sponsorship, tradeshows, and conference sponsorship. The study was conducted in Nairobi City County alone among beverage companies carrying four major sponsorships simultaneously: sports sponsorship, education sponsorship, arts and culture sponsorship, and tradeshows and conferences. The study will gather data from marketers and public relations managers using only a questionnaire. The study was completed within one year.

1.7 Limitations of the study and Delimitations

The study expected that some participants may have concerns about their confidentiality. Nevertheless, the researcher provided reassurance to the participants that their information was to be solely utilized for the study, and no data was going to be shared with any third party without

their explicit permission. Furthermore, the researcher also assured the respondents who were afraid that their information may be given to their competitors would not happen.

The researcher is also relying on own finances to conduct the study, Nairobi County being an expansive city implies that more resources were needed in conducting the study, to reach participants from the different organizations, the researcher however, applied representative sampling techniques to arrive at a non-biased and more efficient sample size to collect data from. Therefore, the quality of the research was not in any way affected by the limitations of financial resources.

1.8 Assumptions of the Study

The study assumed that respondents would provide data that was used in coming up with the research thesis. The study also assumed that the respondents gave honest opinions and reliable data that were used in coming up with the research thesis and specifically in drawing recommendations for policies among beverage companies. The study also had the assumption of completing the study within six months which was given by the university.

1.9 Operational Definition of Terms

Corporate Sponsorship: refers to a marketing strategy in which some money is paid to a sponsored company for it to be associated with the sponsored (Hernandez & Longman, 2020). The current study used the term corporate sponsorship to refer to financial resources both in cash and kind that organizations gift other business allies so that they can show their brand be known (Fabbri, et al., 2018).

Sports Sponsorship: refers to a marketing strategy in which the sponsoring company sponsors a sports team such as a soccer team by

buying players' shoes that are sponsoring company products. The current study used the term sports sponsorship to refer to activities such as athletics, soccer, and car racing as sports activities where sponsors allocate resources so that their brand can be seen (Rasson, 2018).

Trade shows and conference

sponsorship:

refers to a marketing strategy in which the sponsoring company pays for the conferences of the sponsored company and displays its brand during the conference or trade shows. The study used the terms trade shows and conference sponsorship to refer to activities that sponsors allocate their resources to such as sponsoring a speaker for a particular seminar with the intention that the key speaker appointed makes sure that the brand of the sponsor is acknowledged (Bauer & Borodako, 2019).

Education sponsorship:

refers to a marketing strategy in which the sponsoring company sponsors the education of particular people in society including the disabled, or ICT courses in society like computer packages. The study will refer to programs that are sponsored including organizations paying school fees to needy and bright students in society (Tufail, et al., 2014).

Arts and culture sponsorship:

the term refers to a marketing strategy in which the sponsoring company sponsors arts activities of celebrities

including musicians, cultural events, etc. (Storey, et al., 2015). The current study used the term to refer to sponsors giving talented artists in society with the intention that the artist will make the brand of the sponsor visible and known during the show.

Brand Equity

Brand equity is the worth or value that people associate with a famous brand name. the social benefits include brand association, brand loyalty, brand awareness, brand attachment, or brand perception (Ansary & Nik Hashim, 2018). The term is used to describe how committed customers are to a specific brand, how familiar they are with that brand, and the connections they make with that brand.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Chapter two of the research presents an overview of the guiding theories and a comprehensive review of the literature related to the variables under investigation. Furthermore, it offers insights into previous empirical research conducted by scholars in the fields of sponsorship and brand equity. The chapter highlights the limitations and areas left unexplored by these earlier studies. Lastly, it introduces a conceptual framework and outlines how the variables will be measured and operationalized for the study. This chapter serves as a critical foundation for understanding the theoretical and empirical context of the research.

2.2 Theoretical Review

A theory comprises a collection of principles employed to elucidate a specific societal phenomenon. It serves as a tool for comprehending the reasons behind the nature of a particular event or the behavior of specific variables, including their interrelationships (Richmond & McCroskey, 2019). In the upcoming study, we will explore four primary theories: communication theory, goal path theory, social exchange theory, and the excellence theory of public relations.

2.2.1 Communication Theory

Communication Theory, a foundational concept in the field of communication studies, was significantly developed by Claude Shannon and Warren Weaver in 1948. Their model, often referred to as the Shannon-Weaver Model, was initially designed to improve technical communication but has since been adapted to a wide range of contexts, including marketing and organizational communication. The theory outlines a linear process of communication involving a sender, a message, a channel, a receiver, and potential noise that may interfere with the message.

Shannon and Weaver's model emphasizes the importance of encoding and decoding processes and the medium used to transmit the message (Van Ruler, 2018).

The Shannon-Weaver Model argues that effective communication requires a clear and efficient transmission of information from the sender to the receiver, minimizing any potential noise that could distort the message. This model highlights the significance of selecting the appropriate channel for communication to ensure that the intended message is accurately received and understood. Despite its utility, the model has been critiqued for its linearity and lack of consideration for the complexities of human communication, such as feedback loops, context, and the interactive nature of communication processes. Critics argue that the model oversimplifies communication by not adequately addressing these dynamic aspects (Chakravartty & Jackson, 2020).

The Communication Theory applies to this study because it involves understanding how these companies communicate their sponsorship activities to enhance their brand image. Effective communication strategies are crucial in ensuring that the target audience perceives the sponsorship positively, which in turn can enhance brand equity. By using clear, consistent, and engaging messages through appropriate channels, beverage companies can effectively convey their sponsorship efforts, thereby fostering stronger brand associations and customer loyalty (McCrowskey, 2019).

In sponsoring tradeshows and conferences, Communication Theory provides a framework for understanding how companies can maximize their sponsorship impact. Tradeshows and conferences offer direct and interactive communication opportunities, allowing sponsors to engage with their audience through presentations, booths, and networking events. By applying the principles of Communication Theory, sponsors can ensure that their messages are effectively

encoded, transmitted, and decoded by the attendees. This involves selecting the right channels (e.g., digital displays, brochures, interactive demos) and minimizing noise (e.g., distractions, unclear messaging) to enhance the clarity and impact of their communication.

Integrating Communication Theory into the analysis of corporate sponsorship and brand equity provides valuable insights into how communication strategies influence consumer perceptions and brand value. The theory emphasizes the importance of strategic communication planning, emphasizing the need for beverage companies in Nairobi City County to carefully design their sponsorship messages and choose the appropriate media channels. Effective communication can differentiate a brand in a competitive market, enhancing its visibility and reputation. By aligning sponsorship activities with well-planned communication strategies, companies can strengthen their brand equity, demonstrating the practical relevance of Communication Theory in contemporary marketing practices.

2.2.2 Social Exchange Theory

Social Exchange Theory is rooted in the idea that human interactions and relationships are formed through a cost-benefit analysis and the comparison of alternatives. Individuals engage in social behaviors with the expectation of receiving rewards, and these exchanges are governed by the principle of reciprocity. Key arguments of the theory include the notion that individuals seek to maximize rewards and minimize costs in their social interactions and that the stability and satisfaction of relationships depend on the perceived balance of these exchanges. The theory posits that the value of rewards and costs can be both material (such as money or goods) and non-material (such as approval, prestige, or love) (Zoller & Muldoon, 2019).

Despite its wide application, Social Exchange Theory has faced several critiques. One major critique is its reliance on a rational, economic model of human behavior, which can oversimplify the complexity of social interactions and ignore the emotional and irrational aspects of human

relationships (Tsai & Kang, 2019). Critics argue that not all social interactions are based on conscious calculations of costs and rewards; some are driven by altruism, duty, or other non-economic motives. Additionally, the theory has been criticized for its individualistic perspective, potentially neglecting the influence of larger social structures and cultural contexts on behavior. These limitations suggest that while Social Exchange Theory provides valuable insights, it may not fully capture the intricacies of all social dynamics (Kim, et al., 2018).

In the relationship between corporate sponsorship types and brand equity among beverage companies in Nairobi, Kenya, Social Exchange Theory offers a useful framework for understanding how these companies interact with their target audiences. Education sponsorship, for instance, can be seen as a strategic exchange where beverage companies invest resources in educational initiatives with the expectation of enhancing their brand equity. This investment is expected to yield returns in the form of increased brand loyalty, positive brand associations, and enhanced corporate reputation. The theory helps explain why companies choose certain types of sponsorships and how they evaluate the benefits relative to the costs involved (Gottfredson, et al., 2020).

Social Exchange Theory, therefore, provides a lens to analyze how beverage companies in Nairobi engage in different types of sponsorships to build brand equity. Education sponsorship, in particular, aligns with the theory's principles by fostering reciprocal relationships between the company and the community. By supporting educational programs, scholarships, or school infrastructure, companies can generate goodwill and enhance their social capital. This reciprocal relationship is beneficial for the company's brand, as it creates a positive image and fosters customer loyalty. Moreover, education sponsorship can be strategically communicated to highlight

the company's commitment to social responsibility, further strengthening brand equity (Di Domenico, et al., 2020).

Education sponsorship can be directly linked to Social Exchange Theory as it embodies the principles of reciprocal exchange and mutual benefit. Beverage companies that sponsor educational initiatives are likely to gain positive public perceptions and increased brand equity as a return on their investment. This type of sponsorship demonstrates a commitment to community development and long-term societal benefits, which resonates well with consumers who value corporate social responsibility. By aligning their sponsorship activities with educational goals, companies can create a positive feedback loop where the community's appreciation and support translate into enhanced brand loyalty and market position.

2.2.3 Excellence Theory of Public Relations

The Excellence Theory of Public Relations is a comprehensive framework that explains how public relations can contribute to organizational effectiveness. The theory posits that excellent public relations are characterized by strategic communication management, symmetrical communication, and a two-way dialogic process that promotes mutual understanding between an organization and its public. Key arguments include the importance of participative management, ethical communication, and the role of public relations in fostering a positive organizational climate and building long-term relationships with stakeholders (Shortal, 2020).

The Excellence Theory emphasizes that public relations should be a strategic management function rather than just a technical or tactical role. It argues that organizations practicing two-way symmetrical communication—where feedback from the public is actively sought and integrated into decision-making—are more likely to achieve mutual understanding and consensus. This approach not only enhances the credibility of the organization but also builds trust and loyalty among stakeholders. Additionally, the theory suggests that excellent public relations contribute to

an organization's overall effectiveness by improving its ability to adapt to environmental changes and address stakeholder concerns proactively (Rizzo, 2018).

Despite its widespread acceptance, the Excellence Theory has faced several critiques with critics arguing that the model is overly idealistic and difficult to implement in practice, particularly in organizations where public relations are not integrated into top management. Others have pointed out that the emphasis on two-way symmetrical communication may not be feasible in all cultural contexts, especially in societies where hierarchical communication is the norm. Furthermore, the theory has been criticized for its lack of attention to power dynamics and the influence of external factors, such as media and political environments, on public relations practices (Keller & Swaminathan, 2020).

In this study, the Excellence Theory provides a valuable framework for understanding how strategic communication can enhance brand equity. By adopting principles of excellent public relations, beverage companies can use corporate sponsorships to foster positive relationships with their target audiences. For instance, sponsoring community events, sports, or cultural activities can help companies build a positive brand image, demonstrate corporate social responsibility, and engage with consumers on a deeper level. The theory suggests that effective sponsorship communication should involve not just one-way promotion but also active engagement with event participants and stakeholders to understand their needs and feedback.

Linking the Excellence Theory to arts and culture sponsorship, organizations that sponsor cultural events can leverage this type of sponsorship to enhance their brand equity. By supporting the arts, companies can position themselves as culturally aware and socially responsible, which resonates well with consumers who value cultural enrichment and community support. Arts and culture sponsorships provide a unique platform for companies to engage in two-way communication with

a diverse audience, including artists, cultural enthusiasts, and the general public. Through strategic communication efforts, such as promoting sponsored events, sharing stories about supported artists, and engaging with audiences through social media, companies can build strong, positive associations with their brands and foster long-term loyalty.

2.2.4 Goal setting Theory

Locke (1996) emphasizes the creation of a strategic plan to guide individuals or groups toward achieving a specific objective. Goals hold greater significance compared to desires because they reflect a deeper commitment through actions and emotions. Precisely defined goals tend to yield superior performance as opposed to vague ones. The distinction in achievement between individuals often lies in their ability to set specific goals. Organizations should establish challenging yet attainable goals that can drive remarkable performance. It's crucial to avoid setting overly broad objectives, as higher goals typically lead to higher levels of performance (Jeong, et al., 2021).

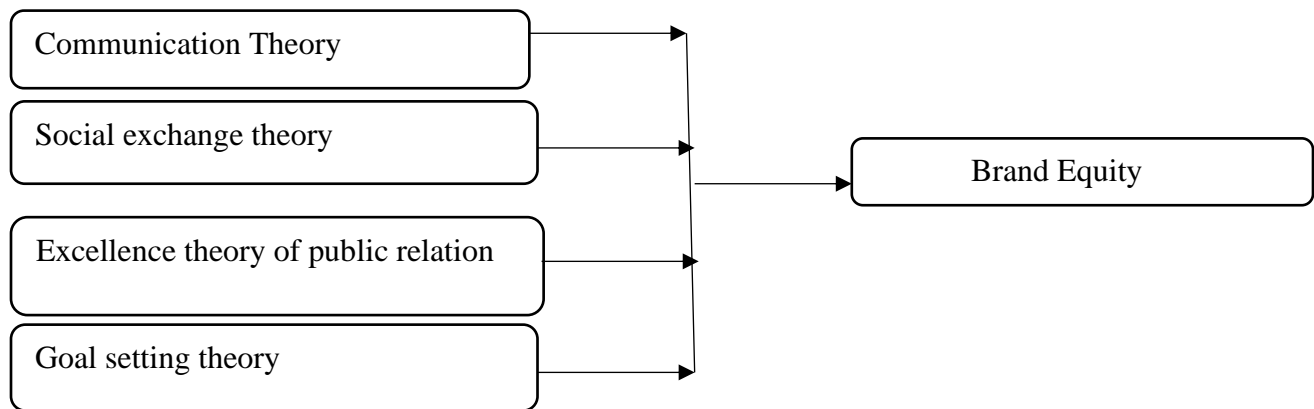
Organizations that establish challenging goals and strive for higher performance, while also factoring in the abilities of their employees, tend to outperform other organizations due to their distinct goal-setting practices. Organizations producing four automobiles in an hour may set a goal of producing about six in an hour which means that they have to work much harder to achieve the goals. Through understanding individual goal setting organizations can utilize goal setting to benefit the organization. Organizations have to learn the benefits of goal-setting success in enhancing self-efficacy as well as commitment to others by engaging them to improve commitment. Achieving goals should not focus on telling the employees to do their best but should be about the establishment of clear goals that need to be achieved (Locke & Latham, 2019).

