MEMBER STATE PERSPECTIVES ON THE ASEAN REGION BRAND

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ABSTRACT

The purpose of this paper is to investigate member states' perceptions of the importance of the ASEAN region brand, not only in terms of tourism destination branding but also with regard to additional goals of place branding such as export promotion and the attraction of inward investment. The region brand effect remains relatively under-researched compared to the brand effect of other geographic entities such as nations and cities. Furthermore, the ASEAN region in particular is under-researched compared to other region brands such as the European Union. This paper aims to reduce these gaps in the literature. A qualitative methodological approach was judged appropriate for an exploratory study of this type. A series of in-depth, face-to-face interviews were conducted with key informants from five ASEAN member states. Respondents were drawn from a range of organizations involved in branding their respective nations, namely, Embassies, National Tourism Organizations, Export Promotion Organizations, and Investment Agencies. The study's findings indicate that the salience of the ASEAN region brand appears to be low for tourism promotion but higher for trade and investment. An implication of such a finding is that policymakers should reflect on the desirability of this, given that the current situation appears to indicate that the ASEAN region brand may be under-recognised as a tourism destination brand. Limitations of the study include the small sample size, which limits the generalizability of the findings, and the restricted geographic scope of the study. Potential directions for future research are proposed.

Keywords: destination branding, region brand, ASEAN

INTRODUCTION

In comparison with longer established and higher profile regional groupings such as the European Union (EU) and the North American Free Trade Agreement (NAFTA), the Association of Southeast Asian Nations (ASEAN) is in the early stages of its establishing its region brand. The objective of this study is to assess member states' perceptions of the importance of the ASEAN region brand, not only in terms of tourism destination branding but also with regard to additional goals of place branding such as export promotion and the attraction of inward investment. The ASEAN region brand is relatively under-researched (Cayla & Eckhardt, 2007) and this study aims to reduce that gap in the literature.

ASEAN consists of ten southeast Asian nations: Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. A core objective of the organization is to establish ASEAN as a single market and production base, to be realized through a process of accelerated regional integration of priority sectors such as agro-based products, textiles and apparels, and tourism, amongst others. With a combined population of 560 million, the ASEAN region has the potential to establish itself as a powerful region brand capable of attracting investment, promoting its exports, and increasing its tourism arrivals.

Our study investigates member states' perspectives on the ASEAN region brand in terms of its relevance to the key investment, tourism, and export goals of place branding. The paper is structured as follows. First, we discuss the key concepts in the place branding literature and note that region branding is relatively under-researched compared to nation or city branding. Then we describe and justify the methodology used in the study, which is qualitative in nature as is appropriate for an exploratory study. Next, we present our findings and go on to discuss these and draw conclusions from the primary research phase. Finally, we acknowledge the study's limitations and also indicate possible areas for future research.

LITERATURE REVIEW

Place branding is now widespread (Hankinson, 2004) and may be conceptualized and practiced at nation, city or region level (Anholt, 2007; Moilanen & Rainisto, 2008; Morgan *et al*., 2004). Specific challenges arise when attempting to brand places rather than products, services or companies (Skinner, 2005). These challenges include the difficulty of achieving coordination between different stakeholders

(Pike, 2004; Florek, 2005), designing an appropriate brand architecture (Olins, 1989; Douglas *et al.*, 2001; Dooley & Bowie, 2005), and evaluating the extent to which commercial branding techniques can be applied to entities as complex and multidimensional as places (Hankinson, 2007). The reputation of places can impact upon important economic issues including the success of a place's exports and also its ability to attract inward investment (Suh & Khan, 2003; Tesfom *et al.*, 2004; Arregle *et al.*, 2009). However, the majority of research has focused on the importance of place branding in terms of tourism promotion, and the term 'destination branding' is used increasingly frequently when referring to the branding of places in order to attract tourism (Marzano & Scott, 2009; Bell, 2008; Peirce & Ritchie, 2007; Murphy *et al.*, 2007; Pike, 2007; Henderson, 2007; Gertner *et al.*, 2006).

