Abstract

All products require a "branding" effort to successfully compete for customers. Destination branding has been widely studied and researched. Combining all the attributes associated with the place (i.e. its products, and services from various industries such as agriculture, tourism, sports, arts, investment, technology, education, etc.) under one concept will express a unique identity and personality of the destination and differentiate it from its competition. Malaysian branding strategies have been a remarkably successful case. This article will highlight Malaysia as a case example for branding a destination. Being a diverse yet harmonious country, Malaysia highlights this as its uniqueness. Under this strong brand image and positioning, Malaysia succinctly develops its marketing and promotional campaign. Some examples of these materials are illustrated. Identifying its unique tourism products and together bundled them as a destination positioning will also be discussed.

Keywords: Destination Branding, Malaysia case study, Positioning

Introduction

Malaysian branding strategies have been a remarkably successful case. This article will highlight Malaysia as a case example for branding a destination. Being a diverse yet harmonious country, Malaysia highlights this as its uniqueness. Under this strong brand image and positioning, Malaysia succinctly develops its marketing and promotional campaign. Some examples of these materials are illustrated. Identifying its unique tourism products and together bundled them as a destination positioning will also be discussed.

Malaysia is geographically and culturally diverse. Malaysia offers two distinct experiences - the mainland [peninsula] and the island of Kalimantan [Borneo]. These are two parts to the country, 11 states in the peninsula of Malaysia and two states on the northern part of Borneo.

It has been recorded that despite natural disasters and regional instability, Malaysia continued to benefit from the Asian tourism boom, with tourist arrivals reaching almost 17 million, matching the target set by the Malaysian government at the beginning of the year 2005. Singapore remained the top country for tourist arrivals, accounting for 57% of the total in 2005. Malaysia is also among the top three countries for the most number of tourist arrivals among the 53
commonwealth countries according to the World Tourism Organisation. Tourist arrivals for Malaysia rose by more than 160% between 2000-2005, an astonishing achievement for tourism. Within this period, the market was able to recover rapidly from the 2003 SARS outbreak, recording a 48% leap in arrivals in 2004 after its 2003 drop.

Tourist arrivals

Source: Tourism Malaysia, 2006

The Malaysian tourism industry is one of the major foreign exchange earners second only to its manufacturing industry. The country’s tourism receipts of about RM34 billion in 2005 represented an increase of 15% from RM30 billion in 2004. Singaporean tourists were the biggest contributors, followed by Thailand and Indonesia. Tourist receipts in Malaysia accounted for approximately 7% of Malaysian GDP.

The Malaysian tourism board played an important role in boosting growth of the travel and tourism industry. In 2005, Tourism Malaysia embarked on a mission to promote Malaysia as a top Meeting, Incentives, Conventions and Exhibition (MICE) venue. The tourism board campaign of ‘Meet and Experience, Malaysia Truly Asia’ portrayed Malaysia as a peaceful, colourful and festive multicultural nation with many diverse religions, cultures and ethnics differences living together in perfect harmony, a tourism experience encompassing the whole of Asia within one comprehensive destination. Events such as Petronas Malaysia F1 Grand Prix, Le Tour de Langkawi, Langkawi International Maritime and Air Show Exhibition (Lima) and other world-class events further enhanced the image of Malaysia as a desirable holiday destination.

The strength of foreign currencies, including the Euro and Singapore dollar, in relation to the Malaysian Ringgit, attracts many travellers to Malaysia. The value for money factor is particularly attractive for visitors from India, Thailand, and Singapore, who form over 60% of Malaysia’s total tourist arrivals. This image has also been fostered by budget airways. Domestic and outgoing tourism continued to grow robustly despite added surcharges due to rising fuel prices. The continuing price war between budget carrier AirAsia and the national carrier Malaysian Airline System (MAS) managed to keep the rise of transportation charges to a minimum. The
never-ending expansion of budget airlines within the region provided more choice for the outgoing tourist but also facilitated in the growth of tourist arrivals by providing low-cost no-frills air transport to the inbound tourist.

Malaysia was shielded from the full force of the tsunami at the end of 2004, and is among one of the few nations within the region with a minimal threat from terrorism. Malaysia managed to pull in tourists originally meant for other troubled nations, typically those of Indonesia and Thailand. Malaysian beaches and island resorts provided safe heavens and an alternative destination for tourists intended for Bali, which had experienced a bout of recent anti-western terrorism.

The Concept of Destination Branding

All products require a "branding" effort to successfully compete for customers. Destination branding has been widely studied and researched. Combining all the attributes associated with the place (i.e. its products, and services from various industries such as agriculture, tourism, sports, arts, investment, technology, education, etc.) under one concept will express a unique identity and personality of the destination and differentiate it from its competition. Most importantly, branding requires a vision and mission about the destination and its future success.

In a case of Malaysia, cultures have been meeting and mixing since the very beginning of its history. More than fifteen hundred years ago a Malay kingdom in Bujang Valley welcomed traders from China and India. With the arrival of gold and silks, Buddhism and Hinduism also came to Malaysia. A thousand years later, Arab traders arrived in Malacca and brought with them the principles and practices of Islam. By the time the Portuguese arrived in Malaysia, the empire that they encountered was more cosmopolitan than their own.

Malaysia’s cultural mosaic is marked by these many different cultures, but several in particular have had especially lasting influence on the country. Chief among these is the ancient Malay culture, and the cultures of Malaysia’s two most prominent trading partners throughout history—the Chinese, and the Indians. These three groups are joined by a dizzying array of indigenous tribes, many of which live in the forests and coastal areas of Borneo.

