



MALAYSIA'S PLACE BRANDING IN TODAY COMPETITIVE GLOBALIZED MARKET

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Abstract: *This study is to show how a place branding can be successful in today's competitive globalized market. The goal is to evaluate the success factors which effect on place branding and how these factors can lend a hand to the country to stay competitive in today's world market. To reach the purpose of the research, we developed a framework which defined some challenges in the country as mediators which has strong influence on competitive globalizing market. The focused country of study is Malaysia since it is a potential country in the aspect of tourist attraction and also Malaysia has a rapid growth in economic and aiming to become a global business center in Southeast Asia in early future.*

Keywords: *Place branding, global market, Malaysia image creation, success factors*

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INTRODUCTION

Malaysia is aspiring to play a main role in global market especially in the tourism sector. It has created various slogans to promote the country as "Malaysia truly Asia" in order to become a main target for travelers and attracting people from the entire globe. What Malaysia aims today is to become the target not only of tourists but even of business travelers.

The country has made a great effort during the last decade to develop and to reach the goal to follow developed countries as an economy power. We can observe the various progresses in the technology, commercial, wear, automotive sectors inviting a mass of investors to support the country to faster the developmental movement. Therefore Malaysia today is requiring creating an image of it in order to attract the maximum amount of human and financial capital in order to achieve the promise to become a developed country by the 2020.

Nowadays Malaysia is trying to rebrand the country as a hospitable and creative nation. The government agreed to recreate a new image and then invest to promote its idea by organizing various international conferences and forming programs to attract new forces from other countries (as Malaysia My Second Home programme) with the vision to become a global business center in Southeast Asia. As a result of these efforts the nation has become more transparent and tolerant. In a multi-ethnics country as Malaysia there is a recognized level of diversity, passion and spirit. People express their ideas and create new concepts giving born to a creative environment capable to adapt to the today competitive globalized market.

Agreeing with the famous "World competitiveness Report" made by the International Institute for Management Development (IMD), Malaysia has been ranked in the 21th most competitive economy in 2011-2012. The country had a salient growth in the institutions and macroeconomic environment pillars, as well as in numerous actions of market efficiency. Another point of force in Malaysia's progress is the strong financial sector which has been considered among the worlds most developed, just behind Singapore and Hog Kong. Besides its market is ranked 15th as one of the most profitable in the world.

As stated, Malaysia is going to rebrand the country as a hospitable and creative nation. Today cities and countries have begun to brand themselves because they aim to become



familiar and known in the world by creating a positive and respectful image of them. There are various reasons for branding. They may want to increase the sale of products, attract investment, professional and talented foreign workers and draw in tourists (Can-SengOoi, 2008).

One of the main purposes of place branding is to create an affirmative image of a place; therefore, the branding promotion is a process of image modification. More clearly, the country will try to create and shape an image of what is been sought by the addressees. In this direction countries as Malaysia are trying to renew their cities aspects by building modern and advanced infrastructures, create a political stability, a harmonious relation among the various ethnicities, reducing the amount of unemployment and therefore making the country a safe place to live. What is questioned here is how can Malaysia successfully utilize place branding to strive in today competitive globalized market? What factors influence the whole process of image creation in the country? What difficulties can be faced by Malaysia in the whole procedure?

LITERATURE REVIEW

Malaysian economy has a fast increment, the government is moving from its manufacturing base toward financial services, telecommunications, tourism and creative industries (Can-SengOoi, 2008).

Actually, Malaysia has begun to develop a new image in the global market as creative and hospitable nation utilizing concepts of place branding.

