NATION BRANDING: CORRECTING THE NEGATIVE IMAGE OF MALAYSIA-INDONESIA RELATIONSHIP

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ABSTRACT

Indonesia and Malaysia are two neighboring nations that shared similarities in many aspects, such as their national languages are closely related; the majority of the population of both nations were of Austronesian ancestry or of the Malay race, with significant Malay culture shared among them. Both nations are Muslim majority countries, the founding members of ASEAN and APEC, and also members of the Non-aligned Movement and Organisation of Islamic Cooperation. Yet, because of Malaysia-Indonesia relations issues, such as territory, migrant worker, culture, environment, media, education, and economic trade so that Malaysian and Indonesia diplomatic relations could be affected over a series of protests against Malaysia. This paper overviews the most important challenges as well as mistakes of nation branding in the region. A country’s brands can make a positive contribution to the overall image of a country and enhance its competitive reputation. Perceptions of a country are based on many things and all aspects of a nation help form public opinion and shape its image. Businesses have resources and expertise as well as a global worldview that is advantageous to public diplomacy, and building favorable country-to-country relationships in the global society is in the self-interests of business as well as governments.

Keywords: nation branding, country image, country relationships

1. INTRODUCTION

The term “nation branding” was first coined by Simon Anholt in the 1990s and refers to the application of marketing strategies to individual countries. The aim is to create and promote a distinct self-image and international reputation that will most effectively serve a nation’s interests. The tactic has become especially important for countries aiming to carve out particular niches for themselves in the international system as global markets continue to expand and international competition for trade, investment, and tourism intensifies. The field remains one of the most controversial arenas of public diplomacy, but the growing interest in the power and potential of nation branding suggests that its presence and legitimacy will only continue to grow in the coming years.

In the broadest sense, nation branding simply refers to the application of corporate branding strategies to individual nations with the aim of influencing foreign affairs and international interactions. Nation branding focuses on developing an appealing, positive image in order to support a nation’s presence and influence in the international realm (Teslik, 2008).

As far as the evolution of place branding is concerned, destination branding precedes country branding, which requires a more holistic and creative approach. Most countries in the region are still at a very early stage of developing a coherent, strategic country brand, which is more abstract and less controllable than a destination brand. While the organisation behind destination branding is clearly identifiable and...
tourism organisations or tourist boards), the situation is more complicated in the case of country branding. It can be a government or a ministry, a national chamber of commerce, investment promotion agency or each of them at the same time.

A nation or country branding can be expressed through a slogan. A slogan is a marketing strategy to give branding to a product. Many countries have employed advertising agencies to create a brand name - both for tourism and investment purposes. Creating slogans is not easy. Once a slogan is launched, you never know what you’re going to get because it could produce negative effects and connotation. Tourism business is about branding. Do you really think that Malaysia is truly Asia? Of course not! It’s just a matter of getting the slogan first and make sure that tourists come to Malaysia to experience parts of Asia. The ‘wealth of wonders’ slogan is more catchy and straight-forward (travelbites.asia@gmail.com).

Throughout the world, different slogans, taglines and logos were created by the countries as a way to brand and appeal to potential tourists. Some of the taglines are good and really made a great impact to the countries’ tourism industry, while others are just bland, boring, controversial, and even funny. As one of region country in Asia, ASEAN countries have their slogans and taglines. Here they are: 1) Malaysia: ‘Malaysia Truly Asia’; 2) Singapore: ‘Your Singapore’; 3) Thailand: ‘Amazing Thailand’; 4) Indonesia: ‘Visit Indonesia’; 5) Brunei: ‘A Green Heart of Borneo’ or ‘A Kingdom of Unexpected Treasures’; 6) Philippines: ‘Pilipinas Kay Ganda’ or ‘Wow Philippines’; 7) Vietnam: ‘The Hidden Charm’; 8) Cambodia: ‘Kingdom of Wonder’; 9) Laos: ‘Simply Beautiful’; 10) Myanmar: ‘Mystical Myanmar’ (http://www.indonesia.travel).

