

Effectiveness of Esports Sponsorship in Mobile Legends Professional League on Brand Association and Purchase Intention

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Abstract

The esports industry has experienced significant growth in recent years, attracting the attention of various sponsors to utilize these platforms in achieving their business goals. This study aims to analyze the effectiveness of esports sponsorship in the Mobile Legends Professional League (MPL) on brand associations and consumer purchase intentions. Using a quantitative approach and Structural Equation Modeling (SEM) techniques through SmartPLS, data was collected from 160 respondents who are active in the esports community in Indonesia. The results showed that positive attitudes towards sponsors and sincerity of sponsorship motives had significant effects on brand association. Sponsor-event suitability and activity engagement were also shown to strengthen brand associations. For purchase intent, attitudes towards sponsors, sincerity of motives, and activity involvement showed significant influences. This research model demonstrated strong explanatory power with high variance explanation for both dependent variables. These findings provide strategic insights for esports sponsors to optimize their investments through an authentic and relevant approach to the target audience, emphasizing the importance of building genuine relationships with the esports community rather than pursuing purely transactional sponsorship approaches.

Keywords: Esports sponsorship, brand association, purchase intent, Mobile Legends Professional League, SEM

INTRODUCTION

The esports industry has experienced tremendous growth in the last decade, creating a huge opportunity for companies to leverage these platforms as an effective marketing strategy. According to the Newzoo report (2023), the global esports audience is estimated to reach 532 million people with industry revenue reaching \$1.79 billion, indicating the huge market potential for sponsorship activities.

Sponsorship has become the fastest-growing marketing communication tool, outperforming advertising and sales promotion in recent decades (IEG, 2018). From 2015 to 2018, the annual growth of global sponsorship ranged from 4.1% to 4.9%, outpacing the growth of other marketing elements. In the context of esports, sponsorship allows companies to communicate with specific target audiences and achieve various brand goals, such as increasing brand awareness, strengthening brand image, and driving sales.

The Mobile Legends Professional League (MPL) Indonesia has become one of the most prestigious esports tournaments in Southeast Asia. With millions of viewers and a highly engaged community, MPL offers an ideal platform for sponsors to build relationships with young audiences who are difficult to reach through traditional media. Data from DataIndonesia shows that Mobile Legends attracted the attention of 80.76 million global users in

December 2022, with the majority coming from Southeast Asia, including Indonesia.

Despite the growing popularity of esports, several critical research gaps exist in understanding sponsorship effectiveness within this domain. First, theoretical foundation limitations: Most esports research to date is in the observational phase rather than intervention and generally lacks a strong theoretical basis (Cunningham et al., 2018; Reitman et al., 2020). Unlike traditional sports sponsorship, which has well-established theoretical frameworks, esports sponsorship research remains fragmented and lacks comprehensive models that can predict sponsorship outcomes.

Second, context-specific understanding: Research on the effectiveness of sponsorship in esports is still limited compared to traditional sports sponsorships. The unique characteristics of esports audiences—digital natives, highly engaged, and community-driven—require different theoretical approaches and measurement tools that current literature has not adequately addressed.

Third, practical application gap: While industry reports highlight the growing investment in esports sponsorship, there is insufficient empirical evidence to guide sponsors in developing effective strategies. Companies continue to apply traditional sports sponsorship principles to esports without understanding whether these approaches are effective in the digital-first esports environment.

This study aims to: (1) understand the impact of esports sponsorship on brand associations and consumer purchase intentions, specifically the influence of various consumer attitudes on sponsorship effectiveness, (2) provide practical implications for helping esports sponsors develop effective strategies, and (3) develop a conceptual model of esports sponsorship effectiveness as a basis for future research.

Literature Review

Sponsorship and Its Effectiveness

Sponsorship is defined as a form of support given by a business entity to certain activities, both in financial and non-financial form, with the main goal of achieving business goals. In the context of the industry, IEG (2017) defines sponsorship as payment to the owner of the rights to a property in exchange for access to commercial potential that can be utilized.

