

1. INTRODUCTION

1.1. Research background

Technological advancement has proliferated in the past few decades, paving the way for new opportunities in many industries. For example, technological advancement helps people entertain themselves through various media such as television, radio, music player, and video game development in the entertainment industry. In the past, most video game only allows the player to compete against the artificial intelligence implanted in the program. However, then, with the integration of the internet, players from different parts of the world can play together simultaneously. As a result, video game companies started to hold competitions to boost their game's popularity and attract more people to play their game. This kind of competition is called an esports (electronic sports) event.

Before the term esports event was well-known, people used the term video game competition. The first major video game competition was held in 1980, in which Atari as the developer of a game called "Space Invader", conducted a more extensive scale event called Space Invader National Championship (Gaming, 2018). This event was participated by a massive number of players, provided a massive prize pool. Video game competitions in those pre-internet days were held on-location, where the participant would take a turn on one video game unit to achieve the highest score. The competitiveness in video games naturally induced tournaments' creation, positively affecting the games' popularity (Rogers, 2019).

Nowadays, video games have developed to the point where players can compete to prove their skills, which was previously limited to play only against A.I. or opponents playing on the same console or computer. Thus, the term esports was born through the competition between players, which became one of the most rapidly growing industries for the past years (Pitkänen, 2015). Esports is a form of sports where electronic systems facilitate the primary aspects of the sport; human-computer interfaces mediate the input of players and teams and the output of the esports system. Hamari and Sjöblom (2017) describe esports as a competitive video gaming coordinated by different league and tournaments where players join a team sponsored by a business organization.

In conclusion, the transition of the term from "video game competitions" into "esports events" was mainly due to the technological advancement of video games. Usually, an event can be referred to as a "video game competition" when the game competed is an offline game,

meaning no internet is used. In a video game competition, players usually play against the A.I., contesting who can get the highest score. On the other hand, games competed by esports events are online-based, and players play against each other individually or as a team. As the popularity of online-based games and their competition (esports events) skyrocketed, the term esports become more frequently used (Gaming, 2018)

South-East Asia has become the fastest-growing region since 2016 in terms of the number of esports audience reaching 495 million at the end of 2020 an increase of by 22% from the year before (“Newzoo Global esports Market Report 2020 | Light Version,” n.d.). Two games is accountable for the increasing number of audiences: PUBG Mobile and Mobile Legends: Bang Bang, which attracts 40% and 33% of the SEA esports audience, respectively. In addition, Indonesia has an accountable number of esports enthusiasts with 43.7 million people, and 55% of them are spenders (IDByte esports 2019, n.d.).

According to the *Asosiasi Penyelenggara Jasa Internet* or APJII, in 2019, Indonesia's internet users' numbers were 171 million people, yet only 24% or 42 million people are gamers. However, this number is expected to grow threefold to 128 million people in 2024 (“APJII: Jumlah Pengguna Internet di Indonesia Tembus 171 Juta Jiwa”, May 16, 2019). In Indonesia, the most played online game in Indonesia is Mobile Legends: Bang Bang or MLBB, with 31 million active players in 2019 (“Mobile Legends: Bang Bang dimainkan 31 Juta orang di Indonesia, October 17, 2019). MLBB is a mobile-based multiplayer game developed by Moonton. The game itself is MOBA (Massive Online Battle Arena) based, in which two teams fight each other to destroy the enemy base (Sudharto, 2018).

As the number of players and popularity grows, Moonton, the creator of MLBB, decided to hold an MLBB tournament in Indonesia called Mobile Legends Professional League Indonesia or MPL-ID in 2018. Up until their fourth season, it still holds the first place of being the most major esports event in Indonesia, based on a prize pool with a total of US\$300,000 (Amalia, 2019). Since its launching in 2018, MPL-ID has been actively seeking sponsors as the event's scale grows more extensive over the years. As a result, renowned brands like Kratingdaeng, DANA, Realme, and AXE have respectively become the main sponsor of season 3, 4, 5, and the latest, season 6 of MPL-ID (*About Mobile Legends: Bang Bang Professional League*, n.d.).

According to Zarrabi and Jerkrot (2016), there are three methods that esports event organizers can use to fund their events: first, charging spectators who enter the venue of the competition (ticket sales). The second is charging the competition and media broadcast's exposure (sponsorship, advertising, broadcasting, endorsement). The third is by selling the

media rights that the provider can obtain to broadcast the event. Even though these three streams' value has been growing following esports' development, only sponsorships and advertising have consistently been the primary source of profit for the event organizer. In addition, Newzoo, a company specialized in providing analytics and market insight into the esports industry, predicted that worldwide's revenue from sponsorship deals alone would generate \$636.9 million in 2020, a 28.3% increase over the previous year (\$456.7 million) (*Newzoo Global Esports Market Report 2020 | Light Version, 2020*).

After knowing the importance of a sponsor as an esports event's revenue, the sponsoring brand also needs to know the effect of brand sponsorship on their target market. According to McDonald (1991) and Meenaghan (1998), sponsoring brand need to know investment returns from being the sponsor, and event organizers need to understand how to market the benefits of being a sponsor in their events to potential companies (in Shin et al., 2018, p. 169)

With this information in mind, the researchers decided to choose the latest MPL-ID season 6 and its main sponsor, AXE, as the research object. The researchers want to produce relevant research or reflect the best of the current situation. Therefore, the researchers choose MPL-ID season 6 to be the research object because the event is the most recent held. On the other hand, AXE is chosen (instead of the other sponsors of MPL-ID season 6) as the object of this research because it is the event's main sponsor. As the event's main sponsor, AXE is shown, mentioned, and promoted more often than the other sponsors, creating a stronger connection between AXE and MPL-ID in the participants' minds.