Indonesia and Malaysia are two neighboring nations that shared similarities in many aspects. Both Malaysia and Indonesia have many common characteristic traits, these include common frames of reference in history, culture and religion. Although both countries are separate and independent states, there are also deeply embedded similarities. Their national languages; Indonesian language and Malay language are closely related. The majority of the population of both nations were of Austronesian ancestry or of the Malay race, with significant Malay culture shared among them. Both nations are Muslim majority countries, the founding members of ASEAN and APEC, and also members of the Non-aligned Movement and Organisation of Islamic Cooperation.

Despite sharing so many similarities, tied by common religion, language, proximity and a cultural heritage that dates back centuries, both nations have been lurching from one diplomatic spat to another. Indonesia has an embassy in Kuala Lumpur and consulate generals in Johor Bahru, George Town, Kota Kinabalu and Kuching. Malaysia has an embassy in Jakarta and a consulate general in Medan and Pekanbaru.

The History of Indonesia and History of Malaysia were often intertwined. Throughout their history the borders of ancient kingdoms and empires — such as Srivijaya, Majapahit, Malacca, Aceh and Johor- Riau — often comprised both modern day countries. Relations between the two nations deteriorated under resident Sukarno in 1962. The conflict resulted from Indonesian opposition to the formation of Malaysia, from a merger of the Federation of Malaya with two former British colonies on Borneo: Sarawak and Sabah. After the fall of Sukarno, relations between Indonesia and Malaysia were restored under President Suharto; as both parties agreed to normalize the bilateral relationship and pursued peaceful cooperation and partnership. In 1967, both countries together with Philippines, Singapore and Thailand founded ASEAN to ensure the peace and stability in the region.

Yet, the bilateral relationship between Malaysia and Indonesia has been quite tense due to the Ambalat dispute in 2005. The Indonesian press gave especially wide publicity to the issue, much of it with negative overtones concerning Malaysia. The negative publicity was cited by some factions in Malaysia as evidence that the Indonesian press was trying to discredit and humiliate Malaysia and thus force Malaysia into relinquishing its claim in the Sulawesi Sea. Indeed, the Indonesian media appeared to be functioning as a ‘force multiplier’ during the diplomatic spat and became the front line in Indonesia’s psychological warfare against Malaysia. Meanwhile the Malaysian press was relatively muted regarding the incident.
Since Petronas, the Malaysian oil giant, publicly announced the award of a Sulawesi Sea exploration contract to Shell, the Indonesian media has been very active in reporting developments -- from the official Indonesian government protest to the mobilization of warships and fighter jets in the contested area. The wide coverage made the Ambalat dispute a national issue for Indonesia and prompted public outrage. This was evidenced by demonstrations, protests and a mob in front of the Malaysian Embassy in Jakarta and its Consulate in Pekanbaru.

Incidents of hacking of government websites occurred in both Indonesia and Malaysia in early March 2005, indicating that the maritime dispute had breached the cyberspace boundaries of both countries. Many high profile websites in both countries were hacked and defaced with rude messages by Indonesian and Malaysian hacktivists. However, it is difficult to determine who started the hacking rampage; the general Malaysian and Indonesian public knew of the incidents only when the media reported it and the reports came only after the hacktivist war had lost momentum (Zubir, 2005).

Because of Malaysian and Indonesia diplomatic relations could be affected over a series of protests against Malaysia, this paper aims to consider that could nation branding correct the negative image of Malaysia-Indonesia relation?

2. LITERATURE

What is Nation Branding?
The term “nation branding” was first coined by Simon Anholt in the 1990s and refers to the application of marketing strategies to individual countries. The aim is to create and promote a distinct self-image and international reputation that will most effectively serve a nation’s interests. The tactic has become especially important for countries aiming to carve out particular niches for themselves in the international system as global markets continue to expand and international competition for trade, investment, and tourism intensifies. The field remains one of the most controversial arenas of public diplomacy, but the growing interest in the power and potential of nation branding suggests that its presence and legitimacy will only continue to grow in the coming years.