Although each of these cultures has vigorously maintained its traditions and community structures, they have also blended together to create contemporary Malaysia’s uniquely diverse heritage. This image has led Malaysia to select a cultural diversity as its brand image and positioning. The promotional materials reflect this diversity by featuring different races and ethnic groups in Malaysia (depicted in figure 1).
It also has been well discussed that destination branding is not just about the visual and verbal elements used in a logo or slogan. Destination Marketing Organizations (DMOs) usually face challenges with selecting verbal elements to include in a brand name and tagline, as well as selecting visual elements to use in a logo. However, branding is not only about these elements. It is about the philosophy and the values that form the brand. The verbal and visual elements of a destination brand should represent the values and identity of a destination and capture the perceptions of its visitors.

When a brand is established in a consumer’s mind it can trigger associations with smaller destinations within the area the brand represents. But first there is a need to establish a consistent brand identity. In the case of a country, the brand name provides an umbrella for the country’s other destinations, as well as other business entities, which benefit from its greater exposure. For example, a shopping related business located in a primarily outdoor recreation destination will benefit from the overall increase in traffic in the area caused by the overall attractiveness of the larger destination. A brand also relies on how much the smaller entities in a destination embrace and support it in order to reinforce the brand identity to the visitors and increase its reputation. In the case of Malaysia, it was found that there are diverse tourism attractiveness which were featured as a component of its brand. Figure 2 shows that there are at least 3 primary reasons for visiting Malaysia of which tourists could enjoy: culture, shopping and cuisine.
Important Issues on Branding

The literature also suggests that the following issues must be considered carefully.

- Branding creates that first idea about a destination in the consumer’s minds
- Branding efforts should be based on visitors’ perceptions about the destination
- A mission and vision are necessary in destination branding
- A destination brand exists in the mind of the consumer who, if satisfied, remains loyal and does not switch.

Situation Analysis (SWOT) and the Brand Rational

Malaysia suffered one of the worst collapses in the region during the Asian crisis, but its economy has since turned around, with economic performance and outlook second only to Singapore’s. A wealthy middle class has emerged and incomes have grown rapidly over the last decade.

Strengths

- Product diversity
• Market development potential
• Excellent transportation network
• Strong financial supports for destination branding and identity “Malaysia Truly Asia”
• Service and facility standards

**Weaknesses**

• “Diverse” Marketing and product development
• Lacking singular identity

The composition of tourist arrivals from different countries is limited

**Opportunities**

• Harness the strengths
• Address the weaknesses
• Emerging markets and new travellers in Asia
• Booming Asia Pacific tourist industry
• Technology
• Political stability

**Threats**

• Pandemic Diseases
• Natural disasters
• Economic crisis
• Competition

The current situation of Malaysia was taken into consideration as it is believed that branding is not just a logo or trademark. It incorporates many components that work together to form the destination brand concept. Destination branding is about how tourists perceive the destination in their minds. It is about capturing the distinct elements of the destination in the brand and communicating these elements through the brand’s components: identity, essence, personality, image, character and culture. Managing these components in order to create a unique position of the destination brand in the consumer’s mind is called brand positioning. A destination brand can be leveraged by creating a new “product” under the same umbrella name to increase the customer base and by co-branding.

Building a destination as a more colourful and exciting seems necessary since it is found from a review of travel advises posted widely in the internet that majority viewed Malaysia as being less happening and vibrant in comparison to other countries in Asia. Despite the fact that Malaysia possesses stunning tourist sights, including, to list but a few the natural, architectural and cultural, Malaysia does have its problems. Highlights posted by the interviewees include the following points:
• Compared to Singapore, Thailand, Hong Kong, the tourist information system is not so well developed. Quite often when making an inquiry at Tourist Information one is presented with the standard brochures and no additional information but always found them friendly.

• The most important issue that needs to be resolved is the refusal of taxi drivers in Malaysia to use meters and their high tendency to overcharge. This is about not using meters, NOT about using meters then using a longer route.

• You may have heard of the KLIA Express, where for RM35.00 (one way) can take you in less than 30 minutes to KL Sentral; but unless one is checking into KL Hilton or Le Meridien, there is the taxi to deal with to get to your other hotel(s), more so with luggages-the monorail or LRT is out of the question. So the company behind KLIA Express-ERL, have come out with their KLIA VIP Service (Flying porter service). For a fee of RM100.00, and if you are staying in Westin, Regent, PARK Royal, Impiana KLCC, JW Marriott and Ritz Carlton, a passenger arriving in KLIA will be paged and greeted by ERL ambassador upon arrival at the Baggage Reclaim Hall (also is KLIA Express ticket booth), assisted with baggage, and escorted all the way onboard the KLIA Express to KL Sentral by the "flying porter" service and transferred to these hotels in a limousine. Of course as a regular user of the KLIA express, avoid the taxi problem by taking the LRT service to PJ. For those who wish to avoid the taxi hassle just take either the LRT or Monorail or the public bus service.

Brand image and positioning is a set of unique brand associations that represent what the brand stands for. These associations imply a promise to customers from organization members. In this case, the promise branding has established must be able to capture the actual experience tourists may have during the trip. Because the character or the actual travel experience is related to its internal constitution, how it is perceived in terms of integrity, trustworthiness and honesty (Upshaw, 1995). This is also related with the promise of the brand to deliver the experience associated with its name. Vegas’ brand essence is the ultimate entertainment and gaming extravaganza destination.

Do not try to be all things to all people!

This is not differentiating the destination brand from the competition. Create a unique position in the minds of the consumers. The positioning of a brand is associated with the concepts of brand image and brand associations. A brand association is anything “linked” in memory to a brand (Aaker, 1991, p. 109.)

References