Previous research has identified three main methods for measuring sponsorship effectiveness: media exposure, sales/market share, and consumer response. The consumer response method, which evaluates consumer attitudes and preferences toward sponsorships, has been shown to be the most comprehensive in assessing various sponsorship benefits such as brand recall, brand loyalty, and brand image.

Sponsorship in Esports

Sponsorship has an important role in the esports ecosystem. Based on Newzoo data (2020), around 822.4 million US dollars of the total revenue of the global esports market comes from media rights and sponsorships. The value of sponsorships increased by 17.2% annually and is expected to continue to grow.

Brands can engage in esports sponsorship in a variety of ways: sponsoring leagues/events/tournaments, sponsoring teams/players, and sponsoring streamers/streaming platforms (The Nielsen Company, 2019). Each approach is unique in reaching the target audience and building relationships with the esports community.

Factors Affecting the Effectiveness of Sponsorship

Based on the model of Speed and Thompson (2000), the effectiveness of sponsorship is influenced by several key factors:

Attitudes towards Sponsors include three dimensions: sponsorship attitudes (perceptions of the sponsor's image), sincerity of motives (perceptions of sponsors' intentions), and ubiquitas (perceptions of the sponsor's presence in various activities). Research shows that consumers who have a positive attitude towards sponsors are more likely to give a favorable response. Attitudes towards events consist of personal preference for events and status (prestige). High-status events can provide many benefits to sponsors by increasing consumer attention to sponsorship.

Sponsor-Event Suitability is the most crucial factor in sponsorship effectiveness. A good fit can transfer associations from event to brand and increase brand recognition as well as purchase consideration. Activity Engagement refers to an individual's level of interest and engagement with a sponsored activity. Highly engaged consumers tend to be more knowledgeable about activities and are able to identify associations between sponsors and events.

Brand Associations and Purchase Intent

Brand associations are defined as everything associated in memory with a brand that makes it different (Dumitriu et al., 2019; Francioni et al., 2022; Keller, 2023; Pappu & Christodoulides, 2017; Purani & Jeesh, 2022). Brand associations can be formed through a variety of means, including through sponsorship, where the value and personality of the sponsored property can be transmitted to the sponsor.

Purchase intent is described as the perceived likelihood or subjective probability of purchasing a sponsored product (Kim et al., 2015). Purchase intent is seen as a vital indicator of the effect of sponsorship on future sales and is influenced by various consumer attitudinal factors.

RESEARCH METHOD

Research Design

This study uses a quantitative approach with an explanatory design to test the causal relationship between variables. The conceptual framework of the research was developed based on the model of Speed and Thompson (2000) which has been adapted for the context of esports.

Population and Sample

The research population is individuals who actively participate in or participate in esports events in Indonesia, especially those who are familiar with Mobile Legends and MPL. The purposive sampling technique was used with the following criteria: (1) respondents have watched at least 1 MPL in the last 1 year, (2) are at least 18 years old, and (3) domiciled in Indonesia.

Based on the requirements of SEM-PLS, the minimum sample size is calculated using a rule of ten times the number of largest structural paths affecting a particular construct (Hair et al., 2017). This study required a minimum of 90 respondents, but to increase the statistical power, 160 valid respondents were used.

Research Instruments

The research instrument was in the form of a questionnaire consisting of four parts: (1) respondents' daily behavior related to esports, (2) attitudes towards sponsors and events, (3) brand associations and purchase intentions, and (4) demographic information. All items use a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree).

Measurement items were adapted from previous research: Speed and Thompson (2000) for attitudes towards sponsorship and events, Grohs and Reisinger (2014) for activity engagement, for brand associations, and Cornwell and Coote (2005) for purchase intent.

Research Ethics

This study was conducted in accordance with research ethics principles. Informed consent was obtained from all participants prior to data collection, with clear explanation of the research purpose, procedures, potential risks and benefits, and participants' rights. Participants were informed of their right to withdraw from the study at any time without penalty. Confidentiality and anonymity were ensured through the use of anonymous questionnaires and secure data storage protocols.

All personal information was de-identified and stored separately from survey responses. Voluntary participation was emphasized, with no coercion or undue influence applied to potential participants. The research design minimized potential harm to participants, focusing on non-sensitive topics related to consumer behavior and sponsorship attitudes.