In the broadest sense, nation branding simply refers to the application of corporate branding strategies to individual nations with the aim of influencing foreign affairs and international interactions. Nation branding focuses on developing an appealing, positive image in order to support a nation’s presence and influence in the international realm (Teslik, 2008).

Nation branding recognizes the profound influence this instinct to associate nations with generalized qualities can have on a country’s perceived character and standing in the world, and subsequently attempts to use these associations to the nation’s benefit. Similarly to the way in which businesses use advertising to appeal to customers, branding attempts to manipulate that dynamic in favor of the country’s own interests. The specific goals of branding campaigns can vary according to the government’s priorities, but they often focus on issues such as attracting foreign investment, facilitating trade, and, more generally speaking, developing a more positive image abroad.

The aim of nation branding as outlined above represents only the broadest sense of the term. Further specifications about what exactly nation branding is, and how it is applied, is a subject of heated debate. Craig Hayden, a professor of International Relations at the University of Virginia, outlines three alternative usages, each with a particular slant and focus:

1. The Brand as research construct. The term “brand” stands in for a measure of national representation or perception of views about a nation. It reflects observations about how [the nation] is viewed, packaged into the “brand” as a dependent variable.

2. Branding as a set of policies. This usage suggests [the nation] actively “sell” its image and reputation in a persuasive message campaign. The term suggests methods similar to commercial marketing techniques to shore up the image or views of [its] policy. As some have argued, if international relations is increasingly a “market” for identification, then branding strategies are the logical evolution for…foreign policy.
3. Branding as a representational metaphor. Branding in this usage describes what functions as public diplomacy -- both in policy and in the flow of cultural communication. Branding captures how [the nation] is communicated -- both in its cultural exports and in the de facto rhetoric of its foreign policies. The term is useful because it expands the domain of public diplomacy. Public diplomacy as branding assigns roles to communicators and audiences, while providing a policy objective (like “brand” identification).

Measuring Brand Strength
Because nation branding is by nature a highly qualitative subject, dealing with matters of image and reputation, measuring the strength of a nation’s brand can be very difficult and highly contentious. As of yet, there is no consensus on a standardized methodology for determining brand efficacy, and the number of measurement mechanisms remains severely limited. The Nation Brands Index, managed by Simon Anholt and the international polling firm Global Market Insite (GMI), is currently the only major source of comprehensive, numerical data on the relative strengths of national brands. This approach is based upon the assumption, developed by Anholt, that nation branding can be divided into six primary subfields: tourism, exports, governance, people, culture and heritage, and investment and immigration. The aim is to create a comprehensive and empirically-sound measurement of a nation’s international reputation on which to base future branding efforts, but the methodology remains highly contentious and has failed to garner universal approval (Anholt, 2008).

Developing a Nation’s Brand
Recognizing the importance of their international image and reputation, nations are pouring more resources into developing and implementing a positive national brand. It is now very common for a government to hire a specialized organization, like consulting firm East-West Communications, to design targeted branding campaigns. Depending on a nation’s primary goal, whether increasing tourism or attracting foreign investment, these companies work with the government to highlight and communicate a nation’s most attractive features. Much like corporate advertising, nation branding emphasizes the most positive and appealing assets, aiming to make those features the dominant association with subject nation’s character. While a well-designed branding campaign can prove highly beneficial to the subject nation, the difficulty in achieving branding success should not be underestimated. To begin, an effective campaign requires high levels of cooperation among a wide range of government and private actors. There is great opportunity for cooperative interaction between the government, corporations, non-governmental organizations, and other actors for common goal of furthering their country’s interests. However, this diversity of actors can also prove counterproductive, as with separate sectors emphasizing different national (Teslik, 2008).