THEORETICAL FRAMEWORK

Place Branding

In contemporary marketing, branding is very central, as it incorporates all strategic elements into one success formula. Brands are the basis for long-term success for firms and organizations, and lead major mergers and acquisitions. Branding is a potential option for places to establish a place with desired associations. Successful places attract new investment and create a positive success circle. "Places can be branded like products and services" (SeppoRainisto, 2005). Place branding aims especially at increasing the desirability of a place. Branding are not just loose marketing activities, but holistic development that influences the whole place. Place branding brings added attraction to a place. A branded place makes people conscious of the location and ties desirable associations. It is possible to



discover for each place an amalgamation of unique attraction factors to make it different from the competing ones. Brand identity is the state of will of the organization, and the active part of the image building process. The brand identity is how the brand is wanted to be perceived. The brand identity is a unique set of brand associations that the management wants to create or maintain. "The associations represent what the brand stands for and imply a promise to customers from the organization" (Aaker). Brand image is the perception of a brand in the minds of people. The brand image is a mirror reflection of the brand personality or product being. It is what people believe about a brand – their thoughts, feelings, expectations (Keller). Often the intended image does not correspond to the received message of the place. The message comes through competing claims of other places which influence the process, especially if the communication strategy is not fixed on the real core values and substance of the place sending it. This means that the choice of the core values, shaped to the core identity, will be decisive for the emerging image of a place. Even good marketing communication will fail to create an intended image if the basis at the level of the core values and substance is vague.

As reported before, place branding is a new concept'; there is a general agreement among academics and practitioners, that places can be branded in much the same way as consumer goods (Caldwell &Freire, 2004 reported by Rainisto, 2003). Many authors agree that places, as nations, states or cities can be branded as products (Anholt, 2003; Cai, 2002; Konecnik&Gartner, 2007; Kotler&Gertner, 2002; Olins, 2002 reported by Magnússon, 2008). Since destinations effectively compete with each other for a place in the mind of consumers, a brand name could be a significant factor when consumers make a decision about which destination to choose (Tasci&Kozak, 2006 cited by Magnússon 2008). Place brands are similar to corporate brands, as they act as umbrella brands for a portfolio of leisure, investment and business tourism, and stakeholder and citizen welfare products (Trueman et al., 2004). Goodwill is created through a unique identity by considering the diversity of stakeholder needs (Hatch & Schulz, 2003). Countries, like Greece; Australia; Malaysia; Spain and Croatia, some regions, as Wales; the Western Australia, and the Algarve, Portugal and cities, like Edinburgh; Manchester, London and New York have already adopted the place branding or destination brand building and they are now improving the strategies with the outstanding crisis, as result of the impact of the economic crises in the tourism flows and



the negative image as result or terrorism attaches in some of this places (Eduardo Oliveira, 2011).

Seppo Rainisto in 2005 identified four main factors in constructing a successful place branding, factors as: planning group, vision and strategic analysis, place identity and place image, and public-private partnerships.

Challenges influencing today competitive globalizing world

Place management has a great challenge in keeping the location progressive and to attract new place development and investments to the location. The existing businesses and residents must also be kept content. New competition rules have replaced the old worn-out ones in the hard competition. Soft new “clever” managerial methods are needed with the development of the place product and the needs of place customers. Arguments that a place needs to be marketed or branded professionally are a new phenomenon. For a long time, it was sufficient for places just to promote the existing place package. Now, the place product needs to be developed and changed according to the place customers’ needs. This complex turnaround requires managerial skills more than ever. Identity and image, favorable associations can be created for a place to attract new businesses and visitors to the location, concurrently increasing the value of the place. Strategic alliances with other locations can decisively increase the joint-value of all the partners, who all could be in a win-win-situation (Gyorgy Szondi, 2010; Nikolai Ostapenko, 2010; Theodore Metaxas, 2010; Thi Lan Huong Bui, 2010). Places using leadership to manage the place resources in the complex place marketing process are winners. Passively behaving locations will lose their competitive edge. Also, in evaluating success in place marketing, the goals of the management, are the context in which to view the achievements. Organizing capacity is crucial for the success of the place marketing. This means that the place management must establish the required financial and human resources. This leads to the issue of political unity and consistency, which set high challenges for the management of a place. The global marketplace brings new locations to the competition, but also new possibilities for places. Global competition is a huge challenge for place management. Also, exploiting the opening international challenges demands new managerial skills, as so many places are presenting their marketing messages, trying to merge their created identities with trustworthy and differentiated place images. Before “going global”, place management needs to put its own