The goal-setting theory has been criticized for lacking the aspect of timeliness or time boundaries in achieving goals because an organization should not pursue a goal forever. Besides the goals

setting theory doesn't provide for the aspect of motivation in goal setting because employees in an organization cannot pursue a course without motivation. Besides the goal being pursued must be attainable (Gkizani & Galanakis, 2022). The theory of goal setting applies to the current study on corporate sponsorship and brand equity because organizations that set goals to have brand awareness, as well as loyalty enhanced, is such an uphill task in organizations but through corporate sponsorship as a marketing, strategy organizations can attain this goal. Therefore, goal-setting theory explains how an organization can reach its goals by utilizing more appropriate marketing strategies.

Figure 2.1:

Theoretical Framework



2.3 Empirical Review

2.3.1 Sports Sponsorship and Brand Equity

Azadi (2016) conducted a study that explored the connection between sponsorship and brand equity within the sports and sportswear industries in Iran. The study encompassed the general public attending public universities across all Iranian provinces and gathered data from 805 participants through a combination of online surveys and physical questionnaires. Employing a

descriptive research method, the study used a set of 25 questionnaires, which exhibited strong reliability with a Cronbach's alpha of 0.7 and a high factor loading of 0.9 when analyzed using SPSS version 20. Structural equation modeling was the chosen method for data analysis. The research findings revealed a positive and significant correlation between sponsorship and brand equity, particularly mediated through customer loyalty and brand awareness. Interestingly, the study did not find a substantial relationship between sponsorship and perceived quality. It's worth noting that the research was conducted in Iran, making its findings less relevant to the Kenyan context, particularly regarding the beverage industry in Nairobi.

Jalleh, et al. (2022) conducted a study to investigate the influence of sponsorship on brand awareness and brand attitude, focusing on both health-related firms and commercial companies in Australia. Their research encompassed sponsorship activities spanning sports, arts, music, and racing events, with data collected through electronic emails and subsequently analyzed using descriptive and correlation analysis techniques. The study's results unveiled a positive impact of sponsorship on brand awareness, albeit with an insignificant effect on brand attitude, particularly within health-related firms compared to their commercial counterparts. It is worth noting that the study was carried out in a developed country with a distinct macroeconomic environment from that of developing countries like Kenya. Given the specific focus on the health sector in the original study, it underscores the importance of conducting a localized investigation in Kenya, particularly involving beverage companies, to assess the impact of corporate sponsorship on brand equity within this unique context.

In a study conducted by Mulei (2019) the focus was on the sponsorship of the Eldoret half marathon by Family Bank Limited and its impact on brand awareness. The research employed a descriptive approach and involved a sample of 100 customers as well as 10 department heads from

the Eldoret branch. Customer samples were selected randomly, while department head participants were purposefully chosen. Data collection was carried out using a combination of questionnaires and interview guides, with the questionnaires designed for gathering quantitative data and interviews for qualitative insights. The quantitative data underwent both descriptive and inferential analysis, while the qualitative data was subjected to content analysis. The study's key findings indicated that the customers were indeed aware of Family Bank's sponsorship of the Eldoret half marathon, and further, this sponsorship contributed to customer loyalty.

Grimaldi (2014) conducted research that primarily focused on investigating the impact of sports sponsorship on brand association, corporate image, and brand awareness. This study specifically centered on Heineken's sponsorship of the UEFA Champions League and involved a diverse sample of 100 individuals aged between 18 and 37 from various countries. Employing a quantitative research approach, data collection was facilitated through online questionnaires, with subsequent analysis carried out using SPSS and Microsoft Office tools. The noteworthy findings of this investigation revealed a substantial level of awareness among sports enthusiasts regarding Heineken as the sponsoring brand. Moreover, the study established a clear and positive association between sports sponsorship, corporate image, and increased brand awareness. The study was a case of a beverage company, which indeed reveals that beverage companies are also in corporate sponsorship. However, the study only dwelled on one sponsorship activity which was sports, several areas of sponsorship were ignored including arts, music, racing, and even marathons which will be covered by the current study. Besides, only one brand Heineken was considered in the study, there are mainly beverage companies both alcoholic and non-alcoholic companies that do sponsorship.

Lyndah (2014) in research explored the impact of sports sponsorship on the performance of

Kenyan firms. The study aimed to assess various aspects, including the sponsor's status, the demand for the sponsor's products, awareness regarding the sponsor's products, brand awareness, brand loyalty, and their collective effect on firm performance. Employing a descriptive research design, the study targeted 87 companies and selected senior marketing officers as participants. Data collection involved personally distributing questionnaires and a pilot study was conducted to validate the research instrument. Subsequently, SPSS was utilized for both descriptive and inferential analysis. The findings revealed that sponsoring a brand enhanced the company's perceived reliability improved the brand's name, and increased brand awareness by associating it with the sponsored event. The findings apply to a wide range of industries, not specifically the beverage sector, making them less relevant to this study on beverage companies in Nairobi.

Vale et al. in 2019 conducted a study to establish the impact of football sponsorship on brand equity. The research focused on 140 supporters of FC Porto, a renowned Portuguese football club. After football matches, telephone interviews were conducted with these 140 respondents to assess the influence of sponsorship on various components of brand equity, including brand awareness, brand attitude, and brand loyalty. The data analysis was carried out using SPSS version 21. The study's findings indicated that the fans' commitment to the team was found to be unrelated to the sponsor's presence in any significant way. However, brand awareness through brand recognition and recall had a positive influence on the sponsorship of football. Besides more favorable attitudes were evidenced by the presence of the sponsor. The more funding by the sponsor the more public awareness among the public of the company brand. Conducted with Portuguese football fans, the study's geographical focus on Portugal makes it less applicable to the Kenyan context and the beverage industry at large.

The audience favors sports sponsorship over other sponsorship mechanisms. Global statistics indicated that sports sponsorship activities in sports account for about 60% and 80% of sponsorship activities. Statistics in Australia indicated that sports sponsorship accounts for 60%, education %, arts, and culture 6.25%, tradeshows, and conferences 11% whereas others took about 11% a clear indication that sports dominate over other sponsorship programs (Toscani & Prendergast, 2019).

2.3.2 Education Sponsorship and Brand Equity

George, et al. (2016) in their research conducted a social survey in Ghana to investigate the impact of education sponsorship on marketing communication performance for Airtel. The study involved 120 participants and employed a 15-item questionnaire to collect quantitative data. The data were subsequently analyzed using SPSS version 18. The study findings indicated that heightened brand awareness, increased brand acceptability, a positive corporate image, and enhanced brand recall all contribute to boosting sales, consequently elevating the organizational value of Airtel. Furthermore, the research highlighted the distinction between marketing strategies suitable for services and those applicable to products, underscoring the need to explore the relationship between corporate sponsorship of beverage products and brand equity in Kenya.

Tufail, et al. (2014) conducted a study in various major cities across Pakistan, involving 200 educated students, to investigate the impact of sponsorship and publicity on brand equity. They gathered data through questionnaires featuring Likert-type questions on a five-point scale, encompassing 30 items or indicators. Aker (1997) brand equity model, comprising brand reliability, brand association, perceived value, and brand consciousness, served as the foundation for their research. The study instrument underwent a pretest for reliability assessment, achieving a Cronbach alpha coefficient of 0.7, deemed suitable for subsequent analysis. Utilizing hierarchical regression for data analysis, the study unveiled an R-squared value of 0.341, signifying that

sponsorship and publicity accounted for 35% of the variations in brand equity. Notably, their findings highlighted a positive and statistically significant influence of publicity and sponsorship on brand equity. It is worth noting that the study maintained a general focus, not reflecting the market dynamics and consumer behavior and without specifying any particular brands or sponsors. Considering the localized context of Kenya, the present study exclusively examined the role of sponsorship without incorporating publicity as a variable.

Kończak (2020) conducted a study that focused on evaluating the corporate sponsorship activities of small and medium enterprises in West Germany. The research centered on the top 10 small and medium enterprises operating in the information communication and technology sector. Qualitative data was gathered for this study through interviews and focused group discussions. The study's findings revealed that corporations have a long-standing tradition of supporting schools by providing financial assistance. In return, they get their logos and company names prominently displayed or distributed within the educational institutions. Given the limited government funding for public schools, the private sector has played a crucial role in supporting various school projects, including construction initiatives, donating stationery and educational materials, and offering scholarships to talented but underprivileged students. This approach not only alleviates the financial burden on students but also ensures they have access to essential learning resources that would otherwise be unavailable without corporate sponsorship. Schools are thus empowered to maintain an adequate supply of stationery, computer equipment, and laboratory tools vital for the learning process. Having focused on small and medium enterprises, the study's context was not relevant to the beverage industry's corporate sponsorship and brand equity in Kenya, necessitating a more current study that focuses on the beverage industry in Kenya.

Schools are facing rampant budget cuts resulting in the loss of funding for important activities in schools such as sports, early childhood education programs, and elderly education programs, there has been the loss of art, music, and physical education opportunities in schools, corporate sponsorship has on their part contributed to the extracurricular activities as well as the school programs. Under Armour has continuously donated amounts in millions for simply allowing students in athletics departments to wear shirts whose collars have the initials 'UA'. Other programs sponsored mainly by the institution include graphics and design, fashions and design, cinemas, interior design as well as dance classes (Nuseir, 2020).

Elasri Ejjaberi, et al. (2020) research, focused on the role of corporate sponsorship using the Coca-Cola company as a case study in Lagos, Nigeria. This descriptive case study collected data through in-person questionnaires from a sample of 231 marketing managers and public relations officers. Additionally, the study involved interviews with principals from 12 top high schools and five private universities/colleges in Lagos. The study's findings highlighted the significant impact of corporate sponsorship in supporting and revitalizing programs that were previously considered non-essential and on the brink of termination. Notably, Coca-Cola has been a key player in providing scholarships to academically talented students in both universities and high schools, mitigating financial challenges faced by families globally. Even in institutions where Coca-Cola merely operates vending machines, students continue to benefit from these scholarships, which are awarded under three distinct categories: the Coca-Cola Community College Academic Team Scholarship, Coca-Cola Leaders or Promise Scholarships, and Coca-Cola Scholars Scholarship. Critics, however, have raised concerns about the potential compromise of academic institutions' integrity, citing students' exposure to non-learning activities like Coca-Cola as a consequence of corporate sponsorship. However, corporate sponsorship benefits far outweigh the risks involved.

Corporate sponsorship has ensured needy students stay in schools, and it has enhanced and expanded programs such as information, communication, technology, dance, and music classes, as well as the establishment of classrooms or even dormitories. Through sponsorship of education, companies can create brand awareness as well as image. The study recommended that schools should strive to have corporate sponsors who instill a positive attitude.

2.3.3 Arts and Cultural Sponsorship and Brand Equity

Akwensivie, et al. (2014) studied the arts and music sponsorship among telecommunication companies in Ghana and the effect it had on consumer-based equity. The study was a cross-sectional survey and involved 420 customers of the telecommunication companies in Accra. The study data was collected through hand-delivered questionnaires. The study data underwent an analysis involving correlation and regression techniques. The results of the study indicated a positive relationship between arts and cultural sponsorship and four aspects of brand equity: brand loyalty, brand image, and brand awareness. The study recommended that telecommunication companies need to integrate public relations and exhibitions as marketing tools with sponsorship instead of using them in isolation. The study was, however, conducted in a sector of communication that cannot be generalized as applicable to physical products or manufacturing companies in Kenya.

Eisdorfer and Kohl (2015) studied the effect of stock return among public companies sponsoring Arts and Culture competitions in the USA. The study was a comparative study between average firms that did not carry out sponsorship versus the large companies carrying out football sponsorship. Data for the study was secondary and involved visiting the websites of the Arts and culture firms to collect data on the TV coverage, performance of the teams, and the market value of a stock before and after the game. About 3399 competitions were examined, 21 teams

participated in the study whereas 26 sponsors were considered by the study between the years 1997 and 2013. The study data was analyzed through panel analysis using SPSS and Microsoft-excel. Results of the study revealed that the stocks of the sponsors were more liquid, more highly traded, and less volatile (The standard deviation of the daily returns for the stock) compared to the average companies that did not sponsor the competitors. The study, however, focused on comparing stock returns in arts and culture with football, which is not directly applicable to the corporate sponsorship activities of the beverage industry in Nairobi.

Arts sponsorship refers to the money that is paid to have the event with the intention of improving the company's image as well as the brand it deals in, the common catch phrase for marketing is that a particular event has been 'co-hosted by'. Sponsoring a well-known musician has the company faith that fans of the musician will translate to like the brand sponsoring the musician and therefore translate to more sales. Through Arts and Culture sponsorship, companies can communicate their intentions to the public. The sponsors identify one or more activities of the sponsored and use the image of the sponsored to push for more awareness of that particular brand. For instance, the musician may have to use musical instruments such as guitars, Keyboards, or microphones with the brand of the sponsor who manufactures those musical instruments and therefore publically associates himself with that brand which eventually makes the fun to buy and know much about the brand by attending or viewing the event in television (Bergin, 2015).

Entertainment entities are aggressively seeking for companies to have events. Arts sponsorship involves making arrangements with the fine arts company through which the sponsor promotes the products through the fine arts company activities Fine arts companies may in return benefit through flat fees or receive products in kind. The activities of the sponsorship have given rise to

marketing in terms of events marketing or art marketing. Besides, the sponsor may sponsor events or even cultural events (Colbert, et al., 2015).

Sponsoring cultural events, in particular, offers the business the opportunity to engage the audience, creates the credibility of the organization as well as increases the prestige of the product. Sponsorship offers businesses a unique chance to directly connect with both customers and business partners, granting them direct access to these valuable stakeholders. Cultural event sponsorship helps businesses to increase awareness about their products as well as the building of the brand. Asfold schools in Kent have managed to increase their brand awareness by sponsoring Kent creative awards which have in return enabled the schools to promote their brand and enable more awareness (Axiotis, 2016).

With a cultural event sponsorship, a company can directly reach its target customers with ease. Music concerts and photography projects relate so well with the youth, therefore, by sponsoring such activities a company is very well able to reach these customers. Through the sponsored group organizing the events for your company, you will be able to meet your customers directly and more so sell your products directly. Being a guest at such events and addressing the crowd is such an ideal opportunity. With event sponsorship, you will be able to meet business partners and customers. Through sponsorship, customers can try the products of the customers. Through sponsorship, the presence of the company is felt on social media. Therefore, sponsorship of arts and cultural events is a special marketing approach that creates effects even after the end of the event has been sponsored (Bergin, 2019).