3. DISCUSSION

Malaysia-Indonesia Relation Issues:
Territory
Most of the current borders were inherited from Dutch East Indies and British Malaya colonial rule. Currently, both nations are in a territorial dispute over the oil rich islands of Ambalat. Previously, they were over territorial disputes over the islands of Sipadan and Ligitan, which were won by Malaysia. The recent border disputes arisen in Malacca strait and South China Sea area mainly because the disagreement on exact locations of maritime naval borders in these waters. Both parties involved in arresting and detaining their counterpart’s officials and fisherman accused on territorial breaching violations and illegal fishing.

Migrant worker
The Indonesian migrant worker (Indonesian: TKI abbreviation of Tenaga Kerja Indonesia) has become the important issue between both countries. In 1980s to 1990s Malaysia saw the ren...
development on economy, industrialization and modernization. With its large population and large workforce, Indonesian jobseekers suddenly began to regard Malaysia as an attractive destination for work and improving their economic situation. In 1997 both Indonesia and Malaysia were hit by the financial crisis that prompted the fall of the Suharto regime. Indonesian suffered the worst, large amounts of Indonesians lost their jobs and a large influx of Indonesian jobseeker migrant workers began to pour into Malaysia, which in return caused social problems in Malaysia, such as competition for jobs, crime and poverty.

The problems plaguing Indonesian migrant workers such as illegal immigration, crime, human trafficking, abuse, poor treatment and extortion upon migrant workers. Approximately 300,000 domestic workers, most of them from Indonesia, are employed in Malaysia. Many work up to 18 hours a day, seven days a week, for wages of 400 to 600 ringgit (US$118–177) a month and typically must turn over the first six to seven months of their salary to repay exorbitant recruitment fees. Some suffer physical or sexual violence from employers. Since 2009 Indonesia has temporarily stopped sending domestic workers to Malaysia until both countries agree on ways to protect them. Indonesia resume sending migrant workers to Malaysia in May 2011 as both countries sign a memorandum of understanding (MoU) about worker protection by the end of April 2011(Teslik, 2008).

Culture
Because of many similarities and shared cultures between Indonesia and Malaysia also because of significant numbers of Indonesian-origin immigrants in today’s Malaysian demographic—both countries are often involved in disputes over cultural claims of the origin. Through an intensive tourism campaign, Malaysia has featured many famous cultural icons such as Batik, the song Rasa Sayang, Wayang, Gamelan and angklung instrument, and Reog (Barongan) dance as part of Malaysia’s culture.[10] This aggressive tourism promotion and cultural campaigns had alarmed and upset Indonesians that always thought that these arts and cultures belongs to them. As the reaction, many Indonesians felt the need to safeguard their cultural legacies, and to the extreme developed the anti-Malaysia sentiments. In 2009 the Penet controversy fuelled again the cultural disputes among neighbours. The advertisement promoting Discovery Channel’s programme “Enigmatic Malaysia” featured Balinese Penet dancer which it incorrectly showed to be a Malaysian dance.

On the other hand, the shared language and culture have their own benefits on connecting the people of both countries. For example, Indonesian popular cultures such as Indonesian musics, films and sinetrons are popular in Malaysia. Numerous Indonesian bands and musicians have their fan-base in Malaysia and often performed some concerts in Malaysia. Vice versa Malaysian singers such as Sheila Majid and Siti Nurhaliza are beloved and popular in Indonesia. Malaysian animation Upin & Ipin with deep Malay culture had also gain wide popularity and appeal among Indonesian children and families. However this cultural exchanges is not always appreciated, the overwhelming popularity of Indonesian music in Malaysia had alarmed the Malaysian music industry. In 2008 Malaysian music industry demanded the restriction of Indonesian songs on Malaysian radio broadcasts.

Environment
The slash and burn practice to clear the lands for palm plantations in Sumatra and Kalimantan were causing haze and smoke fog that blown northwards by wind and had reached Malaysia and Singapore. The haze is clearly hazardous for health and dangerous for transportation, especially flight safety in the region. Malaysian and Singaporean government had noted their protest and urged Indonesian government to reduce the hotspots. In the peak of the haze that usually occur during dry season, Malaysian and Singaporean offer assistance to put off the fires. Today Indonesian government had banned the slash and burn practice.