One of the theoretical constructs used to examine sponsorship brand effects is image congruity theory (Shin et al., 2018). According to Sirgy (1986), congruity theory is a psychological process that happens if there is a match or mismatch between a party to the others. The concept of congruity is formulated by the relationship between images of compared objects; it could be between two or more physical objects or between a physical object with an individual self-image. In analyzing sponsored event, there are three cognitive elements that could be captured by congruity theory: sponsoring brand image, event image, and visitor's self-image (Shin et al., 2018).

The combination of these three cognitive elements will then be combined with each other to evaluate the degree of match and mismatch between them that cause a change in attitude toward the event, sponsoring brand, which will lead to a change in sponsoring brand loyalty (Sirgy et al., 2008). The combination of the three elements creates three exogenous

variable that will be used in this research, which are: self-congruity with sponsoring brand image, self-congruity with event image, and congruity between event image and sponsoring brand image.

The first exogenous variable is self-congruity with brand image. Self-congruity with sponsoring brand image is defined as the perceived degree of match or mismatch between visitor self-image and sponsoring brand image. According to Sirgy (1982) a high level of self-congruity with sponsoring brand will positively affect brand attitude.

The second exogenous variable is self-congruity with event image. Self-congruity with event image is defined as the perceived degree of match or mismatch between visitor self-image and event image. Self-congruity with event image helps create a favorable attitude toward that event, and these positive attitudes are transferred to the brand that sponsored the event. (Gwinner, 1997; Gwinner and Eaton, 1999).

The third exogenous variable is the congruity between event image and sponsoring brand image. Congruity between event image and sponsoring event image is defined as the perceived degree of match or mismatch between event image and sponsoring brand image. Meyers-Levy and Tybout (1989) argued that less congruity between a sponsoring brand and an event will negatively affect both entities (in Groza et al., 2012, pg. 40).

Moreover, as mentioned before, the degree of congruity between these three elements will lead to a change in attitude toward two objects, which are event and sponsoring brand. For that, the event attitude will be the endogenous variable that will help in measuring visitor's overall appraisal toward the event, while brand attitude will be the endogenous variable that will help in measuring visitor's overall appraisal toward the event.

The series of attitudinal changes toward event and sponsoring brand will lead to the change in sponsoring brand loyalty (Shin et al., 2018). According to research done by Miloch and Lambretch (2006), 65% of companies think that increasing brand loyalty is an essential objective when a company is conducting sponsorship activities. Moreover, according to Mazodier and Merunka (2012), a visitor's self-congruity with an event can intensify brand loyalty through event and brand effect. Unfortunately, according to Shin et al. (2018), "there has been limited research examining how the congruity between event visitors' self-image and sponsoring brand image affects sponsoring brands" (p. 169).

The lack of research that studies the effect of congruity between the visitors' self-image and sponsor brand image has created an urgent gap that needed to be filled. The research aims to fill the research gap of congruity effects by investigating the relationship between event

image, sponsoring brand image, visitors' self-image, and brand loyalty toward the sponsoring brands. Such research will provide valuable information on what aspects need to be accomplished by brands willing to sponsor an esports event to gain full benefit when utilizing sponsorship to increase their brand loyalty. Furthermore, the research will use the congruity brand effects in a sponsored regional event framework presented by Shin et al. (2018) used in their study to understand the variables.

1.2. Research Questions

Based on the background, the questions that are being asked on this research are:

1. Does event (MPL-ID Season 6) attitude and sponsoring brand (AXE) attitude mediate the relationship between self-congruity with sponsoring brand (AXE) image and sponsoring brand (AXE) loyalty?
2. Does event (MPL-ID Season 6) attitude and sponsoring brand (AXE) attitude mediate the relationship between self-congruity with event (MPL-ID Season 6) image and sponsoring brand (AXE) loyalty?
3. Do event (MPL-ID Season 6) attitude and sponsoring brand (AXE) attitude mediate the relationship between the congruity between sponsoring brand (AXE) image and event (MPL-ID Season 6) image and sponsoring brand (AXE) loyalty?

1.3. Research Objectives

Based on the research questions above, the objectives of this research are:

1. To know whether event (MPL-ID Season 6) attitude and sponsoring brand (AXE) attitude mediate the relationship between self-congruity with sponsoring brand (AXE) image and sponsoring brand (AXE) loyalty.
2. To know whether event (MPL-ID Season 6) attitude and sponsoring brand (AXE) attitude mediate the relationship between self-congruity with event (MPL-ID Season 6) image and sponsoring brand (AXE) loyalty.
3. To know whether event (MPL-ID Season 6) attitude and sponsoring brand (AXE) attitude mediate the relationship between the congruity between event (MPL-ID Season 6) image and sponsoring brand (AXE) image and sponsoring brand (AXE) loyalty.

1.4. Research Benefits

Through the research objective, the researchers believed that this research would be beneficial for these three parties listed down below:

1. Academicians

This research will benefit academicians interested in marketing management, especially those interested in further study about event sponsorship.

2. Business institutions

For businesses, especially those that conduct sponsorship activities towards esports events, the research will provide insight into what aspects need to be fulfilled to build customer loyalty towards their brand effectively. Furthermore, the study will give insights to other brands willing to be sponsors of esports events about the requirements to get the maximum benefit of becoming a sponsor.

3. Esports event organizer

This research will benefit the organizer of esports events, especially game companies. Knowing these specific dimensions is vital for understanding who and how they should effectively market their sponsor's benefits.