2.3.4 Tradeshow, Conferences, and Brand Equity

Lang, et al. (2020) conducted a study that focused on examining the impact of trade exhibition sponsorship on the brand equity of the top 10 soft drink brands in Vietnam. This research involved

628 participants who were consumers of soft drinks, and the data was collected using online questionnaires distributed through Google Sheets. The collected data underwent thorough analysis, encompassing descriptive analysis and structural equation modeling. Surprisingly, the study results indicated that the connection between trade exhibition sponsorship and brand equity was not statistically significant. However, an interesting finding emerged, revealing that sponsorship played a significant moderating role in influencing the impact of public relations on Anker's four dimensions of brand equity. The study, however, was conducted in Vietnam where the market dynamics differ from those in Kenya, limiting its relevance to Kenyan beverage companies.

Ng'etich (2016) researched to understand the factors influencing the adoption of corporate sponsorship as a marketing strategy by telecommunication companies in Kenya. The primary variables investigated were corporate image, brand awareness, and media fragmentation. The study employed a case study research design and gathered data from 18 marketing managers through interviews. The data analysis method used was content analysis. The study's findings highlighted that sponsoring trade exhibitions positively impacted customers' product awareness and memory, ultimately leading to increased product sales. Additionally, the research demonstrated that active trade exhibition sponsorship efforts contributed to enhancing a company's corporate image. In conclusion, the study emphasized the pivotal role of managers' attitudes and industry competition in influencing sponsorship decisions within the telecommunications sector. However, the study focused on telecommunications companies making the study's context not directly related to the beverage industry's corporate sponsorship and brand equity in Kenya necessitating a current study that focuses on beverage companies in the Kenyan context.

Jensen and Cobbs (2014) conducted a study examining the impact of sponsorship in televised Formula One automotive competitions on return on investment. The study focused on the

sponsorship partnership between Fly Emirates and data collection was carried out using online questionnaires distributed through Google Forms. The survey encompassed responses from 145 participants in the United States and revealed a significant correlation between exposure to the televised program and the subsequent return on investment, which was measured as a percentage of the program's cost relative to the company's net profit. It is worth noting that this research was conducted in a different macro-environment compared to the local business landscape in Kenya. Additionally, it's essential to consider that the study involved a service-oriented product, whereas marketing strategies for services can differ significantly from those for tangible products. Therefore, it underscores the importance of exploring the relationship between corporate sponsorship of beverage products and brand equity specifically within the context of Kenya.

You can get ahead of your competitors through trade shows. There are numerous packages available for tradeshow sponsorships ranging from sponsoring a seminar speaker at a conference to issuing a T-shirt at the reception desk with the log of the event sponsoring company. During a conference or trade exhibition, the speaker sponsored must have something compelling him, which needs to be something new which must also make them plan to come next time. During the few minutes given by the organizer, the sponsor should be able to say something that sells the image of the sponsoring company (Khan, et al., 2020).

Through tradeshow sponsorships, companies sponsoring can make their products known which has the advantage of increasing sales. As a speaker who has volunteered, you may need to demonstrate your expertise in the theme of the trade show as well as showcase the product that your company deals in. This way the sponsoring company can create awareness about the product as well as get a chance to talk with the prospective business partners. The sponsoring company may opt to sponsor a famous /popular international speaker who has a good mastery of particular

areas being discussed during trade shows or conferences. Before the actual day of the conference or trade show, the sponsoring company needs to give a message about the speaker coming to the event and also mention that they are the ones sponsoring the conference. The sponsored speaker would therefore need to customize every message in such a way that the slides or PowerPoint points for presentations allow the sponsoring company to market its products, an ideal way would be having the footnotes of the PowerPoint/slides with images of the sponsoring company (Tsordia, et al., 2018).

Most of the literature is available, however, involved studies that have been carried out outside Kenya and covered brands that are outside the scope of beverage and food companies: for instance, Jensen and Cobbs (2014) studied the influence of sponsorship through televised formula one automotive competition on the return on investment, the study involved fly emirates as the sponsoring company; George, et al. (2016) studied the influence of sponsorship on marketing communication performance for Airtel in Ghana. Mulei (2019) studied the sponsorship of sports by Family Bank Limited for the Eldoret half marathon and the effect this activity had on brand awareness; Whereas Eisdorfer and Kohl (2015) studied the effect of stock return among public companies sponsoring national football leagues in the USA. Besides, studies that were conducted in the food sector were carried out outside Kenya where the macro and micro policies on how business is conducted are quite different. Lang, et al. (2020) studied the sponsorship of corporate brands and brand equity among 10 leading soft drink brands in Vietnam; Grimaldi (2014) studied the influence of sports sponsorship on brand association, corporate image, and brand awareness by Heineken on the UEFA champions league among 100 citizens of different countries aged between 18 and 37 years.

Local studies conducted outside the beverage sector, such as Ng'etich (2016) examine the adoption of corporate sponsorship by telecommunication companies in Kenya. Mulei (2019) investigating Family Bank Limited's sponsorship of the Eldoret half marathon and its impact on brand awareness, cannot be generalized to the beverage industry. The ongoing debate on sponsorship and its relationship with brand equity leaves these studies inconclusive. Thus, there is a clear need for research focusing on corporate sponsorship and brand equity within the beverage and food manufacturing sector to address the existing gaps in knowledge.

2.4

Research Gaps Summary

Author(s)	Title	Findings	Gaps Identified	How the Gaps Were Filled
Azadi (2016)	The connection between sponsorship and brand equity in the sports and sportswear industries in Iran	Positive correlation between sponsorship and brand equity mediated by customer loyalty and brand awareness; no substantial relationship with perceived quality	Conducted in Iran, focusing on sports and sportswear industries; less relevant to Kenyan context, especially the beverage industry in Nairobi	Localized research in the Kenyan context focusing on the beverage industry
Jalleh, et al. (2022)	Influence of sponsorship on brand awareness and brand attitude in Australia	Positive impact on brand awareness, insignificant effect on brand attitude, especially in health-related firms	Conducted in a developed country with different macroeconomic conditions compared to developing countries like Kenya	Study specific to the Kenyan beverage industry to see if findings hold true in a different context
Mulei (2019)	Sponsorship of the Eldoret half	Sponsorship increased brand	Focused on a single event (sports) and a	Broaden the scope to

	marathon by Family Bank Limited	awareness and customer loyalty	single brand (Family Bank); did not cover other types of sponsorship or brands	include various types of sponsorship (arts, music, racing, marathons) and multiple beverage brands
Grimaldi (2014)	Impact of sports sponsorship on brand association, corporate image, and brand awareness	Positive association between sports sponsorship, corporate image, and brand awareness; Heineken sponsorship of UEFA Champions League	Focused on one brand (Heineken) and one type of sponsorship (sports); overlooked other sponsorship areas like arts, music, and marathons	Expand research to include multiple beverage brands and different sponsorship types, including arts and cultural events
Lyndah (2014)	Impact of sports sponsorship on the performance of Kenyan firms	Sponsorship enhances perceived reliability, brand name, and brand awareness	Not specific to the beverage sector	Conduct study specific to the beverage industry in Nairobi
Vale, et al. (2019)	Impact of football sponsorship on brand equity	Positive influence on brand awareness and attitudes but unrelated to fans' commitment to the sponsor	Geographical focus on Portugal, less applicable to Kenyan context	Conduct localized research in Kenya, focusing on beverage companies' sponsorship and brand equity
George, et al. (2016)	Impact of education sponsorship on marketing communication performance for Airtel in Ghana	Heightened brand awareness, positive corporate image, and	Focused on the telecommunication sector in Ghana; less relevant to the Kenyan beverage industry	Conduct localized research in Kenya, focusing on beverage

		enhanced brand recall boosting sales		companies and their sponsorship impacts
Tufail, et al. (2014)	Impact of sponsorship and publicity on brand equity in Pakistan	Positive influence of sponsorship and publicity on brand equity	General focus without specifying brands or sponsors; did not consider Kenyan market dynamics	Specific focus on beverage companies in Kenya, excluding publicity as a variable
Kończak (2020)	Evaluation of corporate sponsorship activities of SMEs in West Germany	Long-standing tradition of supporting schools, financial assistance for schools in exchange for branding	Focused on SMEs in Germany; less relevant to large beverage companies in Kenya	Study the beverage industry in Kenya and how corporate sponsorship impacts brand equity
Elasri, et al. (2020)	Role of corporate sponsorship using Coca-Cola in Lagos, Nigeria	Significant impact of sponsorship in supporting and revitalizing school programs	Focused on the education sector and Coca-Cola's activities in Nigeria; different industries and geographical context	Study the impact of corporate sponsorship in the Kenyan beverage industry
Akwensivie, et al. (2014)	Arts and music sponsorship among telecommunication companies in Ghana	Positive relationship between arts and cultural sponsorship and brand equity aspects	Conducted in the telecommunication sector; not generalizable to the manufacturing or beverage sector in Kenya	Research focused on beverage companies in Kenya and their arts and cultural sponsorship impacts
Eisdorfer and Kohl (2015)	Effect of stock return among public companies sponsoring arts and culture competitions in the USA	Sponsors' stocks are more liquid and traded compared to non-sponsors	Comparative study with a focus on stock returns; not directly applicable to beverage industry sponsorship activities in Nairobi	Study the specific impacts of sponsorship on brand equity in the Kenyan beverage industry

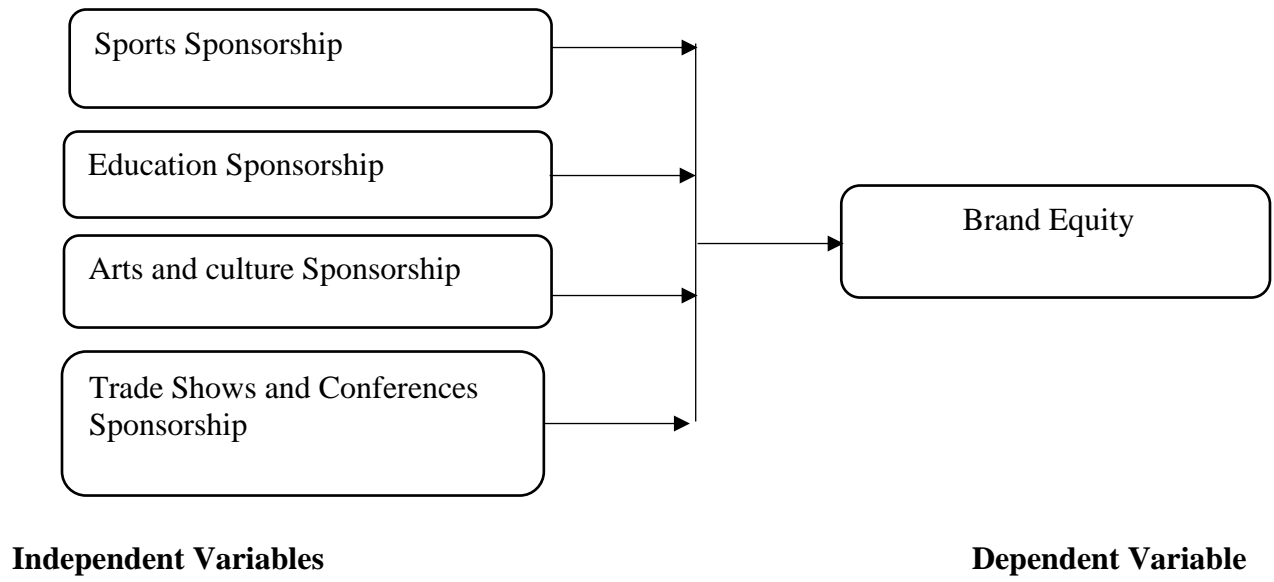
Lang, et al. (2020)	Impact of trade exhibition sponsorship on brand equity of top soft drink brands in Vietnam	No significant connection between trade exhibition sponsorship and brand equity; sponsorship moderated public relations impact on brand equity	Conducted in Vietnam with different market dynamics; limited relevance to Kenya	Localized research in Kenya focusing on beverage companies and trade show sponsorship
Ng'etich (2016)	Factors influencing adoption of corporate sponsorship as a marketing strategy by telecommunication companies in Kenya	Trade exhibition sponsorship positively impacts product awareness and memory, leading to increased sales	Focused on telecommunication sector, not the beverage industry	Research on the beverage industry's adoption of corporate sponsorship as a marketing strategy in Kenya
Jensen and Cobbs (2014)	Impact of sponsorship in televised Formula One competitions on return on investment	Significant correlation between televised program exposure and return on investment	Conducted in the USA with different macro-environment; service-oriented product versus tangible product sponsorship in Kenya	Investigate the relationship between sponsorship and brand equity in the Kenyan beverage industry, focusing on tangible products

2.5 Conceptual Framework

A conceptual framework is a visual representation illustrating the connections between various factors, where the independent variables encompass sports sponsorship, education, arts and culture, trade shows, and conferences. The dependent variable in the study was brand equity.