A balanced perspective on place branding requires recognition of its scope in terms of the objectives which it aspires to achieve, as well as its scale in terms of the geographic level at which the branding efforts are being made. The scope of place branding encompasses tourism promotion, export promotion, investment attraction, and more nebulously the desire to increase a place's domestic and international influence (Dinnie, 2008). Such influence may, for example, be exercised in bidding to host high profile sporting, political, or cultural events from which many direct economic benefits may be derived (Berkowitz *et al.*, 2007; Black & Westhuizen, 2004). Whereas the goal of tourism promotion has been extensively reported within the literature, considerably fewer studies have focused on the other potential objectives of place branding, in particular the related goals of export promotion and inward investment. Florek & Conejo (2006) have highlighted the role of export promotion within place branding, whilst Roth & Romeo (1992) in an earlier study identified the importance of aligning product category with country image perceptions. In terms of attracting inward investment, if a place is not clearly branded to its relevant audiences then it may struggle to attract economic and political attention (Van Ham, 2001). The interrelatedness of investment attraction and export promotion represents a key challenge for governments (Wilkinson & Brouthers, 2000), a challenge taken up by the French government through its campaign 'The New France', which attempted to brand France as an attractive destination in which to do business rather than just as a holiday destination (Favre, 2008).

Within the place branding literature the branding of regions has been relatively under-researched compared to the branding of nations and cities. This is a notable deficiency within the literature, given that foreign direct investment and export decisions are now frequently made at a regional rather than a national level (Aguilera et al., 2007; Buckley & Ghauri, 2004; Rugman & Verbeke, 2004). For countries that suffer from negative image perceptions, highlighting the region within which they belong rather than their individual nation may constitute an effective strategy to boost exports (Smith, 1993). Conversely, it has been argued that a supranational regional labeling scheme would add no value to already respected national marks and any such regional labeling should therefore be optional rather than compulsory (Pieterse & Kuschel, 2007). In order to investigate decision-makers' perspectives on the relevance of region branding within ASEAN, we interviewed key informants from five ASEAN nations. The next section describes the methodology used in the investigation.

METHODOLOGY

This paper adopts a supply-side perspective and examines perceptions of the ASEAN region brand from the perspective of official representatives of member states belonging to organizations such as Embassies, National Tourism Organizations (NTOs), Export Promotion Organizations (EPOs), and Investment Agencies (IAs). The Tokyo-based informants were heads of their respective organizations and participated in the branding-related decision-making in their countries. The Kuala Lumpur-based informants occupied trade promotion posts within their Embassies and also participated in their countries' branding-related decision-making. Our approach is in line with the contention of Konecnik and Go (2008: 177) that 'investigations of tourism destination branding have primarily been conducted form a perceived-image perspective… the dearth of studies offering an insight into the supply-side perspective may lead to an unbalanced view, misunderstandings and oversights concerning the possibilities and limitations of tourism destination branding'. Primary data collection for the study comprised a series of ten semi-structured face-to-face interviews with key informants from five ASEAN nations. As the key informants must remain anonymous, the countries are represented by letters rather than their names. Respondents' profiles can be seen in Table 1.

Table 1
Respondents' Profiles

Country	Organization	Location
A	Embassy	Kuala Lumpur
A	Export Promotion Organization	Tokyo
A	Investment Agency	Tokyo
A	National Tourism Organization	Tokyo
B	Embassy	Kuala Lumpur
C	Embassy	Kuala Lumpur
D	Export Promotion Organization	Tokyo
E	Export Promotion Organization	Tokyo
E	Investment Agency	Tokyo
E	National Tourism Organization	Tokyo

A qualitative, exploratory approach was adopted and operationalised through the use of open-ended questions, as such questions 'have the virtue of allowing the subjects to tell the interviewer what's relevant and what's important rather than being restricted by the researchers' preconceived notions about what is important' (Berry, 2002; 681). The interviews were conducted in English. An interview guide detailed the questions to be asked, although respondents were free to move from one topic to another regardless of the sequence of questions in the interview guide. In this way it was possible to establish 'a conversation-like dialogue rather than asking questions that impose categorical frameworks on informants' understanding and experiences (Arnould & Wallendorf, 1994: 492). Questions in the interview guide include the following: 'Over the past 5-10 years, has the image of the ASEAN region improved, deteriorated, or stayed the same?'; 'What is the impact of the ASEAN region brand effect in your country's image? Positive, negative or neutral?'; and, 'What impact does the ASEAN region brand effect have on your country's efforts in tourism promotion/investment attraction/export promotion?'. When respondents agreed to allow the interview to be recorded, it was later transcribed; in cases where the respondent preferred not to be recorded, the researcher took detailed field notes and wrote these up after the interview. Thematic analysis was applied to the interview data in order to explore respondents' perceptions of the ASEAN region brand effect upon tourism, trade and investment.

RESULTS

Overall, respondents perceived the image of the ASEAN region brand to have improved, or at least to have remained stable, over the past 5-10 years. However, the influence of the ASEAN region brand on the image of individual member states was perceived to be weak, particularly in terms of tourism destination branding. According to the majority of respondents, the ASEAN region brand exerts a greater influence on trade-related issues such as export promotion and inward investment than it does on tourism promotion.

