ASEAN Integration via ASEAN Identity Building among Thai SME Entrepreneurs

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Abstract
The research is aimed to analyze the factors required for building ASEAN identity which composes of a combination of core identity elements (e.g. logo, ASEAN secretary- general, office location, core policy) and extended identity components (e.g. economic cooperation in various aspects) among Thai SME entrepreneurs. The survey research is applied to collect the data from 1,027 systematically selected samples. Factor Analysis reveals six extracted identity-creating factors which are composed of 3 core identity groups and 3 extended identity groups. The three extracted factors of ASEAN core identity are (1) ASEAN name & positioning, (2) Logo, office location, ASEAN personnel, and (3) news releases regarding regional cooperation. And, the other three extracted factors of ASEAN extended identity are (1) SME cooperation, (2) other economic cooperation, and (3) free trade and investment liberalization. This combination, nevertheless, when forwarded to SME entrepreneurs, needs to be on the balanced basis.

Keywords: Branding, Corporate Branding, Brand Identity

Rationale

ASEAN or the Association of Southeast Asian Nations was founded in 1967 on the basis of favorable understanding and cooperation among member countries. The ultimate goal of ASEAN is thus to generate consciousness of unity among the people of each member country. In this aspect, the task of ASEAN will be successful only with the people's support and participation.

ASEAN is the regional international organization, consisting of 10 member countries—namely, Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei Darussalam, Vietnam, Lao PDR, Myanmar, and Cambodia. In addition to generating the competitive edge with those in other regions, ASEAN aims basically to strengthen its member countries in terms of politics, stability, economics, as well as social and cultural aspects.

One significant factor in forming ASEAN integration is the economic sector, especially SMEs. In this aspect, ASEAN has set the "ASEAN SMEs" cooperation framework to promote SMEs roles and development in strengthening regional economic growth via the increase of competitiveness.

Research Framework

ASEAN integration basically represents the building of network relationships among stakeholders (Fisher-Buttinger & Vallaster, 2008, pp. xiv-xvii) in ASEAN member countries. This network formation is another aspect of branding to generate a linkage between various groups. In this case, branding is not limited only to symbolic construction, but also aims to create brand impression, differentiated band positioning, and recognition of functional and emotional benefits related to that particular brand (Knapp, 2000, p. 7).

Successful branding needs to consider the factor of brand equity that directly leads to determine brand strategy. Brand equity is the valuable asset associated with brands in relation to brand awareness and brand image. Keller (2008, pp. 48-51) has defined brand equity as customer-based, or the customers' knowledge about that particular brand, that results basically from brand awareness and brand image. Keller also notices that brand familiarity and awareness stem primarily from an individual's experience or exposure to that brand.

Being recognized as the important mechanism for collective perceptions, a brand functions primarily as a part of mind and emotion. Branding, as a matter of fact, is the process of creating brand impression among related individuals, so that they would be eventually aware of brand differentiation. This awareness is believed to originate from emotional or feeling arousal, and would trigger unconsciously rational decision among consumers (Bunyaratavej, 2002, p. 123)

The hierarchical effects of branding on individuals, therefore, could be identified as stemming from the following steps of brand building: brand awareness, brand preference, and brand loyalty. A strong or powerful brand, as a result, is the aftermath of a tightly associated relationship among the aforesaid three steps (Aaker, 1991, pp. 16-19).

Feeling towards a particular brand, therefore, would occur when an individual has associated that brand and its related symbols/elements with his/her feeling initiated at each step. Hence, ASEAN integration could start at memorizing ASEAN identity, associating further to unity, and being mentally transformed to create brand awareness.

Einwiller and Will (2002, pp. 100-109) stated that branding is the management process by which organizational image and reputation are created. In this aspect, image building of an organization is to create organizational awareness in the mind of related target groups within and outside the organization. As for the international organization like ASEAN, communication is an essential tool to deliver the message of ASEAN unity to the world. In addition, communication also functions strategically to maintain desirable relationships between and among related parties, and that would eventually generate positive image and reputation of ASEAN.

As a matter of fact, creating brand image generally requires the formation of an individual's awareness in terms of brand identity, characteristics, and personality. Therefore, an organization has to determine firstly what its vivid identity is. Van Riel (1995) defined organizational identity as how the organization presents itself via organizational behaviors, communication, and symbols. In this matter, Gray and Balmer (1998, pp. 659-702) proposed that organizational identity is reality and uniqueness of that particular organization.

In terms of holistic relationship, communication formats and patterns released by the organization will closely link identity with organizational image and reputation as perceived by internal and external stakeholders. To be concise, building organizational identity depends on corporate communication, or a process in which the related target groups are made to recognize the organization's formulated image and reputation (Balmer & Gray, 2000, pp. 256-261)

Building an organization's identity, therefore, is to create awareness among the related stakeholders towards the organization's core identity, or brand description that differentiates that particular organization from others. Extended identity such as brand personality or uniqueness may also be added to the core identity, so as to further reflect the organization's self-identity (Aaker & Joachimsthaler, 2000, p. 45).