Another important environment issue is transborder Illegal logging. Indonesian government has expressed the concern that many rainforest along Indonesia—Malaysia borders in Borneo were suffering illegal loggings, mostly done by Malaysian loggers. The concern was aroused because Malaysian authorities seems has done
nothing to prevent the crime or to the extreme seems to encourage this practice to increase Malaysian timber yield.

Media
Malaysians expressed their concern that media in Indonesia seems to encouraging and fostering the anti-Malaysia sentiments through distorted news coverages, exaggerations and blowing the issues beyond the proportions. Malaysian government concerned about anti-Malaysia sentiments, protest and aggressive actions of certain extremists amid the bilateral spats over a Balinese dance and the mistreatment of Indonesian housemaids in Malaysia. Malaysia government also stated had run out of patience and sent a protest letter to Indonesia after a demonstration triggered by a maritime dispute.

On the other hands Indonesian media also had accused the government-controlled media in Malaysia to often presenting negative opinions and poor images on Indonesia and Indonesian people as the political agenda to prevent the Indonesian reformation and democratic movement to spill beyond its borders. The government of Indonesia also had sent the notes of protest for Malaysian media on using the term *indon* to refer for Indonesia and Indonesian people that considered as derogatory.

Education
As of December 2012, about 6,000 Malaysians are studying in Indonesia while about 14,000 Indonesians are studying in Malaysia.

Economic trade
Malaysian companies that are investing in Indonesia re Maybank, CIMB, Petronas, Tabung Haji and Sime Darby, as stated by the Yang di-Pertuan Agong in his message to Malaysians in Indonesia while he and the Raja Permaisuri Agong were on a state visit to Indonesia in December 2012.

Branding Development Model:
East-West Communications, a consulting firm specializing in nation branding initiatives, as an example of the development process, Malaysia and Indonesia can use the following progression in the design of their nation branding campaigns:

1. The Marketing Plan
   a. Identify what needs and whose needs can the country meet and satisfy. What preference groups (of investors, for instance) or even market niches (e.g., stem cell scientists) should be targeted to optimize economic outcomes?
   b. Compile databases of past clients of the state, its resources, offerings, laws, regulations, international treaties, and economic opportunities (e.g., state companies to be privatized). These allow for micro-branding (or segment branding as opposed to mass branding): tweaking the national brand to suit the preferences, likes, dislikes, and wishes of specific target groups, down to single, important, individuals.
   c. Position the country in relation to its competitors, emphasizing its natural and human endowments and its relative advantages. The process of positioning aims to identify the nation with an image, perception, concept, or trait which captures its essence and furthers its appeal to the clients it had identified in stage I above (investors, other countries, diplomats, scientists, and so on). Great care should be taken to align the positioning messages with realities on the ground. Anything perceived by the preference groups as being a lie or an exaggeration will backfire.
2. The Product
In designing its “products” and, thus, in acquiring a brand name, a country makes use of and leverages several factors:

a. Natural Endowments The country’s history, geographical location, tourism sites, climate, national “mentality” (hard working, forward looking, amicable, peaceful, etc.)

b. Acquired Endowments, Public Goods, and Externalities Level of education, knowledge of foreign languages, quality of infrastructure, the court, banking, and public health systems

c. Risk Mitigation International standing and the resolution of extant conflicts (political risk), the country’s laws, regulations, and favorable international treaties, its credit history, insurance available to investors and exporters

d. Economic Prowess Growth promoting policies, monetary stability, access to international credit, the emergence of new industries

3. The Price
The “price” of a country is comprised of two elements:

a. The average (internal rate of) return on investments in its infrastructure, human capital, goods, and services - adjusted for.

b. The risks associated with doing business there.