Figure 2.2:

Conceptual Framework



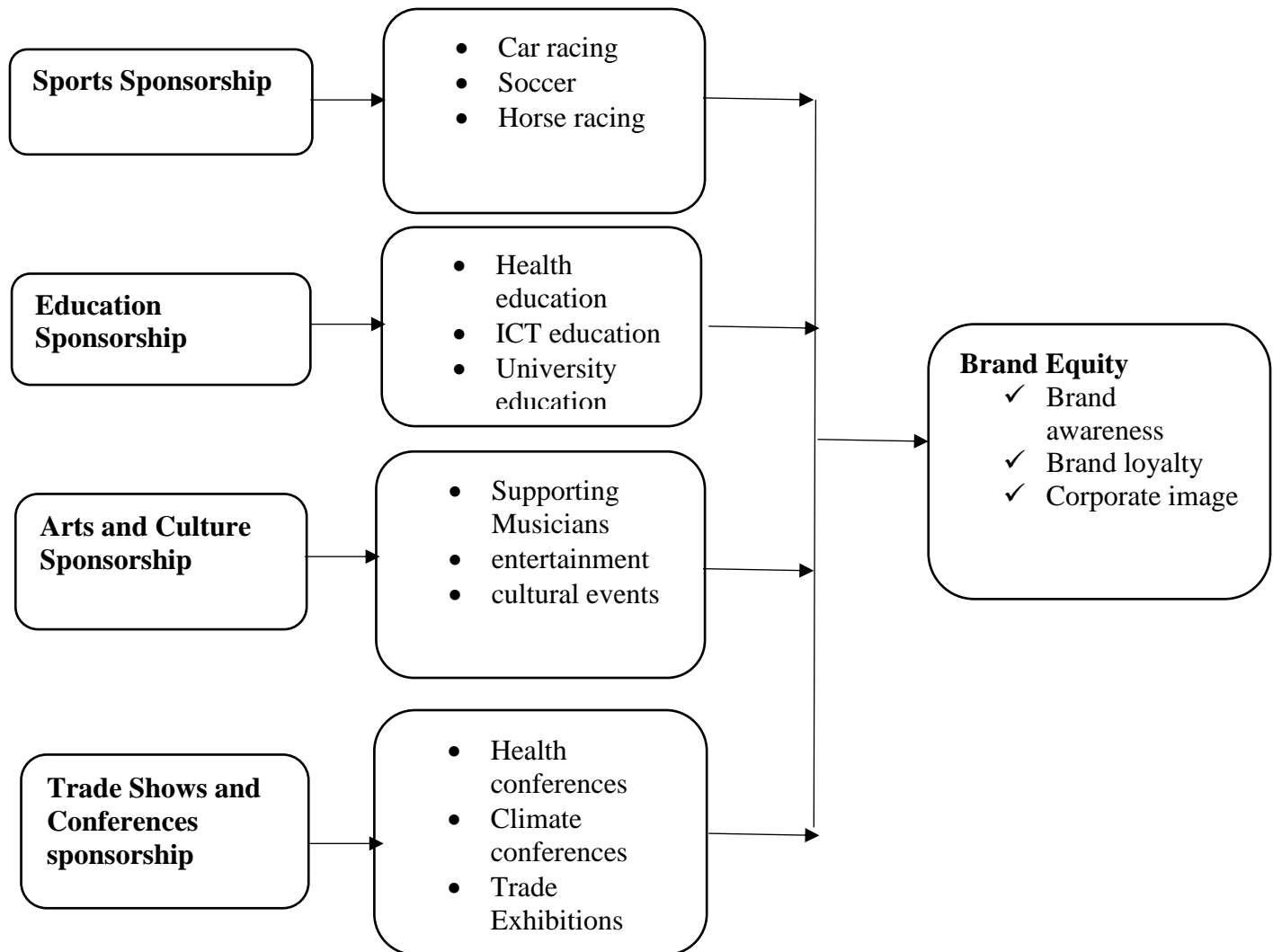
2.6 Operationalization of Variables

Figure 2.3:

Operationalization of Variables

Independent Variables

Dependent Variable



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design, population size, sample size, data collection methods pilot tests carried out, analysis of data, and presentation of the findings.

3.2 Research Design

The research design is the comprehensive plan for addressing the research questions and solving problems within a study, detailing the methods for data collection and analysis necessary to achieve the study's objectives (Creswell & Creswell, 2017). In this study, a descriptive survey design was employed to investigate the relationship between corporate sponsorship and brand equity among beverage companies in Nairobi. This approach is particularly suitable for answering "how," "where," and "when" questions, as it allows for a systematic collection of detailed information from respondents. By utilizing the descriptive survey design, the study effectively captures varying perceptions and attitudes related to corporate sponsorship and brand equity. The descriptive survey design not only facilitates a thorough examination of current conditions and relationships but also provides a robust framework for analyzing and interpreting the collected data to draw meaningful conclusions about the topic.

3.3 Target Population

Purposive sampling was used to identify 10 beverage and food manufacturing companies in Kenya carrying out simultaneously all four corporate sponsorships: sports, education, arts, and culture (appendix four) which were selected from all the beverage and food manufacturing companies in Nairobi City County as the unit of analysis. Purposive sampling is a non-random sampling technique where participants are selected based on specific characteristics or criteria relevant to

the research objectives aimed at capturing a representative and influential for in-depth analysis (Campbell & Greenwood, 2020). Marketing managers and public relations officers who are more conversant with the marketing activities of the beverage companies in Nairobi City County were the target respondents for the research thesis. There are 237 marketing and public relations managers in the beverage companies in Nairobi County who formed the unit of observation.

Table 3.1:

Population Distribution

S/N	Name Of Company	Position In The Organization	
		Public Relation Managers	Marketing Managers
1	British African Tobacco	8	17
2	Brookside	13	22
3	East African Breweries limited	13	21
4	Menengai	17	19
5	Nzoia Sugar	6	14
6	Bidco Company	9	17
7	Sarova Hotel	4	11
8	The Coca-Cola Company	6	8
9	Unilever	7	10
10	Upfield (blue band flora)	4	11
	Total	87	150

Source: Author (2024)

3.4 Sample Size and Sampling Techniques

These are observations or items in a study used to study the qualities or opinions of the entire population. A sample for a study should be representative enough to avoid biased results. (Osuagwu, 2020). Sampling for the study was determined through a stratified sampling procedure. The Taro Yamane formula was applied to establish the actual sample size. The formula is as follows; $n = \frac{N}{1 + N(e)^2}$ whereby n is the sample size for the study. N represents the entire population, and e is the margin of error in the study. Therefore, the sample for the study with a margin error of 5% was determined as follows.

$n = 237 / 1 + 237(0.5)^2 = 237 / 1.5925 = 148.82$ respondents which was taken as 149 respondents to the nearest whole figure and was distributed as shown below.

Table 3.2:

Distribution of Sample

Name Of Company	Position In The Organization	
	Public Relation Managers	Marketing Managers
1 British African Tobacco	5	11
2 Brookside	8	14
3 East African Breweries limited	8	13
4 Menengai	11	12
5 Nzoia Sugar	4	9
6 Bidco Company	6	11
7 Sarova Hotel	3	7
8 The Coca-Cola Company	4	5
9 Unilever	4	6
10 Upfield (blue band flora)	3	7
Total	55	94

Source: Author (2024)

3.5 Data Collection Instruments and Procedures

Data was obtained through questionnaires because of their ease of administration and their ability to collect data with ease (Dannels, 2018). The questionnaire had six sections with the first section seeking to establish the demographic information of respondents, section two seeking data for the first objective, section three seeking data for the second question, section four seeking data for the third question, section five seeking data for the fourth objective whereas section six sought data for the dependent variable. The questionnaire comprised Likert scale questions with a five-point scale of between 1 and 5 with a scale of 1 strongly disagreeing and 5 strongly agreeing.

Random sampling technique was used to select participants for both physical and online data collection. Physical administration and an online platform (Google Sheets) were used in the collection of data having been assisted by two researchers. It took up to four weeks to collect data.

The physical data collection procedure involved the researcher visiting the places of work of the target respondents (marketers and public relations managers) and issuing them with the questionnaires upon granting of the concept by the respondents. Questionnaires were left with respondents who notified the researcher once they were filled and ready for collection. A consistent reminder was also given to the respondents to fill out the questionnaires within the four weeks given.

To boost data collection and to overcome the challenge of some respondents shying away from participating in the study, an option of an online questionnaire was given to boost the response rate. An online questionnaire is much easier to administer because only a link is shared with the participants through email or social media and the respondents who fill and the questionnaire are registered in the database researcher once the participant clicks the submit button, therefore the researcher reminds the respondents to click submit button after providing their responses. The researcher was able to save time because data entry is not done again through online platforms. Both sources of data were compiled after the physical questionnaires were entered.

3.6 Pilot Testing of Questionnaire

A pilot test to ascertain that the questionnaire was flawless was conducted before the collection of data. A pilot study is important in ensuring the validity and reliability of the questionnaire (Bloomfield & Fisher, 2019). A pilot size was determined through the following method proposed by Marshall (2015). According to Marshall (2015) a pilot size is determined as follows: $n_p = \frac{z^2 \cdot p \cdot q}{n \cdot e^2}$, whereby n_p is the pilot size, z is the margin of error desired, n is the entire population and n is the sample size of the study. Therefore, the pilot size was $n_p = 10\% (237-149) = 9.8$ or 10 to the nearest whole figure. Therefore 10 respondents served as the pilot size to help in improving the questionnaire.

3.6.1 Validity of Research Instruments

A test for both face and construct validity was important. It was carried out to ensure that the questionnaire could capture the desired data of the study. The questionnaire is not supposed to be ambiguous or vague. The wording should be clear to the respondents (Bloomfield & Fisher, 2019). To achieve face validity, the researcher involved marketing managers, lecturers at the university, and public relations professionals who went through the questions and suggested improvements to the instrument. Besides, the researcher tested the construct validity via both the Kaiser-Meyer-Olkin (KMO) and Bartlett tests to determine whether constructs were adequate for explanatory factor analysis. The KMO threshold was set at 0.7, and the construct had to achieve above 0.7 scores was considered for further analysis, besides the Bartlett tests were conducted at a set threshold of 0.05, where the construct score was less than 0.05, then the variables in the instrument were considered adequate for further analysis.

Table 3.3:

Validity Analysis

		Sports Sponsorship	Sponsorship of Arts and Culture	Education Sponsorship	Trade shows and Conferences	Brand Equity
Kaiser-Meyer-Olkin Sampling measure, adequacy.		.883	.890	.704	.790	.874
Bartlett's Test of Sphericity	Approx, Chi-Square Df	20.734	20.734	18.714	18.714	19.453
	Sig.	.023	.023	.044	.044	.013

Source: Researcher (2024)

Results in Table 3.3 revealed that the KMO associated with all variables were higher than 0.7 and p-values for all variables were lesser than 0.05. Therefore, all the constructs were adequate for further analysis. Sports Sponsorship (KMO=.883, p-value= .023< 0.05), of arts and Culture

(KMO=0.890, p-value= .023< 0.05), Education Sponsorship (KMO=.704, p-value= .044< 0.05), Trade shows and Conferences (KMO=0.790, p-value= .037< 0.05). Whereas finally, brand equity (KMO=0.874, p-value= .013< 0.05). the findings are in agreement with the arguments presented by Bloomfield and Fisher (2019) that the purpose of conducting validity tests through KMO and Bartlett tests of sample adequacy is to ascertain that constructs are adequate for further analysis including exploratory factor analysis.

3.6.2 Reliability of Research Instruments

It is the internal consistency of the instrument (Bloomfield & Fisher, 2019). To test for reliability during the pilot stage both the test-retest method and the construct reliability were involved. The test-retest method involved taking the questionnaire to the field in the first week and later on after one week immediately giving the same respondents the questionnaires and determining whether they gave the same response to the items. The study adopted Cronbach alpha tests to test for reliability of the constructs considering a value of 0.7 was appropriate for further analysis.

Table 3.4:

Reliability Analysis

Variables	Cronbach's Alpha	Number of Items	Comment
Sports sponsorships	0.797	6	Reliable
Sponsorship of Arts and Culture	0.871	4	Reliable
Education Sponsorship	0.875	4	Reliable
Trade shows and Conferences	0.899	5	Reliable
Brand Equity	0.883	5	Reliable

Source: Researcher (2024)

Findings from the table showed that all variables exceeded the set threshold of 0.7: Sports sponsorships (0.797), Sponsorship of Arts and Culture (0.871), Education Sponsorship (0.875), Trade shows and Conferences (0.899) and Brand Equity (0.883). The results, therefore, indicated

that all the variables were reliable for further analysis. similarly, Bloomfield and Fisher (2019) were congruent in their arguments that the Cronbach alpha score can be used to ascertain reliability for further analysis.

3.7 Data Analysis and Presentation

3.7.1 Descriptive and Inferential Analysis

Data cleaning was done to check missing responses, coded, and entered into SPSS for analysis. Descriptive and inferential analyses were carried out after the data. Besides, before actual inferential analysis, diagnostic tests were conducted on the assumption of a linear regression model before actual regression analysis to establish if any of the assumptions were violated. The descriptive analysis involved measures of central tendency involving: mean, frequency, and percentage and measures of dispersion that involved standard deviation.

Regression analysis is carried out to ascertain the relationship between the independent variables and the dependent variable (Imai & Kim, 2021). The study, therefore, carried out regression analysis to ascertain the relationship between the four independent variables (sporting event sponsorship, education sponsorship, arts, and culture sponsorship, and tradeshows and conferences) and the dependent variable: brand equity. The inferential analyses involved regression analysis at the significance level of 0.05. The results of the study were presented in tables as well as charts. The multiple regression model was of the following form:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon.$$

Where Y was the Brand equity as the dependent variable.

The independent variable was sporting event sponsorship (X_1), education sponsorship (X_2), Arts and culture sponsorship (X_3), and Tradeshows and conferences (X_4). Whereas the β_1, \dots, β_4 are the coefficients of the independent variables. Finally, the ϵ is the error term in the fit model.

3.7.2 Diagnostic Tests

Before conducting inferential analysis, diagnostic tests were conducted which included: auto-correlation tests, multi-collinearity tests, homoscedasticity tests, tests for independence, normality, and linearity tests (Amrhein, et al. 2019) on assumptions of linear regression tests.

3.7.2.1 Auto-correlation Test

Serial autocorrelation is a challenge as it indicates that errors from previous measurements of variables in multi-linear regression analysis are carried on in future measurements of the variables which result in errors in predicting the dependent variables, in time series data. To test for auto-correlation, the study used Durbin-Watson tests. The Durbin-Watson scale runs between 0 and 4. A model that is free from auto-correlation gives a score of 2 showing no problem with auto-correlation with above 2 showing positive auto-correlation whereas values that are lower than 2 indicate the presence of negative auto-correlation.

3.7.2.2 Multi-Collinearity Test

Independent variables in the study are supposed to be indeed independent, however, the problem of multi-collinearity has to do with a lack of that independence whereby one or more independent variables are interrelated with another independent variable which makes it hard to establish the independent variables in the study. To test for multi-collinearity/test of independence the study used the Value inflation factor/tolerance. Values above 1 but below 10 show that there is no multi-collinearity. Where a variable showed values higher than 10 it was dropped and the rest variables were used in the study, Astivia and Zumbo (2019) confirmed that to test for Heteroscedasticity in Multiple Regression Analysis SPSS Value inflation factor/tolerance can be used.

Besides, to test for the independence of independent variables, the study adopted correlation analysis with those that were highly correlated identified and one of them dropped which is

Pearson correlation (r) values which were significant and higher than 0.8 between the independent variables indicating multi-collinearity.

3.7.2.3 Homoscedasticity Test

Another assumption is that there is no variation among the independent variables, where there is a lack of that uniform variation of residuals among the independent variables a situation of heteroscedasticity is presumed to be there. Therefore, another test that was conducted was the homoscedasticity test using the Breusch-Pagan test whereby the independent variables are regressed against the square of the unstandardized residuals, where the p-values are higher than 0.05, the residuals for the independent variables are thus homogeneous and the reverse holds for heteroscedasticity. Astivia and Zumbo (2019) confirmed that testing for Heteroscedasticity in Multiple Regression Analysis in the SPSS Breusch-Pagan test is possible with regressed independent variables against unstandardized residual values.