Problem Statement

The aforesaid rational thereby leads to the following problem statement: Building ASEAN identity requires a combination of core identity elements (e.g. logo, ASEAN secretary- general, office location, core policy) and extended identity components (e.g. economic cooperation in various aspects). This combination, nevertheless, when forwarded to SME entrepreneurs, needs to be on the balanced basis.

Methodology

The researcher employed a survey using a questionnaire with 1,027 SMEs entrepreneurs who were selected systematically. The Cronbach's alpha of .9496 indicated that this questionnaire is of high reliability.

The collected data were then analyzed using Factor Analysis, with consequently yielding six extracted identity-creating factors.

Research Findings

The six extracted identity-creating factors are composed of 3 core identity groups and 3 extended identity groups. ASEAN core identity signifies important factors that represent ASEAN's self and core concepts, while ASEAN extended identity means other factors to complement ASEAN identity.

The three extracted factors of ASEAN core identity are as follows:
1. Factor relating to ASEAN's name and positioning (Factor loadings and communalities presented in Table 1)

The extraction reveals the factors of ASEAN name (V2.2), unity positioning (V2.12), and ASEANness feeling (V2.13). These factors jointly reflect ASEAN's ideology.

2. Factor relating to ASEAN's symbols, office location, and personnel (Factor loadings and communalities presented in Table 1)

The extraction reveals the factors of ASEAN symbols (V2.1), ASEAN office location (V2.3), and ASEAN personnel. In this case, ASEAN office location incorporates both physical and cyber-space (V2.4) entities, while ASEAN personnel are the combination of leaders of member countries (V2.5) Secretary-General (V2.6), and ASEAN full-time employees (V2.7). These factors jointly reflect ASEAN's concrete identity.

3. Factor relating to ASEAN's news release regarding significant cooperation within ASEAN (Factor loadings and communalities presented in Table 1)

The extraction reveals the factors of news releases regarding ASEAN cooperation. The news releases as perceived significant by the SMEs entrepreneurs include stability, (V2.8), economics (V2.9), social aspects (V2.10), and technology (V2.11). These factors jointly reflect ASEAN as the cooperative organization.

To summarize, the SME entrepreneurs perceived three factors essential for building ASEAN core identity. They are (1) ASEAN name & positioning, (2) Logo, office location, and ASEAN personnel, and (3) news releases regarding regional cooperation.

The extraction of extended identity reveals three factors. However, the factor loadings of intensive investment in ASAEN (V3.6), industrial cooperation (V3.7), and aids to new member countries for ASEAN integration (V3.15) are equivalently below .40. With perceived unclear economic-related meanings of the said items, the researcher decided to eliminate them.

The three extracted factors of ASEAN extended identity are as follows:

4. <u>Factor relating to SME cooperation</u> (Factor loadings and communalities presented in Table 2)
The extraction reveals the factors of SME cooperation as consisting of good entrepreneurs (V3.16), business growth (V3.17), and production for international markets (V3.18), innovation development (V3.19), increase of productivity (V3.20), and building business networks within the industry and between related industries (V3.21)

In this case, the SME cooperation is made clearer with the addition of setting corresponding standards (V3.22), cooperation in agriculture and forestry (V2.23), and economic cooperation with non-ASEAN countries (V3.24). These factors jointly reflect SME entrepreneurs' perception that setting corresponding standards is required for industrial production. In addition, forestry is perceived as significant in ASEAN due to agricultural backgrounds of most member countries and need for differentiated industrial products, while economic cooperation with non-ASEAN countries reflects ASEAN's vision in extending cooperation in production, trading, and investment to non-ASEAN countries.

5. <u>Factor relating to other economic cooperation</u> (Factor loadings and communalities presented in Table 2)

The extraction reveals the factors of other cooperation, as consisting of trading & service (V3.8), finance (V3.9), transportation (V3.10), tourism (V3.11), information technology and electronics (e-ASEAN) (V3.12), telecommunications (V3.13), and energy (3.13). These factors are perceived by SME entrepreneurs as contributing to the holistic picture of ASEAN economic cooperation.

6. <u>Factor relating to free trade and investment liberalization</u> (Factor loadings and communalities presented in Table 2)

The extraction reveals the factors of cooperation regarding regional and inter-regional free trade and investment liberalization (V3.1, V3.2, V3.3, V3.4), and the aftermath privileges as the most favored nation (MFN) treatment (V3.5). However, these factors are perceived by SME entrepreneurs as barely significant for them.

In summary, the SME entrepreneurs perceived three factors essential for building ASEAN extended identity. They are (1) SME cooperation, (2) other economic cooperation, and (3) free trade and investment liberalization.