Data Analysis

The data was analyzed using SmartPLS 3.0 with a two-step approach. The first step is to test the measurement model (outer model) to ensure the reliability and validity of the construct. The second step is to test the structural model (inner model) to test the research hypothesis.

Evaluation of the measurement model included: (1) convergent validity through outer loading (≥ 0.70) and Average Variance Extracted/AVE (≥ 0.50), (2) discriminant validity through Fornell-Larcker criteria and cross loading, and (3) reliability through Cronbach's Alpha and Composite Reliability (≥ 0.70).

Structural model evaluation includes: (1) determination coefficient (R^2), (2) predictive relevance (Q^2), (3) Standardized Root Mean Square Residual (SRMR), and (4) hypothesis testing through t-statistical values and p-values with a significance level of 5%.

RESULTS AND DISCUSSION

Respondent Characteristics

The majority of respondents were male (70%) with an age range of 25-34 years (39%). Most have a bachelor's degree (58%) and are single (60%). In terms of income, 36% of respondents have an income of IDR 2,500,001 - IDR 4,000,000. Respondents showed high engagement with esports, with 48% gaming 2-4 hours per day and 38% watching esports streams 3-4 hours per week.

Evaluation of Measurement Models

The results of the convergent validity test showed that all outer loading was above 0.70, except for one item ($AM2 = 0.716$) that was still acceptable because it was close to the minimum limit. The AVE value for all constructs is above 0.50, indicating good convergent validity.

The discriminant validity test through the Fornell-Larcker criterion showed that the square root of AVE of each construct was greater than its correlation with the other construct. The results of cross loading also confirmed that each indicator had a higher load on its own construct compared to other constructs.

All constructs show good reliability with Cronbach's Alpha and Composite Reliability values above 0.70. This indicates that the research instrument has a high internal consistency.

Structural Model Evaluation

The structural model shows good predictability with R^2 for brand association of 0.883 (88.3%) and purchase intention of 0.850 (85%). A Q^2 value of 0.982 (98.2%) indicates excellent predictive relevance. An SRMR value of 0.062 (< 0.08) indicates a good model suitability.

Hypothesis Testing

The results of the hypothesis test showed that out of 13 hypotheses tested, 8 hypotheses were accepted and 5 hypotheses were rejected.

Accepted Hypothesis:

1. Sponsorship attitude had a positive effect on brand association ($\beta=0.461$, $p<0.001$)
2. Sponsorship attitude has a positive effect on purchase intent ($\beta=0.391$, $p<0.001$)

3. The sincerity of the motive had a positive effect on brand association ($\beta=0.177$, $p=0.039$)
4. The sincerity of the motive had a positive effect on the purchase intention ($\beta=0.223$, $p=0.013$)
5. Event status had a negative effect on brand association ($\beta=-0.177$, $p=0.024$)
6. Sponsor-event suitability had a positive effect on brand association ($\beta=0.241$, $p=0.030$)
7. Activity engagement had a positive effect on brand association ($\beta=0.240$, $p=0.004$)
8. Activity involvement had a positive effect on purchase intent ($\beta=0.197$, $p=0.037$)

Rejected Hypothesis:

1. Ubiquitas had no significant effect on brand associations and purchase intent
2. Personal preference has no significant effect on brand association and purchase intent
3. Event status has no significant effect on purchase intent
4. Sponsor-event suitability has no significant effect on purchase intent
5. Brand associations have no significant effect on purchase intent

Discussion

The Influence of Attitudes on Sponsors

The results confirmed that consumers' positive attitudes towards sponsors had the strongest influence on brand association ($\beta=0.461$) and purchase intent ($\beta=0.391$). These findings are in line with the research of Speed and Thompson (2000) which showed that consumers with a positive attitude towards the image of sponsorship are more likely to give a favorable response.

The sincerity of sponsorship motives has also proven to have a significant effect, showing that consumers appreciate sponsors who are perceived to have genuine intentions in supporting esports rather than simply pursuing commercial gains. This indicates the importance of authenticity in esports sponsorship strategies.

Interestingly, sponsor ubiquitas did not show a significant influence. This can be explained by the characteristics of esports audiences that tend to be more critical and value the quality of sponsor involvement rather than just the frequency of attendance at various events.