3.7.2.4 Normality Tests

Another assumption is that data was acquired from a population that is distributed normally. Lack of normality in regression analysis can result in wrong results out of biasness in sampling. To test for normality both Kolmogorov-Smirnov and Shapiro-Wilk tests were undertaken. Shapiro-Wilk variables with values above 0.05 were accepted as having normally distributed data.

3.7.2.5 Linearity Tests

Linearity is an assumption for a multi-linear regression. Variables in the study are supposed to indicate some observable relationship with independent variables (Imai & Kim, 2021). Using scatter plots the linear relationship between variables should be observed whereby most of the data follows within the linear curve.

Table 3.5:

Diagnostic Tests

Type of tests	Test method	Rule
Auto-correlation Test	Durbin-Watson tests	Free from auto-correlation if the score is 2.0
Multi-Collarity Test	Value inflation factor/tolerance	Lack of multi-collinearity if the values for VIF are between 1 and 10
	Use correlation analysis	Pearson correlation (r) should be lower than 0.8
Homoscedasticity Test	Breusch-Pagan test	Residuals are homogeneous if the value is over 0.05
Normality Tests	Kolmogorov-Smirnov and Shapiro-Wilk tests	Consider data as normally distributed where the p-value is below 0.05
Linearity Tests	Use scatter plots	Observation of data spread

Source: Researcher (2024)

3.8 Ethical Considerations

During the data collection stage, the researchers used a language that was respectful and non-harmful psychologically to respondents who were assured that no information was going to be divulged to third parties since it was going to be used purposely in writing the thesis. Besides, respondents were asked to sign a voluntary consent form in the introductory letter before the exercise and the researcher presented a NACOSTI letter as well as a research authorization letter from the university to guarantee the confidentiality of the information provided.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

The study aimed to investigate the relationship between corporate sponsorship and brand equity among beverage companies in Nairobi County. It was guided by four main objectives, to establish a relationship existing between sporting event sponsorship, education sponsorship, Arts and culture sponsorship, Tradeshows and conferences sponsorship, and brand equity amongst beverage companies in Nairobi City County. Both descriptive and inferential analyses were conducted to ascertain the practices as well as the nature of the relationship respectively.

4.1.1 Response Rate

Data from 149 participants, both public relations managers and marketing managers in 10 Beverage companies carrying out different forms of corporate sponsorship in Nairobi County was collected. The study however managed to collect 116 useful responses among the participants which represented a 77.85 response rate. Imai and Kim (2021) argued that a rate of 50% and above was adequate, 70% excellent, and a response rate of over 70% ideal. Therefore, with a response rate of 77.85%, it was ideal to come up with a report. The findings are presented in table 4.1.

Table 4.1:

Response Rate

Response	Frequency	Percentage (%)
No reply	33	22.15
Active participants	116	77.85
Total	149	100.00

Source: Researcher (2024)

4.2 Demographic Statistics

The study aimed at determining different demographic characteristics including gender, age, and experience of the respondents in their respective organizations.

4.2.1 Gender of Respondents

Results presented in Table 4.2 present that the majority of the respondents were male as is shown by 81.9% compared to 18.1%. The results presented indicate that organizations have also started engaging women roles as leaders in organizations where they play critical roles in marketing and playing the role of public relations.

Table 4.2:

Gender of Respondents

Gender	Frequency	Percent
Male	95	81.9
Female	21	18.1
Total	116	100.0

Researcher (2024)

4.2.2 Age of the Respondents

The study sought to establish the age of respondents who were classified into different categories. Results were presented in Table 4.3 which indicated that the majority had ages between 36 and 45 years, 18% of the respondents had ages between less than 25 years, between 26 and 35 years, and also respondents whose age was above 46 years.

Table 4.3:

Age of the Respondents

Age of the Respondents	Frequency	Percent
Less than 25 years	16	13.8
26-35 years	16	13.8
36-45 years	68	58.6
Above 45 years	16	13.8
Total	116	100.0

Researcher (2024)

4.2.3 Experience in the Organization

The study sought to establish the time respondents had spent in the organization at the time of data collection. aimed to determine the length of time the respondents had worked in the organization at the time of data collection. Findings as shown in the table show that the majority of respondents worked for a period of 5 to 9 years (41.4%), followed by respondents who worked for 10 years and above with only 25.0% having worked for less than 5 years.

Table 4.4:

Experience in the Organization

Age Bracket	Frequency	Percent
Below 5 years	29	25.0
5 to 9 years	48	41.4
10 years and above	39	33.6
Total	116	100.0

Researcher (2024)

4.3 Descriptive Analysis

Frequencies, percentages, standard deviation, and the mean for the four variables: sports sponsorship, education sponsorship, trade and conference sponsorship, and arts and culture sponsorship were determined in a descriptive analysis. Findings are presented on mean, frequency, percentage, and standard deviation. Likert's scale, a scale of 1 to 5 was used.

4.3.1 Descriptive Statistics on Sports Sponsorship

Whereas the study aimed at determining how respondents agreed with the statements on sports sponsorship, it was carried out by rating responses on a Likert scale of between 1 and 5 whereby 5 strongly agreed and 1 strongly disagreed. Results are presented in table 4.5.

Table 4.5:***Descriptive Statistics on Sports Sponsorship***

Statement on Sports Sponsorship	SD		D		N		A		SA		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
We have used our brand logos during sports	2	1.7	9	7.8	8	6.9	75	64.7	22	19.0	3.91	0.850
We have used sports sponsorship as an avenue for marketing	1	0.9	4	3.4	8	6.9	75	64.7	28	24.1	4.08	0.724
We have sponsored some sports to showcase our products	3	2.6	5	4.3	2	1.7	66	56.9	40	34.5	3.57	0.864
We have gotten business partners with similar values through sports sponsorship	1	0.9	3	2.6	8	6.9	55	47.4	49	42.2	3.66	0.776
We have greatly expanded our audience through sports sponsorship	7	6.0	-	0	15	12.9	58	50.0	36	31.0	4.00	0.99
We have promoted healthy behaviors through sports sponsorship	6	5.2	-	0	21	18.1	63	54.3	26	22.4	3.94	0.783
Composite Mean											3.86	

Source: Researcher (2024)

According to the results, respondents agreed that their companies used logos during sports shown by a 3.91 mean, they also agreed to have used sports sponsorship as an avenue for marketing indicated by a mean of 4.08, further findings presented in the table showed that their companies sponsored some sports to showcase their products shown by a 3.57 mean. The findings also revealed that respondents agreed to get business partners with similar values through sports sponsorship shown by a 3.66 mean, additionally, they agreed to greatly expand their companies' audience via sports sponsorship indicated by a mean of 4.00. Finally, respondents agreed that sports sponsorship promoted healthy behaviors indicated by a 3.94 mean. Overall, the results show

that beverage companies in Nairobi County carried out different forms of sports sponsorship as shown by a composite mean of 3.86.

The respondents were also asked to give their views on how they believe sports sponsorship contributed to the success of their brands

Respondents revealed that sports sponsorship played an important role in enhancing the success of their brands by forging strong connections with their target audience. Additionally, they established that through strategic partnerships with sports events, teams, or athletes, they leverage the emotional engagement and passion inherent in sports to create meaningful experiences for consumers. This not only increased brand visibility but also fostered positive brand associations, leading to enhanced brand equity. Moreover, respondents revealed that by aligning their brand with the values and ethos of sports, they established credibility and trust among consumers, ultimately driving brand preference and loyalty. Nonetheless, respondents also revealed that sports sponsorship provided valuable opportunities for brand activation, allowing them to interact directly with consumers and showcase their products or services in relevant contexts. According to the respondents, through comprehensive measurement and analysis of the relationship between different types of corporate sponsorship and brand equity, they aimed to gain deeper insights into the effectiveness of sports sponsorship in achieving their brand objectives and maximizing Return On Investments.

Respondents were also asked what specific impact sports sponsorship had on the way consumers perceived their companies' brands

Respondents revealed that sports sponsorship played a crucial role in shaping how consumers perceived their companies' brands by enhancing brand visibility and recognition among the target audience. They went ahead and revealed that by associating their brand with popular sports events

or teams, consumers were more likely to notice and remember our products or services. Further, respondents indicated that this increased visibility not only led to greater brand awareness but also fostered a positive image of their companies as one that actively supported and engaged with the community through sports.

Additionally, respondents revealed that sports sponsorship provided a platform for them to communicate their brand values and messages effectively, resonating with the interests and lifestyles of their target audience. Overall, respondents agreed that sports sponsorship significantly contributed to building a strong and favorable perception of their companies' brands among consumers in the region.

Muniz, et al. (2019) concurred results from the study having noted that non-governmental organizations have been actively engaged in sponsorship activities such as sports: The Australian Institute of Sports as well as the National Heart Foundation. The adoption of sponsorship has been preferred by large companies in Australia as a result of the need for cost reduction in marketing. Though the fraction of money spent on sponsorship is quite small compared to the overall marketing costs, the statistics indicate that this trend has been on the rise with over \$ 470 million being spent between 2000 and 2010 on sponsoring sports, education, trade, and conferences as well as arts and culture. The figures are expected to shoot to about \$2700 million by the year 2025.

4.3.2 Descriptive Statistics on Education Sponsorship

Descriptive statistics were undertaken to determine the extent to which participants agreed or disagreed with statements on practices in areas regarding education sponsorship by their companies. Findings were presented in table 4.6 on a Likert scale between 1 and 5 with a scale of 1 strongly disagreeing and a scale of 5 strongly agreeing.

Table 4.6:***Descriptive Statistics on Education Sponsorship***

Statement on Education Sponsorship	SD		D		N		A		SA		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
Our institution has sponsored bright students in society	-	0	8	6.9	7	6.0	70	60.3	31	26.7	4.07	0.777
We have sponsored ICT Programs in schools	-	0	4	3.4	10	8.6	65	56.0	37	31.9	3.92	0.722
We have used sponsorship of extra-curricular activities in schools to enhance the talent identification of students	3	2.6	4	3.4	8	6.9	54	46.6	47	40.5	4.01	0.903
we have our brand logos displayed within the educational companies we sponsor	5	4.3	-	0	11	9.5	77	66.4	23	19.8	3.97	0.828
Composite Mean											3.99	

Source: Researcher (2024)

Findings as presented in the table above indicated that respondents agreed to the statement that their companies had sponsored bright students in society shown by a 4.07 mean. Results indicate that respondents agreed to having sponsored ICT programs in schools shown by a 3.95 mean. Respondents agreed to have sponsored extra-curricular activities in schools to enhance talent identification for students shown by a 4.01 mean. Finally, they agreed to have their brand logos displayed within the educational institutions they sponsored indicated by a 3.97 mean. Results showed that respondents agreed with the fact that education sponsorship practices were carried out given an average mean score of 3.99.

Respondents were also asked how they perceived the role of education sponsorship in enhancing the reputation or image of their company

The respondents revealed that education sponsorship played an important role in elevating the reputation and image of their companies. In addition, they established that by investing in education sponsorship, they not only demonstrated their commitment to fostering knowledge and skills development but also aligned themselves with causes that resonate deeply with their stakeholders. Besides, they also established that through such initiatives, they actively contributed to the betterment of society while simultaneously showcasing their corporate values and social responsibility. Moreover, they added that education sponsorship allowed them to engage with various educational institutions, students, and communities, thereby expanding their network and influence. Ultimately, the respondents established that this proactive involvement in education not only enhanced brand equity but also established their companies as socially conscious and reputable entities within the industry.

Respondents were further asked whether they could examples or instances where they had seen education sponsorship initiatives positively impact the perception of their brands among consumers

Respondents revealed that they had observed several instances where education sponsorship initiatives had significantly enhanced the perception of brands among consumers. For example, Unilever, a multinational company sponsored scholarships for underprivileged students in Nairobi's Mathare slums, emphasizing their commitment to education accessibility and empowerment. This initiative not only garnered positive attention in the media but also resonated deeply with consumers, who perceived the brand as socially responsible and invested in fostering positive societal change. Similarly, the Coca-Cola Company's sponsorship of educational workshops and seminars on health and wellness not only showcased its commitment to promoting healthy lifestyles but also positioned the brand as a trusted advocate for community well-being.

By offering resources and information on nutrition and physical activity, Coca-Cola demonstrated its expertise in fostering healthier habits among consumers, thereby enhancing its brand perception as a company dedicated to promoting overall wellness and vitality. These instances demonstrate how education sponsorship can elevate brand perception by aligning with consumer values and addressing critical societal needs.

Nuseir (2020) argued similarly that Schools are facing rampant budget cuts resulting in the loss of funding for important activities in schools such as sports, early childhood education programs, and elderly education programs, there has been the loss of art, music, and physical education opportunities in schools, corporate sponsorship has on their part contributed to the extracurricular activities as well as the school programs. Under Armour has continuously donated amounts in millions for simply allowing students in athletics departments to wear shirts whose collars have the initials 'UA'. Other programs sponsored mainly by the institution include graphics and design, fashions and design, cinemas, interior design as well as dance classes.

Elasri Ejjaberi, et al. (2020) noted similarly that the Coca-Cola company has been at the forefront of issuing scholarships to bright students in universities globally, due to financial challenges and difficult times facing families across the globe. Microsoft is also another institution offering scholarships to benefit students in universities.

4.3.3 Descriptive Statistics on Sponsorship of Arts and Culture

The study carried out descriptive statistics to determine the level at which respondents agreed with the statements on Sponsorship of arts and Culture, to carry out the task the researcher ranked the responses on a Likert scale ranging from 1 to 5 with a scale of 1 strongly disagreeing and a scale of 5 strongly agreeing. The findings are presented in table 4.7.

Table 4.7:

Descriptive Statistics on Sponsorship of Arts and Culture

Statement on Sponsorship of Arts and Culture	SD		D		N		A		SA		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
We have musicians who compose songs to promote our products	1	0.9	5	4.3	4	3.4	79	68.0	27	23.3	4.09	0.717
We have funded cultural events before where we were able to showcase our products	1	0.9	6	5.2	9	7.8	63	54.3	37	31.9	3.89	0.821
We have sponsored comedy shows to promote our products	1	0.9	5	4.3	10	8.6	50	43.1	50	43.1	4.03	0.848
Our sponsored partners have enhanced our brand visibility	-	0	4	3.4	8	6.9	67	57.8	37	31.9	3.97	0.705
Composite Mean											4.00	

Source: Researcher (2024)

Findings from the table show that respondents agreed to the statement that we had musicians who composed songs to promote their companies' products with a 4.09 mean, results also indicated that respondents agreed that they had funded cultural events before where they were able to showcase their products shown by a 3.89 mean. From the results, it is clear that respondents agreed to have sponsored comedy shows to promote their products with a 4.03 mean. Finally, they agreed that their sponsored partners enhanced the brand visibility of their products indicated by the mean of 3.97. On average, it is evident from the results that Sponsorship of arts and Culture influenced brand equity as indicated by the respondents' average mean of 4.00.