4. The Place
The distribution channel, the path from producer to consumer (in our case, from country to foreign investor or tourist, for example) is less encumbered by topography than it used to be...Even the poorest, most remote, landlocked, arid, and disadvantaged country can nowadays leverage air flight, the Internet, television, cell phones, and other miracles of technology to promote itself and its unique offerings (knowledge, plant and animal species, scenery, history, minerals, cheap and educated manpower, cuisine, textiles, software, and so on).

5. Promotion, Sales, and Advertising

a. Promotion. Not to be confused with marketing, it is concerned with setting up a trained sales force, and with advertising, sales, and public relations.

b. Sales. At this stage, poor countries will be hard pressed to cater to the pecuniary needs of high-level and, therefore, expensive, salespersons. Setting up a body of volunteers under the supervision, guidance, and training of seasoned sales personnel maybe a more suitable solution.

c. Advertising. There is no substitute for a continued presence in the media. The right mix of paid ads and sponsored promotions of products, services, and ideas can work miracles for a country’s image as a preferred destination.

Branding Campaigns Past and Present:
The New Branding of Indonesian
The Indonesian’s Minister of Culture and Tourism Jero Wacik stress that the new branding of Indonesian Tourism 2011. Tagline based on five criteria “The five criteria use as wonderful of nature, wonderful of culture, wonderful of people, wonderful of food, and wonderful value of money. The Minister announced the tagline in Jakarta on Wednesday January 12, 2011. According to the Minister of Culture, the five criteria have also been part of the consideration when Bali, in 2010 receive the award from the Travel and Leisure Magazine as “The Best Island Destination in the World”. The Minister introduced the slogan first in the international forum at a meeting of ASEAN Tourism Minister, 17-18 January 2011 in Cambodia, announced to the world that Indonesia’s new Tourism Tagline turned into “Wonderful Indonesia”.

Transformation Malaysia Indonesia
**The New Branding of Malaysia**

Malaysia have had a couple of tourism slogans since they have identified tourism as key revenue for the country: the ‘Fascinating Malaysia’ and ‘To Know Malaysia is To Love Malaysia’. However, the most notable one is the current ‘Malaysia Truly Asia’. This is the most relevant and successful slogan thus far in Malaysia’s effort to become top of the mind destination in Asia, particularly to compete with Thailand as a traditional Asian destination. This slogan had won numerous awards such as ‘Best Long Term Marketing and Branding Campaign Gold Awards’ at Asian Marketing Effectiveness Awards 2008.

Malaysia is currently in the early stages of developing a Malaysian master brand, intended to help the country solidify a positive reputation and further its progress towards development. As globalization has intensified global competition, the Malaysian brand will attempt to shift its focus from agriculture towards manufacturing and services, utilizing assets such as its economic and political stability as a legitimizing force for the brand.

**4. CONCLUSION AND IMPLICATIONS**

Globalization and the rise of international markets have increased the necessity for all countries to vie for a competitive identity (Anholt, 2007). A country’s brands can make a positive contribution to the overall image of a country and enhance its competitive reputation. Branding for corporations or countries, only works if truthful. Successful brands must have an authentic foundation, with the qualities highlighted by the brand clearly apparent in the nation’s existing qualities. Any attempt to transplant a positive brand onto a nation that does not have the policy to support and legitimate it will be fruitless. Generally, countries get the reputations they deserve, and the surest way to x that reputation is to address the policies (or absence of policies) that caused the reputation in the rst place. An attractive logo or catchy slogan is not enough to create a strong, positive, and believable national brand. The image of a nation is primarily built upon a long history of its government’s policies and the products or qualities it offers the rest of the world. If a country wants to change that image “there is no magical shortcut through marketing or advertising, logos or slogans.

Perceptions of a country are based on many things and all aspects of a nation help form public opinion and shape its image. An implication of the paper is that the public and private sectors could work together to shape a country’s image. In other words, corporations that are willing to purposefully associate their international brands with their country of origin could enhance the image of their country, and thus play a role as non-state actors in the process of public diplomacy. Businesses have resources and expertise as well as a global worldview that is advantageous to public diplomacy, and building favorable country-to-country relationships in the global society is in the self-interests of business as well as governments.

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