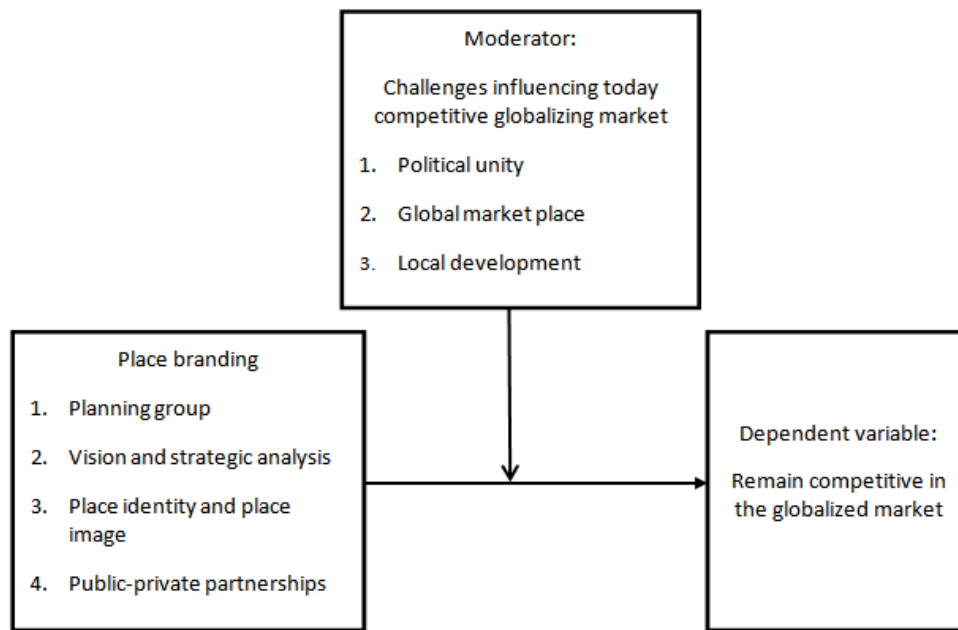


“nest” in order, and the local development of the place is a demanding task with decreasing allocated economic development resources (GyorgySzondi, 2010; Nikolai Ostapenko, 2010; Theodore Metaxas, 2010; Thi LanHuong Bui, 2010). Strategic planning skills will be increasingly needed. The place has to be managed, and managed growth is much better for a place than unmanaged development. A good management can save the place’s image even under negative circumstances, and a bad management can ruin even a good image of a place. There are practical problems, however, linked to the exploitation of the suggestions made. Marketing know-how in general is a scarce resource even for companies, often forming the most important development challenge for the management. The branding process is a long-term systematic involvement and, therefore, a sustained effort will take the place further along the learning curve. Also, outside advisors might be useful for consultations, and the best practices of successful places should be studied. Professionalism comes along with the work, as a positive “process coincidence”, and an active effort is always better than putting one's future in the hands of the keen place competition (SeppoRainisto, 2005).

Research framework

The aim of the proposed study is to evaluate what are the success factors in place branding and how these factors can be used by a country like Malaysia to remain competitive in today globalized market. A theoretical framework for place branding has been developed and will be tested in an empirical research. Success factors as planning group, vision and strategic analysis, place identity and place image, and public-private partnerships have been chosen in the current research. It is obvious that as any other marketing procedure challenges will arise in the competitive global market which is by itself influenced by factors as political unity, global market place, and local development (SeppoRainisto, 2005).

The diagram below shows the relationship between independent variables (place branding), moderator (challenges influencing today competitive globalized market), and dependent variable (remain competitive in the globalized market).



Independent variable

Places can be branded like products and services (SeppoRainisto, 2005). Place branding aims especially at increasing the attractiveness of a place. Branding are not just loose marketing activities, but holistic development that influences the whole place. Place branding brings added attraction to a place. A branded place makes people aware of the location and connects desirable associations. It is possible to discover for each place a combination of unique attraction factors to make it different from the competing ones.

SeppoRainisto in 2005 identified four main factor in constructing a successful place branding, factors as: planning group, vision and strategic analysis, place identity and place image, and public-private partnerships

PLACE BRANDING

Moderator

Place management has a great challenge in keeping the location progressive and to attract new place development and investments to the location. Arguments that a place needs to marketed or branded professionally are a new phenomenon. For a long time, it was sufficient for places just to promote the existing place package. Now, the place product needs to be developed and changed according to the place customers' needs.