Respondents were also asked to provide their views on how they perceived the involvement of their company in sponsoring arts and cultural events or initiatives

Participants established that the involvement of their companies in sponsoring arts and cultural events or initiatives was perceived as integral to their overarching brand strategy and corporate ethos. They also revealed that by aligning themselves with these endeavors, they not only demonstrated their commitment to supporting the enrichment of communities but also leveraged the unique platforms these events provided to enhance their brand equity. Moreover, respondents established that through strategic partnerships with arts and cultural entities, they fostered meaningful connections with diverse audiences, thereby strengthening brand perception and loyalty. Moreover, they revealed that such sponsorship initiatives offered opportunities for brand differentiation and storytelling, enabling them to showcase their values and fostering emotional connections with consumers. Ultimately, they all agreed that their involvement in sponsoring arts and cultural initiatives was viewed as a symbiotic relationship where their brand gained resonance and relevance while contributing positively to the cultural landscape.

Respondents were also asked how they thought their companies' sponsorship of arts and culture events or initiatives influenced their brand image and reputation

The respondents established that their companies' sponsorship of arts and culture events or initiatives significantly contributed to enhancing their brand image and reputation. In addition, they revealed that through their involvement in such activities, they not only demonstrated their commitment to supporting the enrichment of society but also aligned themselves with values that resonate deeply with their target audience. They also revealed that by associating their brand with these events, they fostered positive perceptions of their companies as one that values creativity, innovation, and community engagement. They also established that this engagement fostered a sense of emotional connection with their brand, leading to increased brand equity. Moreover, respondents revealed that by strategically selecting sponsorship opportunities that align with their

brand identity, they reinforced their brand's positioning in the minds of consumers, ultimately contributing to long-term brand loyalty and competitive advantage.

Bergin (2019) brought forward the fact that through Arts and Culture sponsorship, companies can communicate their intentions to the public. The sponsors identify one or more activities of the sponsored and use the image of the sponsored to push for more awareness of that particular brand. For instance, the musician may have to use musical instruments such as guitars, Keyboards, or microphones with the brand of the sponsor who manufactures those musical instruments and therefore publicly associates himself with that brand which eventually makes the fun to buy and know much about the brand by attending or viewing the event in television.

Besides, Nuseir (2020) noted that Under Armour has continuously donated amounts in millions for simply allowing students in athletics departments to wear shirts whose collars have the initials 'UA'. Other programs sponsored mainly by the institution include graphics and design, fashions and design, cinemas, interior design as well as dance classes.

Colbert, et al. (2015) also noted that entertainment entities are aggressively seeking companies to have events. Arts sponsorship involves making arrangements with the fine arts company through which the sponsor promotes the products through the fine arts company activities Fine arts companies may in return benefit through flat fees or receive products in kind. The activities of the sponsorship have given rise to marketing in terms of events marketing or art marketing. Besides, the sponsor may sponsor events or even cultural events

4.3.4 Descriptive Statistics on Trade Shows and Conferences Sponsorship

It was also an objective of the study to establish the extent to which respondents agreed to the statement on trade shows and conference sponsorship practices among beverage companies in Nairobi. To carry out the task, a Likert scale ranging between 1 and 5 was used to range the perceptions of respondents as presented in table 4.8.

Table 4.8:*Descriptive Statistics on Trade Shows and Conferences Sponsorship*

Statement on Trade Shows and Conferences Sponsorship	SD		D		N		A		SA		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
we have sponsored a speaker at conferences of our business partners	2	1.7	6	5.2	5	4.3	87	75.0	16	13.8	3.94	0.738
During conference sponsorship, we were able to explain how our products offer solutions to society's problems	-	0	3	2.6	8	6.9	69	59.5	36	31.0	4.09	0.671
During conference sponsorship, our company was able to offer free t-shirts with our logo	-	0	5	4.3	6	5.2	72	62.1	33	28.4	3.55	0.701
The slides/PowerPoint used by the speaker had the product images as footnotes	1	0.9	3	2.6	4	3.4	61	52.6	47	40.5	4.01	0.734
We have sponsored trade shows for our marketing partners	1	0.9	10	8.6	9	7.8	38	32.8	58	50.0	3.79	0.979
Composite Mean											3.88	

Source: Researcher (2024)

Findings, as presented in Table 4.8 showed that respondents to had sponsored a speaker at conferences of their business partners indicated a mean of 3.94. Also, findings showed that respondents agreed that during conference sponsorship they were able to explain how their products offer solutions to society's problems shown by a 4.09 mean. Respondents agreed that during conference sponsorships, their companies were able to offer free t-shirts with their companies' logos as shown by a mean of 3.55. Findings also indicate that respondents agreed that slides/PowerPoint used by the speaker had the sponsors' product images as footnotes as indicated by a 4.01 mean. Results finally revealed that respondents agreed to having sponsored trade shows

for their marketing partners indicated by a mean of 3.79. It was established, therefore, that beverage companies undertook various forms of trade shows and conference sponsorship as shown by a composite mean of 3.88.

Respondents were also asked to describe how sponsoring trade shows and conferences influenced the overall brand perception of their company among consumers

Respondents established that by aligning with events relevant to the industry or niche, their companies positioned themselves as leaders and innovators within their respective fields. Further, they established that through strategic sponsorship, their brands established credibility, fostered trust, and enhanced visibility among target audiences. Moreover, respondents revealed that the association with reputable events allowed their companies to showcase their products, services, and expertise to a captive audience, thereby amplifying brand awareness and engagement. According to the respondents, this heightened exposure not only strengthened brand recall but also cultivated positive brand associations, ultimately contributing to enhanced brand equity. Besides, they revealed that as consumers perceive the brand's involvement in trade shows and conferences, they attribute qualities of authority, reliability, and relevance, thus solidifying the brand's position in the market and fostering long-term consumer loyalty.

Respondents were also asked what specific benefits they believe their company derived from sponsoring trade shows and conferences in terms of building brand equity

The participants established that by associating their brand with reputable industry events, they enhanced their credibility and authority within the market, fostering trust among current and potential customers. They went ahead and added that these sponsorships provided valuable opportunities for brand exposure and visibility, allowing them to reach a targeted audience of industry professionals who were actively engaged and interested in their products or services.

Moreover, respondents revealed that participation in such events facilitated direct engagement with key stakeholders, fostering relationships and enhanced brand perception through personalized interactions. Additionally, respondents revealed that sponsoring trade shows and conferences enabled them to showcase their expertise, innovations, and thought leadership, positioning their brand as a leading authority within the industry. Overall, respondents agreed that these activities contributed significantly to strengthening their brand equity by reinforcing positive associations and perceptions among their target audience.

Khan, et al. (2020) were in agreement that through trade shows you can get ahead of your competitors. There are numerous packages available for tradeshow sponsorships ranging from sponsoring a seminar speaker at a conference to issuing a T-shirt at the reception desk with the logo of the event sponsoring company. During the few minutes given by the organizer, the sponsor should be able to say something that sells the image of the sponsoring company.

4.3.5 Descriptive Statistics on Brand Equity

This study was conducted to establish the extent to which respondents agreed with the statements on brand equity, using a Likert scale of between 1 and 5 with 1 implying that they strongly disagreed whereas 5 meant that they strongly agreed and the findings were presented in table 4.9.

Table 4.9:***Descriptive Statistics on Brand Equity***

Statement on brand equity	SD		D		N		A		SA		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
Our brand is more visible as a result of sponsorship	-	0	5	4.3	5	4.3	62	54.3	44	37.9	4.25	0.733
Customers are more connected to our product due to corporate sponsorship	2	1.7	4	3.4	7	6.0	52	44.8	51	44.0	4.26	0.856
Our customers are more likely to stick with us as a result of sponsorship	1	0.9	5	4.3	10	8.6	40	34.5	60	51.7	4.32	0.871
Our products are more accepted by our customers	2	1.7	8	6.9	4	3.4	48	41.4	54	46.6	4.24	0.938
We have been able to make more sales as a result of sponsoring activities	6	5.2	8	6.9	31	26.7	44	37.9	27	23.3	3.67	1.070
Composite Mean											4.15	

Source: Researcher (2024)

The findings show that respondents agreed that their brand became more visible due to being sponsored by a 4.25 mean. Findings also show that respondents agreed that customers were more connected to their products due to corporate sponsorship shown by a 4.26 mean. The findings further reveal that respondents agreed that customers were more likely to stick to their products due to sponsorship shown by a 4.32 mean. Findings also reveal that respondents agreed to make more sales due to sponsoring activities as is shown by a mean of 3.67. On average the study showed that beverage companies in Nairobi County had their brand equity improved from sponsoring practices indicated by a composite mean of 4.15.

Kotler (2012) was of similar opinions to the current study findings when they argued that there are no universally accepted ways of measuring brand equity: brand awareness, brand attachment, or

brand perception. Benefits associated with brand equity fall into quantitative and qualitative measures. The quantitative measures include profit margins as well as market share. On the other side, the qualitative benefits include prestige associated with customers using the product as well as the association of interests. Besides, Alhaddad (2015) agrees that a brand is one of the most attractive, valuable assets that a brand owner can enjoy the financial value associated with its value associated with the brand includes the profit margin, market share, recognition of brand logos, and perception of product quality.

4.4 Diagnostic Tests

Before actual regression analysis, the study carried out diagnostic tests including auto-correlation tests, multi-collinearity analysis, correlations analysis, tests of normality, homoscedasticity test, and linearity tests. The tests are discussed under the sub-headings.

4.4.1 Auto-Correlation Analysis

It was conducted with the use of the Durbin-Watson test and the findings were presented in table 4.10.

Table 4.10:

Auto-correlation

Model	Durbin-Watson
1	2.062

Source: Researcher (2024)

A score of 2.062 as shown in the table shows that the data did not have a problem of serial auto-correlation.

4.4.2 Tests for independence

Tests for independence were carried out through both multi-collinearity and correlation analysis and the findings were presented in the table below.

Table 4.11:

Multi-Collinearity

Variables	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Sports sponsorship	.692	1.445
Arts and Culture sponsorship	.488	2.050
Education Sponsorship	.476	2.102
Trade shows sponsorship	.526	1.902

Source: Researcher (2024)

Table 4.11 revealed that Sports sponsorship had a VIF of 1.445, Arts and Culture sponsorship had a VIF value of 2.050, Education sponsorship had a VIF value of 2.102 whereas Trade shows sponsorship had a VIF value of 1.902. From the analysis, therefore, it was determined that the independent variables in the study did not have a problem of Multi-collinearity because the scores for VIF were all less than 10. All the independent variables were therefore fit for regression analysis.

To test for independence, a correlation analysis test is conducted with both *p-value* at 0.05 and Pearson Correlation (*r*) values used to determine the presence of multi-collinearity. The findings are presented in Table 4.12.

Table 4.12:*Correlations Analysis*

		Sports Sponsorship	Arts and culture Sponsorship	Education Sponsorship	Trade shows And Conference Sponsorship
Sports Sponsorship	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	116			
Arts and Culture Sponsorship	Pearson Correlation	.486**	1		
	Sig. (2-tailed)	.000			
	N	116	116		
Education Sponsorship	Pearson Correlation	.507**	.645**	1	
	Sig. (2-tailed)	.000	.000		
	N	116	116	116	
Trade shows And Conference Sponsorship	Pearson Correlation	.438**	.620**	.622**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	116	116	116	116

** . Correlation is significant at the 0.01 level (2-tailed).
 Researcher (2024)

Findings from the table reveal that Sports Sponsorship Arts and Culture Sponsorship had an $r=0.486<0.8$ associated with a p-value of $.001<0.01$ indicating a significant relationship. Sports Sponsorship and Education Sponsorship had a positive and significant relationship ($r=0.507<0.8$, p-value $=0.001<0.01$). Sports Sponsorship and Trade show and Conference Sponsorship had a positive and significant relationship ($r=0.438<0.8$, p-value $=0.001<0.01$).

Arts and Culture Sponsorship and Education Sponsorship had a positive and significant relationship ($r=0.645<0.8$, p-value $=0.001<0.01$). Arts and Culture Sponsorship, Tradeshow and Conference Sponsorship had a positive and significant relationship ($r=0.620<0.8$, p-value $=0.001<0.01$). Education Sponsorship, Trade shows, and Conference Sponsorship had a positive

and significant relationship ($r= 0.622 < 0.8$, $p\text{-value} = 0.001 < 0.01$). The study, therefore, established that multi-collinearity did not exist in the independent variables because their Pearson correlation scores were all lesser than 0.7.

4.4.3 Tests of Normality

Normality tests were also conducted using both Kolmogorov-Smirnov and Shapiro-Wilk tests and the findings were presented in the table below.

Table 4.13:

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Sports sponsorship	.166	116	.310	.923	116	.317
Arts and Culture sponsorship	.259	116	.270	.822	116	.301
Education Sponsorship	.194	116	.508	.903	116	.576
Trade shows and Conference Sponsorship	.232	116	.330	.823	116	.342
Brand Equity	.164	116	.671	.900	116	.754

Source: Researcher (2024)

Findings from the table reveal that Sports sponsorship had a p-value of $0.317 > 0.05$, Arts and Culture sponsorship had a p-value of 0.301, Education sponsorship had a p-value of 0.576, and Trade shows and Conferences sponsorship had a p-value of 0.342. Brand Equity had a p-value of 0.754. All the variables in the study had a p-value above 0.05 indicating that all the variables were obtained from normally distributed population data.

4.4.4 Test for Homoscedasticity

Another assumption for linear regression is that the residuals for the independent variables have no variations. A Brusch –Pagan test was conducted with the independent variables regressed against the residuals and the findings were presented in the table below.

Table 4.14:

Homoscedasticity Test

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	.622	.256		2.436	.016
Sports sponsorship	-.014	.061	-.024	-.220	.826
Arts and Culture sponsorship	-.096	.059	-.215	1.632	.106
Education Sponsorship	-.041	.063	-.087	-.649	.518
Trade shows and Conference Sponsorship	.045	.074	.078	.615	.540

Researcher (2024)

Results from the table reveal that sports sponsorship with 0.826 p-value, Arts and Culture sponsorship had a 0.106 p-value, Education sponsorship had a 0.518 p-value whereas Trade shows and Conferences sponsorship had a 0.540 p-value. All the p-values for the independent variables were above 0.05 implying that no variation in the residuals among the independent variables existed.

4.5 Inferential Analysis

To establish the relationship corporate sponsorship has on brand equity amongst beverage companies in Nairobi County, the study conducted an inferential analysis. The inferential analysis involved testing of hypothesis between variables in the study. The study conducted both simple (shown between each independent variable against the dependent variable) and multiple regression analyses.