The Influence of Attitude on Events

Personal preferences for the event did not show a significant effect, suggesting that individual preferences for MPL do not automatically increase brand association or purchase intent towards sponsors. This is in contrast to traditional sports sponsorship research where preference for events is often positively correlated with responses to sponsorships.

The status of the event actually shows a negative influence on brand associations, which may be due to the audience's high expectations of sponsors

at prestigious events. Audiences may be more critical of sponsors at prestigious events and have higher standards.

The Influence of Conformity and Engagement

Sponsorship-event suitability has been shown to have a positive effect on brand association but not on purchase intention. This suggests that while a fit can strengthen a brand's relationship with an event, it takes additional factors to convert those associations into purchase intent.

Activity engagement showed a consistent positive influence on both dependent variables, confirming that consumers who were more involved in esports were more likely to associate brands with activities and had a higher tendency to purchase sponsored products.

Brand Association Relationship and Purchase Intent

The absence of a significant relationship between brand association and purchase intent shows the complexity of consumer behavior in the context of esports. This suggests that the formation of brand associations does not automatically result in purchase intent, and other factors that can mediate this relationship are required.

Study Limitations

This research acknowledges several important limitations that should be considered when interpreting the results. First, scope limitations: The study focuses specifically on Mobile Legends Professional League, which may limit the generalizability of findings to other esports titles or leagues. Different games may have distinct audience characteristics and sponsorship dynamics that could influence effectiveness outcomes.

Second, methodological limitations: The cross-sectional design provides a snapshot of relationships at one point in time but cannot establish causality or capture the dynamic nature of sponsorship effects over time. Additionally, the use of self-reported measures may introduce response bias, particularly regarding purchase intention, which may not always translate to actual purchase behavior.

Third, demographic limitations: The sample composition, while representative of the Indonesian esports audience, may not fully capture the diversity of global esports communities. The predominance of male respondents (70%) reflects current esports demographics but may limit understanding of sponsorship effectiveness across different gender segments.

Fourth, contextual limitations: The study was conducted during a specific period and may not account for seasonal variations in esports engagement or sponsorship activities. External factors such as major tournaments, game updates, or economic conditions could influence sponsorship effectiveness.

Directions for Future Research

Based on these limitations and the current findings, several avenues for future research are recommended. Longitudinal studies should be conducted

to understand the temporal dynamics of sponsorship effectiveness and how relationships between variables evolve over time. This would provide insights into the sustainability of sponsorship effects and optimal timing for sponsorship investments.

Cross-game comparative studies should examine whether the findings hold across different esports titles, as game genres may attract different audience types with varying sponsorship responsiveness. Mediating factor exploration is crucial, particularly investigating what mediates the relationship between brand associations and purchase intent in the esports context, such as brand trust, perceived value, or social identity.

Cultural context research should explore how cultural differences affect sponsorship effectiveness across different regions, as esports is a global phenomenon with significant regional variations. Behavioral outcome studies should move beyond purchase intention to examine actual purchase behavior and long-term brand loyalty effects. Finally, emerging technology integration research should investigate how new technologies like virtual reality, augmented reality, and blockchain-based fan engagement might influence future sponsorship effectiveness in esports.

CONCLUSION

This research provides important insights into the effectiveness of esports sponsorship in the context of Mobile Legends Professional League. The results show that positive attitudes towards sponsorships, sincerity of motives, sponsor-event suitability, and activity engagement are key factors influencing brand association and purchase intent. This research model was able to explain 88.3% of brand association variance and 85% of purchase intent variance, showing high predictive power. These findings indicate that esports sponsors need to focus on building a positive image, showing sincerity in support, ensuring alignment with the event's values, and increasing engagement with the community.

For further research, it is recommended to explore the mediating factors between brand associations and purchase intent, analyze differences in sponsorship effectiveness between different esports genres, and examine the long-term impact of esports sponsorship on brand loyalty. The limitations of this study lie in the limited focus on one esports league and the use of cross-sectional design, so longitudinal research will provide a deeper understanding of the dynamics of the relationship between these variables.

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