Various challenges need to overcome during place branding in today globalized market, challenges as: Political unity, global market place, process coincidences, local development.



CHALLENGES INFLUENCING TODAY COMPETITIVE GLOBALIZING MARKET

Dependent Variable

The challenge now is to identify the new consumer trends to renew products and services and to develop a marketing strategy to tap into this new growth path.

The challenge today for all nations is how utilize new business opportunities. Countries need to keep up with new ideas and talents that emerge in order to stay competitive in the market place. Failure to stay current with developments around the world will result in becoming redundant. As globalization flexes its muscle in the economy, countries compete with other nations to get the bigger portion of market. Confronting with more rapid changes in the market than ever before, countries have no choice, but to adapt to the environment in order to survive and prosper.

REMAIN COMPETITIVE IN THE GLOBALIZED MARKET

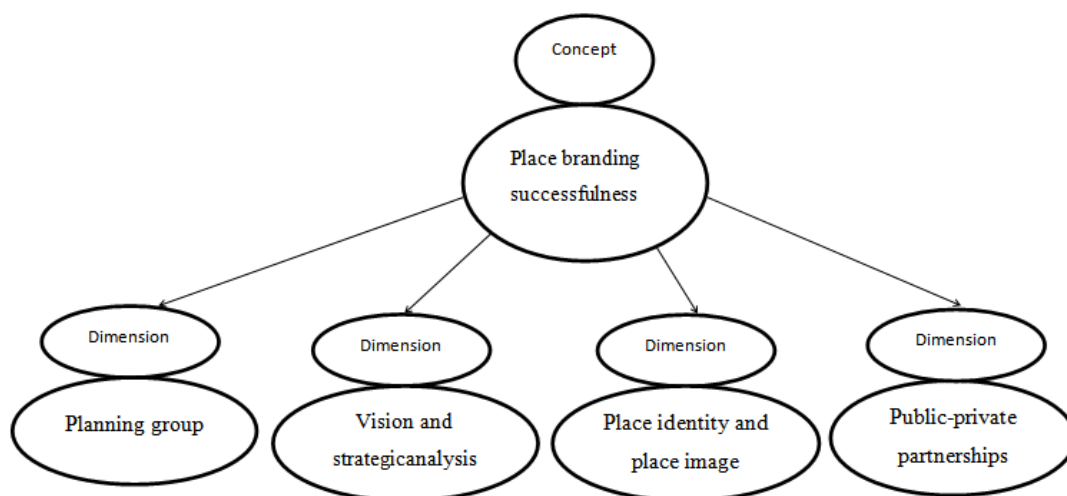
Operationalization of measurements

The concept to be measured is “place branding successfulness”. The concept has four dimensions: planning group, vision and strategic analysis, place identity and place image, and public-private partnerships

Each dimension has its own elements as following. Cost elements are: 1 Operating Cost, 2. Cost of support.

Quality elements are: 1. Quality of support, 2. Ease of operations.

Each dimension has its own element. The following graph shows the concept and its dimensions and elements





A ratio based on the effectiveness of each one of the dimension will be used in order to measure the effectiveness of place branding in globalized market. The data used in order to find the proper ratio effectiveness of each one of the dimensions will be provided by the collection of questionnaires and interviews.

CONCLUSION

As one can see from reading the information presented in this paper, there are a few major factors which have to maintain properly to give a good image and place branding to a country. Therefore as a conclusion, it is essential to first, engage a well-skilled local strategic manager to define the attraction of new places and develop the investment interest of the location. Secondly, there should be a strategic planning of how to advertize and utilize the facilities in the current market situation to remain up in the global competitive market. We should plan according to the place customer's need and evaluate what are the important factors that can change their view of place gradually. In Malaysia it is very important to keep eyes open on customer satisfaction and service quality which are affecting the tourist's image and can growth the name of the country globally. To have a successful place branding in Malaysia, analysis manager shall consider that become a global brand is very competitive and needs a lot of effort. Hence they should come with a strategic planning for future improvement.

Future study can explore the measurement of each dimension on successful place branding and evaluate how much each element is effective on place branding in a country such as Malaysia.

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