4.5.1 Simple Linear Regression Analysis

4.5.1.1 Relationship between sports sponsorship and brand equity

A simple linear regression analysis between the strength and direction of the relationship of the two variables was carried out in the form: $Y = \alpha + \beta_1 X_1 + \epsilon$ where y was the brand equity, β_1 was

the coefficient for sports sponsorship and the X_1 was the sports sponsorship as the independent variable, and finally, ε was the error term. Findings are presented in table 4.15.

Table 4.15:

Sports Sponsorship and Brand Equity

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.515 ^a	.265	.258	.50442		
ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.444	1	10.444	41.047	.000 ^b
	Residual	29.006	114	.254		
	Total	39.450	115			
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.783	.372		4.793	.000
	Sport sponsorship	.582	.091	.515	6.407	.000

a. Dependent Variable: brand equity sponsorship
b. Predictors: (Constant), Sport Sponsorship

Source: Researcher (2024)

Results of the study indicated an R-square of 0.265 associated with Sports sponsorship and brand Equity which indicated that 26.5% of the changes in brand equity are affected by Sports sponsorship, while other variables not in the model explain 73.5%. on the analysis of variable, an F-ratio of 41.047 with a p-value of $0.001 < 0.05$ was obtained which implied it was fit for the model to predict brand equity among beverage companies in Nairobi County. Besides a $\beta=0.582$, $t=6.407$ which was associated with a p-value of $0.001 < 0.05$ was obtained implying a significant

relationship between sponsorship and brand equity among beverage companies in Nairobi County.

The simple regression model can also be written as follows: $Y = 1.783 + 0.582X_1 + \epsilon$.

Mulei (2019) studied the sponsorship of sports and the effect the activity had on brand awareness. Results showed that customers were aware of the effect family banks' sponsorship had on the half marathon. It was also evident that customers were loyal as a result of the family bank sponsorship of the event.

4.5.1.2 Relationship between Arts and Culture Sponsorship and Brand Equity

A simple regression was also conducted between Arts and Culture sponsorship and brand Equity to determine the nature of their relationship, a simple regression model in the form: $Y = \alpha + \beta_2 X_2 + \epsilon$ with y being the brand equity among the beverage companies in Nairobi County, whereas β_2 was the regression coefficient X_2 was the Arts and Culture sponsorship, and ϵ the error term, findings were presented in table 4.16.

Table 4.16:

Arts and Culture Sponsorship and Brand Equity

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.492 ^a	.242	.236	.51210		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.554	1	9.554	36.430	.000 ^b
	Residual	29.896	114	.262		
	Total	39.450	115			
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.283	.313		7.300	.000
	Arts and Culture sponsorship	.449	.074	.492	6.036	.000

- a. Dependent Variable: Brand equity
- b. Predictors: (Constant), Arts and Culture sponsorship

Source: Researcher (2024)

Findings of the study given under the summary show a 0.242 r-square associated with Arts and Culture sponsorship and brand Equity, indicating a 24.2% change in brand Equity being explained by Arts and Culture sponsorship with other variables not included in the model explaining a 75.5% variation in the brand equity. Under the ANOVA, results presented indicated an F-ratio of 36.430 associated with a p-value of $0.001 < 0.05$, implying that it was fit in predicting brand Equity among beverage companies in Nairobi County. Results presented further indicated a $\beta=0.449$, $t=6.036$ which was associated with a p-value of $0.001 < 0.05$, which implied that Arts and Culture sponsorship positively and significantly affected brand equity among beverage companies in Nairobi County. The model can also be written in the form: $Y = 2.283 + 0.449X_2 + \epsilon$.

4.5.1.3 Relationship between Trade Shows, Conferences, and Brand Equity

A simple regression analysis was conducted between the Trade Shows, Conferences, and Brand Equity, with a simple linear regression model in the form: $Y = \alpha + \beta_3 X_3 + \epsilon$ with Y representing brand equity of the beverage companies in Nairobi County, β_3 represented the coefficients for education sponsorship X_3 is the Trade Shows, And Conferences as a variable, and ϵ as the error and the results were presented in table 4.17.

Table 4.17:***Trade Shows, Conferences, and Brand Equity***

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.559 ^a	.312	.306	.48777		
ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.327	1	12.327	51.809	.000 ^b
	Residual	27.123	114	.238		
	Total	39.450	115			
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	1.391	.386		3.606	.000
	Trade shows, and conferences	.663	.092	.559	7.198	.000

a. Dependent Variable: Brand equity

b. Trade shows, and conferences

Source: Researcher (2024)

Results show a 0.312 R-square implying that a change of 31.1% in brand equity can be explained by trade shows and conferences, other variables that are not included in the model explaining a 68.9%. under the NOVA statistics, findings indicated an F-ratio of 51.809 associated with a p-value of $0.001 < 0.05$ implying that the simple regression model was a good fit in predicting the brand equity among beverage companies in the county. Besides, findings indicated a $\beta=0.663$, with a $t=7.198$ was associated with a p-value of $0.001 < 0.05$, which implied that trade shows and conferences had a positive relationship with the brand equity of the beverage companies in Nairobi County.

The regression model becomes $Y = 1.391 + 0.663X_3 + \varepsilon$.

Similar findings were presented by Ng’etich (2016) who studied strategies adopted by telecommunication companies in Kenya for corporate sponsorship as a tool for marketing. Findings showed that trade and exhibition sponsorship significantly improve customers’ memory about the product and thus awareness which in effect leads to more sales of the products. The study also revealed that constant efforts by companies to promote their corporate image increased due to trade exhibition sponsorship and concluded that managers' attitudes and the competition industry influence sponsorship among telecommunications companies.

4.5.1.4 Relationship Between Education Sponsorship and Brand Equity

A simple regression model was also conducted between the Education Sponsorship and Brand equity. The study model was as follows $Y = \alpha + \beta_1 X_4 + \varepsilon$ with y being brand equity of the beverage companies in Nairobi County, β_1 the regression coefficient, X_4 the Education Sponsorship, and ε was the error term and the results presented in table 4.18.

Table 4.18:

Education Sponsorship and Brand Equity

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.577 ^a	.333	.327	.48038		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.143	1	13.143	56.952	.000 ^b
	Residual	26.307	114	.231		
	Total	39.450	115			
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.865	.306		6.098	.000
	Education	.557	.074	.577	7.547	.000

- a. Dependent Variable: brand equity
- b. Predictors: (Constant), Education sponsorship

Source: Researcher (2024)

Results revealed a 0.333 R-square implying a 33.3% change in brand equity being explained by education sponsorship. Further, the results of the analysis of variance with a 56.952 F-ratio associated with a p-value of $0.001 < 0.05$, implied that the model is significant in predicting brand equity among beverage companies in Nairobi County. Regression analysis further revealed a $\beta=0.557$, $t=7.547$ associated with a p-value of 0.001 implying that education sponsorship significantly and positively had a relationship with brand equity among beverage companies in Nairobi County.

4.5.2 Multi-Linear Regression Model

After conducting a simple regression analysis, the study included all four variables in a multi-linear regression model of the form: $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$. to explain the model summary change as a result of including more variables, change in F-ratio and the regression coefficients changes. Results are presented in the overall ANOVA model summary and the overall regression coefficients.

4.5.2.1 Overall Model Summary

R-square explains the extent to which changes in independent variables explain the change in the dependent variables and the results are presented in the table below.

Table 4.19:

Overall Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.912 ^a	.831	.825	.44404

a. Predictors: (Constant), Sports sponsorship, arts and Culture sponsorship, Education sponsorship, Trade shows, and conferences sponsorship

Source: Researcher (2024)

Table 4.19 on the model summary indicates an R-square of 0.831, implying that sports sponsorship, arts, and culture sponsorship, education sponsorship, trade shows, and conferences sponsorship explain 82.5% of the variations of brand equity. Other variables related to corporate sponsorship that were not included in the study accounted for 17.5% of the variations in brand equity.

4.5.2.2 Analysis of Variance

It is used to explain how fit and good the model is in predicting the dependent variables. Results of the analysis of variance are presented through the F-statistics shown in table 4.20.

Table 4.20:

Overall ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	17.564	4	4.391	22.270	.000 ^b
Residual	21.886	111	.197		
Total	39.450	115			

a. Dependent Variable: Brand equity

b. Predictors: (Constant), Sports, Arts and Culture, Education, Trade shows, and conferences

Source: Researcher (2024)

Results in table 4.20 reveal an F-ratio of 22.270 (df= 4, 111) associated with a p-value of 0.001 which is below 0.05 implying that the model was a good fit in predicting brand equity.

4.5.2.3 Overall Regression Coefficients

Regression Coefficients help in explaining the direction and the strength of the relationship between the independent variables and the dependent variable. p-values associated with the t-statistics tell whether the relationship is significant or insignificant. Results are presented in table 4.21.

Table 4.21:

Overall Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	.527	.400		1.315	.191
Sports sponsorship	.279	.096	.247	2.903	.004
Education Sponsorship	.254	.099	.263	2.566	.012
Arts and Culture sponsorship	.036	.092	.040	.392	.069
Trade shows and Conference Sponsorship	.312	.116	.263	2.697	.008

a. Dependent Variable: Brand Equity

Source: Researcher (2024)

Results from the showed that the constant had a $\beta = 0.527$, and t-statistics of 1.315 associated with a p-value of .191 implying that the constant in the model was not significant in predicting brand equity.

Relationship Between Sports sponsorship and Brand Equity

Sports sponsorship and Brand Equity revealed a $\beta = 0.527$, $t = 2.903$ associated with a p-value of $0.004 < 0.05$, indicating that Sports sponsorship positively and significantly affected brand equity. Jalleh, et al. (2022) agreed with the findings when they studied the impact that sponsorship had on brand awareness of sponsorship activities that included: sporting, arts, music, and racing events. Results revealed that sponsorship positively affected brand awareness among health-related firms than commercial firms.

Besides, Azadi (2016) agreed with the study findings while investigating the relationship between sponsorship and brand equity for sport-wearing industries in Iran revealing a positive and significant relationship through customers' brand loyalty and awareness.

Relationship Between Arts and Culture sponsorship and Brand Equity

Arts and Culture sponsorship and Brand Equity revealed a $\beta = 0.036$, $t = 0.392$ that was associated with a p-value of $0.069 > 0.05$, therefore Arts and Culture sponsorship had a positive but insignificant relationship with brand equity. Eisdorfer and Kohl (2015) were in disagreement with the study findings when they studied the effect of stock return among public companies sponsoring Arts and Culture competitions in the USA. Results of the study revealed that the stocks of the sponsors were more liquid, more highly traded, and less volatile (the standard deviation of the daily returns for the stock) compared to the average companies that did not sponsor the competitors.

Besides, Axiotis (2016) was also in agreement that sponsoring cultural events, in particular, offers the business the opportunity to engage the audience, creates the credibility of the organization as well, and increases the prestige of the product. Sponsorship enables businesses to access customers and business partners directly. Cultural event sponsorship helps businesses to increase awareness about their products as well as the building of the brand. Asfold schools in Kent have managed to increase their brand awareness by sponsoring Kent creative awards which have in return enabled the schools to promote their brand and enable more awareness

Relationship Between Education Sponsorship and Brand Equity

Education sponsorship and Brand Equity revealed a $\beta = 0.254$, $t = 2.566$ that was associated with a p-value of $0.012 < 0.05$, therefore Education sponsorship positively and significantly affected brand equity. George, et al. (2016) agreed with the findings of the study when they sought to find out the influence of education sponsorship on marketing communication performance for Airtel in Ghana. It was established that increased awareness, acceptability, corporate image, and brand recall affect increased sales, which also impact the organizational value of Airtel.

Besides, Tufail, et al. (2014) agreed with the findings when they studied the effect of sponsorship and publicity on brand equity in all the big cities in Pakistan among 200 educated students. The results found that publicity and sponsorship significantly and positively affected brand equity.

Relationship Between Trade shows, Conference sponsorships, and Brand Equity

Trade shows, Conference sponsorships, and Brand Equity revealed a $\beta = 0.312$, $t = 2.697$ associated with a p-value of $0.008 < 0.05$ indicating that Trade shows and Conference sponsorship had a positive and significant relationship with brand equity. Contradicting findings were presented by Lang, et al. (2020) who studied the trade exhibition sponsorship of corporate brands and the brand equity among 10 leading soft drink brands in Vietnam. Results revealed that trade exhibition sponsorships insignificantly affected brand equity. Khan, et al. (2020) further argued that you can get ahead of your competitors through trade shows. There are numerous packages available for tradeshow sponsorships ranging from sponsoring a seminar speaker at a conference to issuing a T-shirt at the reception desk with the log of the event sponsoring company. During a conference or trade exhibition, the speaker sponsored must have something compelling him, which needs to be something new which must also make them plan to come next time. During the few minutes given by the organizer, the sponsor should be able to say something that sells the image of the sponsoring company

The Multilinear regression model obtained was as follows; $Y = 0.527 + 0.279X_1 + 0.254X_2 + 0.312X_3 + \epsilon$. Where Y was the Brand equity as the dependent variable; Sporting event sponsorship (X_1), education sponsorship (X_2), and Tradeshows and conferences (X_3). Whereas the β_1, \dots, β_3 are the coefficients of the independent variables and ϵ the error term in the model. Overall sponsorship was found to be the most significant corporate sponsorship component that had a relationship with brand equity with a p-value of $0.004 < 0.05$. A similar argument was given by Toscani and

Prendergast (2019) who noted that the audience favors sports sponsorship over other sponsorship mechanisms. Global statistics indicated that sports sponsorship activities in sports account for about 60% and 80% of sponsorship activities. Statistics in Australia indicated that sports sponsorship accounts for 60%, education 11.75%, arts and culture 6.25%, and tradeshow and conferences 11% whereas others took about 11% a clear indication that sports dominate over other sponsorship programs.

Jalleh, et al. (2022) agreed with the overall findings when they studied the impact that sponsorship had on brand awareness among two categories: firms in the health sector as well as commercial firms in Australia. The sponsorship activities included sporting, arts, music, and racing events with the findings revealing that sponsorship had a positive effect on brand awareness.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a concise summary of the main findings, the conclusions drawn from the study, and the study's recommendations. These recommendations include both policy suggestions and ideas for further research.