When asked what they believe comes to people's minds when they think of the ASEAN region, respondents replied that although the ASEAN region brand is in its early stages of development, certain perceptions appear to be forming. One respondent stated that "it has been a challenge for us in ASEAN to project a unified brand. But first, I think the initial impression that many people get about ASEAN, especially the non-ASEAN countries, is that this is an area of opportunity. 500 million people, 10 different markets….. all hungry for certain products and services in their own different ways." The same respondent went on to suggest that the diversity of ASEAN, although positive in some respects, may also prove to be a perceptual barrier for potential foreign investors: "Even if we establish ASEAN economy community, we are nowhere near the European Union type of arrangement. There is no custom union yet, there is no single currency yet. So these are things that pose certain difficulties for foreign investors when they look at ASEAN as a region and how they associate ASEAN with ….because there is still some diversity. So we are getting there, I mean…the ASEAN leaders have met and they came with certain targets and the ASEAN economic community is one of them and I think we are on track to achieving them but I think as of now, the ASEAN brand is not a particularly strong one at the moment."

The relative weakness of the ASEAN region brand compared to the strength of the nation brands of some member states was alluded to by another respondent, who suggested that "the average consumer will probably have a far stronger sense of what our country stands for even though it might be quite limited… ASEAN to me would be a supplement, it's not as visible as individual countries." Referring to tourists from outside ASEAN visiting the region, this respondent went on to say that "I don't think the average visitor goes to many ASEAN destinations in one go, so I would see it as something that is complementing our work but I would not say that is part of the main work that we do. The average visitor doesn't think of visiting ASEAN… they may visit two or three ASEAN destinations but in their mind they are not visiting ASEAN, they are visiting Phuket or Singapore or Kuala Lumpur, which is a different thing, isn't it?"

Regarding the image of the ASEAN region over the past 5-10 years, most respondents stated their belief that the image of ASEAN has either stayed the same or improved. One respondent described his perception of the ASEAN region brand's evolution as follows: "Definitely improved, I think what had happened in 1997, 1998 actually created or rather gave ASEAN more confidence. A number of us were affected by the economic crisis, the financial crisis … As a region we bounded back quite strongly and the relatively high growth rate in ASEAN has been very attractive for investors. So in that sense the brand has been improved and also at the same of course we are having political initiatives to get together, work together more closely on the economic front, and social front, on the security front. So all these things have helped enhanced the image over the years."

Another respondent echoed the positive assessment of the evolution of the image of ASEAN over the past 5-10 years, saying "I think it has improved." However, none of the respondents claimed to have conducted any research on ASEAN's image and most respondents made it clear that they were offering only their personal opinions on perceptions of the ASEAN region brand.

The impact of the ASEAN region brand effect upon the country image of individual member states was overall judged to be positive by our respondents. As one respondent pointed out, by belonging to a large regional bloc of over 500 million consumers, each ASEAN member state greatly increases its economic potential: "It has been positive. In fact, it is the real reason why we are pushing so hard on the concept on ASEAN economic community and all that. If we can get ASEAN to become a sort of a unified market, you will make each ASEAN member country member more attractive for foreign investors… In fact this economic crisis that is affecting the region right now is not necessarily a bad thing because it makes each of us realize that the US and Europe are slowing down and within ourselves there are still spots of growth that we can tap into. So it hasn't been all that bad."

However, in the context of tourism, one respondent suggested that the impact of the ASEAN region brand is negligible, particularly when compared to the higher profile of Europe as a region brand: "I think one easy way to discern this is just go to a travel agent in Japan, how is a package trip to London, to Europe marketed? It's marketed as Europe, it is a nine-day Europe package. Here in Japan, there are no ASEAN packages. People go to Asia, or they go to Thailand, or Malaysia… ASEAN as a concept is not used for marketing."

As for the degree to which individual member states highlight or downplay the fact that their country is part of the ASEAN region, respondents explained that they generally highlight their membership of ASEAN. The ASEAN brand is seen to promise potential benefits in terms of attracting investors, although respondents qualified this by explaining that much work remains to be done in terms of developing the ASEAN region brand. When asked whether his country highlighted or downplayed their membership of ASEAN, one respondent stated: "Ahh… highlight … in many ways, I think we sell ourselves as a doorway or gateway to ASEAN, we do not downplay at all. But it is not as active as the EU, it could be. One of the reasons I would imagine is that there is still a lot of diversity, if you put the ASEAN brand up to scrutiny and for example if I am a foreign investor I will ask, ok, you say that your country means a bigger market for me because I can tap into the ASEAN region, does it mean that my goods that I make in your country would be transported easier, would it mean that I wouldn't have custom's hassle to go through, how about different taxation regimes, all these things are not there yet. We are headed there, the initiatives will bring us there but we are not there yet actually actively promoting that. It doesn't quite stand up to scrutiny at this point of time but we hope to get there."

For most respondents there was a clear hierarchy in brand emphasis, with the individual country brand being promoted significantly more than the ASEAN region brand. As one respondent described, "We highlight the fact that we are part of ASEAN, but it comes second after our own country. We promote that we are a stepping stone into ASEAN. First, we promote our country, secondly we promote ASEAN."

In the following section we discuss and draw conclusions from our findings.

CONCLUSIONS AND DISCUSSION

The results of this study suggest that policymakers need to analyze carefully the different dimensions of the emerging ASEAN region brand. Strategic decisions regarding the ASEAN region's brand architecture should be informed by considerations related to issues of target audience, as well as by individual member states differing stages of economic development. The salience of the ASEAN region brand appears to be low for tourism promotion but higher for trade and investment; policymakers should reflect on the desirability of this, given that the current situation appears to indicate that the ASEAN region brand may be under-recognized as a tourism destination brand.

A key challenge identified by respondents regarding the ASEAN region brand lies in finding successful strategies for projecting a unified brand for what is in reality an association of nations at very different stages of economic development. In terms of tourism, respondents viewed the ASEAN region brand as distinctly secondary to individual nations' own country brands. However, in the context of inward investment attraction, the role of the ASEAN region brand appeared to assume much greater importance, with respondents emphasizing the attraction of ASEAN as a market of over 500 million consumers. Policymakers should conduct further research into such perceptions of the ASEAN region brand in order to establish a platform from which to develop the ASEAN region brand over the coming years. Strategic decisions will need to be made regarding the desirability of allowing the ASEAN brand to be perceived strongly as an investment destination but weakly as a tourism destination.

Although the consensus expressed by respondents was that the image of the ASEAN region has improved over the past 5-10 years, this needs to be verified by ongoing longitudinal studies that track the image not only of ASEAN but also of its individual member states. Such tracking studies would help clarify whether the positive assessments of the ASEAN region brand by our respondents are shared by wider audiences. Target audiences should be clearly segmented so that perceptions are tracked on both the supply-side and the consumer side, as well as ensuring that the different dimensions of the ASEAN region brand are consistently monitored. The relative strengths and weaknesses of ASEAN should be measured in terms of its tourism brand, its export brand, and its investment destination brand.

Several respondents alluded to the higher degree of integration and brand strength enjoyed by the European Union compared to ASEAN. Although an increase in regional integration is a political and economic issue rather than a branding issue, the projection of ASEAN's evolving integration represents a branding challenge that member states and ASEAN itself as an organization need to address. As one respondent pointed out in the context of tourism, package tours from Japan are clearly marketed as Europe tours whereas there is no equivalent marketing of ASEAN tours. This is one dimension of the ASEAN region brand that could potentially be strengthened regardless of the degree of economic integration of ASEAN. Within the domain of corporate branding, the benefits of a powerful and prestigious, overarching umbrella brand are well established; it remains to be seen whether the ASEAN region brand will over the coming years develop into an umbrella brand that its member states are happy to promote in support of the key place branding objectives of tourism promotion, investment attraction, and export promotion.

LIMITATIONS AND FUTURE RESEARCH

The usual caveats pertaining to qualitative studies apply to this paper. The small sample size limits the generalizability of the findings, as does the restricted geographic scope of the research. Also, we did not gain access to representatives of all ten ASEAN member states. Future studies on a larger scale may encompass the totality of member states. The study indicates a number of other potentially fruitful avenues for future research. For example, are other region brands equally skewed towards trade and investment rather than tourism, as the ASEAN region brand appears to be? How can region brands establish an effective brand architecture? What is the optimal balance between individual nation brand image and region brand image? Whereas our study takes a supply-side perspective, future studies should also adopt a consumer perspective. Comparative studies of domestic versus external consumer perceptions of the ASEAN region brand could reveal useful insights. Furthermore, comparative studies of ASEAN compared to other region brands such as the EU or NAFTA would enhance our understanding of the region brand effect. These and other related areas require further research by scholars within the ASEAN region and elsewhere.

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