5.2 Summary of the Findings

5.2.1 Sports Sponsorship

The study revealed that the respondents agreed that: the companies had used brand logos during sports the sponsoring companies used sports sponsorship as an avenue for marketing, sponsoring companies had sponsored some sports to showcase their products, sponsoring companies had gotten business partners with similar values through sports sponsorship, sponsoring companies had expanded their companies' audience through sports sponsorship, finally, the sponsoring companies had promoted healthy behaviors through sports sponsorship. Overall results confirmed through a composite mean of 4.06 that beverage companies carried out sports sponsorship. Further, the study found that sports sponsorship significantly and positively had a relationship with the brand equity of the beverage companies in Nairobi doing sports sponsorship, with a p-value of $0.004 < 0.05$.

5.2.2 Education Sponsorship

The study found that the respondents agreed that their beverage companies had: sponsored bright students in society, sponsored ICT Programs in schools, used sponsorship of extra-curricular activities in schools to enhance the talent identification of students, and finally, the respondents agreed that they had their brand logos displayed within the educational institutions they sponsored. The respondents, on average, indicated agreement with the education sponsorship practices with a

composite mean of 4.10. Furthermore, the study found a noteworthy and positive correlation between education sponsorship and Brand Equity, supported by a p-value of 0.012, which is less than the significance threshold of 0.05.

5.2.3 Sponsorship of Arts and Culture

The study found the respondents to agree that their beverage companies: had musicians who composed songs to promote their companies' products, their companies had funded cultural events before where they were able to showcase their products, and had sponsored comedy shows to promote their products. With a composite mean of 4.15, the respondents agreed that various Sponsorship of Arts and Culture was carried out by their beverage companies.

The study also revealed that Arts and Culture sponsorship had a positive but insignificant relationship with brand equity, with a p-value of $0.069 > 0.05$.

5.2.4 Trade Shows and Conferences Sponsorship

The study also established that the respondents were in agreement that their beverage companies had: sponsored a speaker at conferences of their business partners, explained how their products offer solutions to society's problems during conferences, and offered free t-shirts with their companies' logos during conferences. The study found that the respondents agreed that their companies had supported trade shows as a means of promoting their marketing partners. The study also indicated that beverage and food companies in Nairobi County engaged in Trade Shows and Conferences Sponsorship activities, with an average score of 4.16. Besides, the study revealed that Trade shows and conference sponsorship had a positive and significant relationship with brand equity, with a p-value of $0.008 < 0.05$.

5.3 Conclusions of the Study

5.3.1 Sports Sponsorship

The research findings established a positive and significant association between sports sponsorship and brand equity among beverage companies in Nairobi City County, thereby rejecting the hypothesis that there is no significant relationship between sports sponsorship and brand equity in this context. These results align with prior studies (Azadi, 2016; Mulei, 2019) all of which observed similar positive and significant relationships between sponsorship of various sporting activities, such as marathons, soccer, and horse racing, and brand equity. These scholars also concurred that customers exhibit a stronger attraction towards products from sponsors of sporting events. For instance, Mulei (2019) research, which examined Family Bank Limited's sponsorship of the Eldoret half marathon, echoed the findings of the current study. It highlighted that customers were not only aware of Family Bank's sponsorship of the marathon but also displayed increased loyalty as a result of this sponsorship

The study is in support of the communication theory that most sponsorship activities come with adverts that the sponsor may post in different mediums including the use of audio clips which may be sent through mainstream media: radio, television, etc, or print media such as banners or newspapers. Consumers seeing or hearing a product of the sponsor are more likely to be aware of its existence, especially when attending events that are sponsored by a particular company. For instance, the Coca-Cola company may have all bicycles participating in Olympic branded Coca-Cola. Through such branding, the spectators of the race are more likely to know about the product. A particular marathon champion may dress in an attire that promotes textile products of a certain textile manufacturer e.g. Nike or Adidas.

5.3.2 Education Sponsorship

The research findings indicated a strong and positive correlation between education sponsorship and brand equity, thus leading to the rejection of the null hypothesis suggesting no significant relationship between education sponsorship and brand equity. This conclusion was supported by researchers (Hernandez & Longman, 2020; Tufail, et al., 2014). Tufail, et al. (2014) also observed a similar trend when investigating the impact of sponsorship and publicity on brand equity among 200 educated students in major cities across Pakistan. Their findings align with the current study, highlighting that both sponsorship and publicity had a notable and positive influence on brand equity.

Through sponsorship of education, companies can create brand awareness as well as image. Schools should strive to have corporate sponsors who instill a positive attitude in the students such as Microsoft promoting the attitude of students engaging themselves in software development in universities (Hernandez & Longman, 2020). The findings also support the goal path theory that every institution has goals that are more than mere desires, organizations are involved in sponsorship activities, particularly in education sponsorship to enhance brand image.

5.3.3 Arts and Culture Sponsorship

In summary, the study's findings revealed a positive yet statistically insignificant connection between Arts and Culture sponsorship and brand equity, ultimately supporting the acceptance of the null hypothesis that there is no significant relationship between the two. Notably, sponsoring cultural events provides businesses with the opportunity to engage with their audience, bolster their organizational credibility, and enhance the prestige of their products. This form of sponsorship also facilitates direct access to both customers and business partners. These conclusions are in harmony with the theory of excellence in public relations, underscoring the crucial understanding of the relationship between corporate sponsorship and brand equity,

encompassing factors like brand awareness, brand image, and customer loyalty, particularly within the beverage industry in Kenya (Axiotis, 2016).

5.3.4 Trade Shows and Conferences Sponsorship

The study's findings revealed a strong and statistically significant correlation between sponsorship of trade shows and conferences and brand equity. As a result, the study dismissed the hypothesis that there is no significant relationship between trade shows and conference sponsorship and brand equity.

In support of the conclusion was Tsordia, et al. (2018) who revealed that through tradeshow sponsorships, companies sponsoring can make their products known which has the advantage of increasing sales. As a speaker who has volunteered, you may need to demonstrate your expertise in the theme of the trade show as well as showcase the product that your company deals in. The current study was also in support of the theory of social exchange which is particularly important in sponsorship, institutions that sponsor trade shows and exhibitions, know very well that their brand image is well represented and revealed to prospective customers when they use to trade and exhibitions. Clients who attend exhibitions and tradeshow are more likely to note a brand associated with the sponsor during the event.

5.4 Recommendations

The study presented both policy recommendations which were guided by the conclusions of the study and major findings. The study also recommended future studies that were guided by the identified gaps in the study, conceptual, methodological, and empirical gaps were presented.

5.4.1 Policy Recommendations

5.4.1.1 Sports Sponsorship

The study recommended beverage and the managers of the beverage companies identify the best sporting activities that they can sponsor including car racing, soccer, rugby, or even volleyball by

sponsoring their sports t-shirts and sports shoes. The beverage company can also organize awards during the competition. The sporting activities being sponsored should always bear a log for the sponsoring beverage company to boost the brand image. The athlete or a soccer player can also act as a brand ambassador for the beverage company

5.4.1.2 Arts and Culture Sponsorship

The study recommends that public relations managers and marketers identify talented musicians in society and sponsor their activities such as a talent show competition, financing their video or audio shoot, as well as sponsoring music instrument purchases such as guitars or even keyboards. The study also recommended that marketing managers identify talented comedians in society by sponsoring an entertainment or comedy show talent identification as well as awarding the best talents. Finally, the marketing managers should sponsor cultural events such as traditional fashion designs and shows and even award the best designers, by sponsoring the art and cultural events the beverage companies can showcase their products and also display strategically their logs which in effect can boost the brand image of the company. The musicians can also act as the brand ambassador of the beverage company by using their logs always during music shows.

5.4.1.3 Education Sponsorship

The public relations managers and the marketing managers need to identify needy and also bright students in society who enrolled in high school, colleges, or even universities but cannot afford school fees by giving them scholarships. By doing so the sponsored students become the brand ambassadors. Besides, the beverage company can sponsor health awareness campaigns, in the process, the company can use its log during the health programs to strategically position its brand to gain more equity on its brand. Finally, the marketing managers can identify gaps in society and

the need for a particular ICT need in society and sponsor people in society by paying professionals and technicians maybe about Microsoft Office or new technology.

5.4.1.4 Trade Shows and Conference Sponsorship

The study recommended that Marketers and public relations managers sponsor conferences such as Smart Climate, in the process the sponsoring company can be the one sponsoring a popular speaker who has great skills in that area of climate. The speaker in such instances may prepare presentation slides or use portraits that display strategically the log of the beverage company sponsoring such a program. Besides, the marketers and the public relations managers need to identify trade exhibitions and do partnerships with other companies who are not rivals and sponsor the exhibition halls or the technicians showcasing the products of their partners.

5.4.2 Suggestion for Further Studies

The study recommended that a study be carried out where more sponsorship activities are included in the study (Media or program sponsorship, Event sponsorship, and Scientific sponsorship), the current study variables could only explain 82.5% of the variations of the brand equity, and other variables related to corporate sponsorship that were not included in the study accounted for 17.5% of the variations in the brand equity.

The study also recommended that another study be conducted where a moderating variable is introduced in the study such as organizational characteristics, by doing so the study is also able to have a model that predicts brand equity, changes in the R-square of the variables can be observed with the introduction of the moderator/intervening variables since the current study also did a direct relationship between corporate sponsorship and brand equity. A moderator like the firm size may be included in the model.

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APPENDICES

Appendix I: Introduction Letter

Kenya Methodist University

P.O BOX 43844

Nairobi

RE: INTRODUCTION LETTER

Dear Respondent,

I am currently studying for a degree of Masters in the School of Business at Kenya Methodist University researching: *The Relationship Between Corporate Sponsorship and Brand Equity Amongst Beverage Companies in Nairobi Kenya*. The purpose of this letter is therefore to request your voluntary participation in this study by filling out the attached questionnaire. The information gathered shall be treated with confidentiality and shall be used for this research only.

Consent Given [] Sign Date

[Respondent]

Consent Declined []

Reason for Decline _____

Yours Sincerely,

GATANA MICHEAL MUCHIRA

BUS-3-2807-2/2015

Appendix II: Questionnaire

Instruction: Please tick where appropriate

Section A: Demographic Information

1. Indicate your gender ()

Male () Female ()

2. Indicate your age bracket

Less than 25 []

26-35 []

36-45 []

Above 46 years []

3. How many years have you worked in your organization in years?

Less than 5 []

5-9 years []

Above 10 years []

Section B: Sports Sponsorship

4. Please name any sporting activities you have sponsored in the past

.....

5. Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on sports sponsorship. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5=strongly agree.

Statement	1	2	3	4	5
We have used our brand logos during sports					
We have used sports sponsorship as an avenue for marketing					
We have sponsored some sports to showcase our products					

We have gotten business partners with similar values through sports sponsorship					
We have greatly expanded our audience through sports sponsorship					
We have promoted healthy behaviors through sports sponsorship					

6. How do you believe sports sponsorship contributes to the success of your brands?

.....

7. What specific impact does sports sponsorship have on the way consumers perceive your company's brands?

.....

Section C: Education Sponsorship

8. Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on Education Sponsorship. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5 strongly agree.

Statement	1	2	3	4	5
Our company has sponsored bright students in society					
We have sponsored ICT Programs in schools					
We have used sponsorship of extra-curricular activities in schools to enhance the talent identification of students					
we have our brand logos displayed within the educational companies we sponsor					

9. In your experience or observation, how do you perceive the role of education sponsorship in enhancing the reputation or image of your company?.....

.....

10. Can you provide examples or instances where you have seen education sponsorship initiatives positively impact the perception of your brands among consumers?.....

.....

Section D: Sponsorship of Arts and Culture

11. Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on arts and Culture sponsorship. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5 strongly agree.

Statement	1	2	3	4	5
We have musicians who compose songs to promote our products					
We have funded cultural events before where we were able to showcase our products					
We have sponsored comedy shows to promote our products					
Our sponsored partners have enhanced our brand visibility					

12. How do you perceive the involvement of your company in sponsoring arts and cultural events or initiatives?

.....

13. How do you think your company's sponsorship of arts and culture events or initiatives influences your brand image and reputation?.....

.....

Section E: Trade shows and Conferences sponsorship

14. Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on Trade shows and conference sponsorship. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5=strongly agree.

Statement	1	2	3	4	5
we have sponsored a speaker at conferences of our business partners					
During conference sponsorship, we were able to explain how our products offer solutions to society's problems					
During conference sponsorship, our company was able to offer free t-shirts with our logo					
The slides/PowerPoint used by the speaker had the product images as footnotes					
We have sponsored trade shows for our marketing partners					

15. In your own words, can you describe how sponsoring trade shows and conferences may influence the overall brand perception of your company among consumers?.....

.....

16. From your perspective, what specific benefits do you believe your company derives from sponsoring trade shows and conferences in terms of building brand equity?.....

.....

Section E: Brand Equity

- Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on Brand equity. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5=strongly agree.

Statement	1	2	3	4	5
Our brand is more visible as a result of sponsorship					
Customers are more connected to our product due to sponsorship					
Our customers are more likely to stick with us as a result of sponsorship					
Our products are more accepted by our customers					
We have been able to make more sales as a result of sponsoring activities					

Appendix III: List of Beverage Companies

1. British African Tobacco
2. Brookside
3. East African Breweries limited
4. Menengai
5. Nzoia Sugar
6. Bidco Company
7. Sarova Hotel
8. The Coca-Cola Company
9. Unilever
10. Upfield (blue band flora)

Source: Kenya National Bureau of Statistics (2022)

Appendix IV: Research Authorization Letter



Kenya Methodist University

P. O. Box 267-60200, Meru, Kenya, Tel: (+254) 724 256 162, 064-3131279/097 Email: vice.chancellor@kemu.ac.ke, Website: www.kemu.ac.ke

September 1, 2022

TO WHOM IT MAY CONCERN

RE: MUCHIRA MICHAEL GATANA BUS-3-2807-2/2015

This is to confirm that the above named is a student in the Department of Business Administration, in this university, pursuing a Master of Business Administration.

As a requirement, the student is expected to undertake an independent **primary research** in their area of specialization.

The purpose of this letter is therefore; to introduce the student to you and request you to allow him undertake the research in your organization.


The student has been advised to ensure that all data and information from the organization is treated with utmost confidentiality and only used for academic purposes unless otherwise stated.


Any assistance accorded to him will be highly appreciated.

Your

Prof. Peter Kihara, PhD.
Registrar, Academic Affairs


Appendix V: Research License


REPUBLIC OF KENYA


**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: **378352** Date of Issue: **20/September/2022**


RESEARCH LICENSE




This is to Certify that Mr., GATANA MUCHIRA of Kenya Methodist University, has been licensed to conduct research in Nairobi on the topic: THE RELATIONSHIP BETWEEN CORPORATE SPONSORSHIP AND BRAND EQUITY AMONGST BEVERAGE COMPANIES IN KENYA for the period ending : 20/September/2023.

License No: **NACOSTI/P/22/20386**

Applicant Identification Number: **378352**


Director General
**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION**

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