Discussion

Building an organization's identity needs to include both core and extended identities. According to Aaker and Joachimsthaler (2000), both components are of different levels of importance, depending on the contexts of time and related resource availability. The findings of this research reveal three most important factors for building ASEAN core identity, namely, news releases regarding regional cooperation ($\bar{x}$ = 3.64), ASEAN name ($\bar{x}$ = 3.58), and positioning ($\bar{x}$ = 3.33). Likewise, the three most important factors for building ASEAN extended identity are free trade liberalization ($\bar{x}$ = 3.72), free service liberalization ($\bar{x}$ = 3.46) in ASEAN, and cooperative production for international markets ($\bar{x}$ = 3.46).

The findings also revealed that the SME entrepreneurs neither have much knowledge about ASEAN ($\bar{x}$ = 5.975 out of 12), nor feel certain in identifying ASEAN symbols and related elements. This reflects that ASEAN lacks an indicator of self-identity among SME entrepreneurs. Hence, to create ASEAN branding following the three hierarchical steps (awareness, preference, and loyalty), ASEAN knowledge is the most important initial requirement (Aaker, 1991).

In addition, since ASEAN activities have so far been managed by a number of related government agencies, they thus lack prominence and uniqueness. Likewise, the SME entrepreneurs are reportedly unaware of benefits to receive from trade agreements made between Thailand and other member countries.

Moreover, some SME entrepreneurs who used to participate in ASAEN economic cooperation activities stated their uncertainty whether ASEAN was the sponsor of those activities. As a result, every party concerned should pay specific consideration to all essential components of identity building, as in accordance with Gary and Balmer (1998)'s suggestion on detailed and conformed planning of identity building.

Another factor to emphasize in ASEAN core identity building is the dissemination of ASEAN cooperation in ASEAN, particularly the extended identity of economic cooperation. These two factors can be used to formulate ASEAN positioning "to be an organization for cooperation among member countries" among SME entrepreneurs, and this serves as a part of generating ASEAN identity as a different entity from other organizations. This notion is in accordance with Aaker (1996)'s suggestion on continuous news releases of the aforesaid cooperation.

Table 1

Factor Loadings and Communalities of Extracted Factors on ASEAN Core Identity Building

Items	Factors 1	2	3	Communalities
V2.2	.853	.104	-.357	.688
V2.12	.760	-.088	.272	.729
V2.13	.693	.007	.163	.594
V2.1	.186	.501	.019	.380
V2.3	-.087	.757	.032	.543
V2.4	.013	.738	.005	.558
V2.5	.224	.705	-.079	.629
V2.6	-.056	.804	.078	.671
V2.7	-.053	.779	.070	.626
V2.8	-.135	.097	.865	.758
V2.9	.356	-.063	.629	.634
V2.10	.017	-.020	.909	.821
V2.11	-.080	.068	.884	.791
Eigenvalues	5.505	1.623	1.292	
Explained Variance per Factor (%)	42.347	12.487	9.939	
Cumulative (%)	42.347	54.834	64.773	

First Factor of ASEAN Core Identity Building: ASEAN Name and Positioning
V2.2=ASEAN Name V2.12= ASEAN Positioning on Unity V2.13=Feeling of ASEANness

Second Factor of ASEAN Core Identity Building: ASEAN logo, office location, and personnel
V2.1=ASEAN logo V2.3= ASEAN office location V2.4= ASEAN website V2.5= ASEAN leaders V2.6= ASEAN Secretary-General V2.7= ASEAN personnel

Third Factor of ASEAN Core Identity Building: News releases of major ASEAN cooperation
V2.8=News on stability cooperation V2.9=News on economic cooperation V2.10=News on social cooperation V2.11=News on technological cooperation

Table 2

Factor Loadings and Communalities of Extracted Factors on ASEAN Extended Identity Building

Items	Factors 1	2	3	Communalities
V3.16	.876	.006	-.007	.766
V3.17	.953	-.062	-.028	.814
V3.18	.946	-.042	-.021	.828
V3.19	.950	.025	-.134	.817
V3.20	.959	-.047	-.059	.815
V3.21	.819	.052	-.004	.725
V3.22	.705	.052	.102	.634
V3.23	.452	.232	.043	.423
V3.24	.561	-.071	.234	.438
V3.8	.077	.603	.185	.605
V3.9	.104	.680	.072	.631
V3.10	-.031	.879	-.020	.720
V3.11	-.130	.783	.062	.554
V3.12	.171	.784	-.145	.676
V3.13	.063	.890	-.168	.712
V3.14	-.086	.911	-.054	.691
V3.1	-.186	.000	.895	.665
V3.2	.075	-.117	.803	.607
V3.3	.092	-.108	.861	.722
V3.4	.022	-.027	.860	.732
V3.5	-.044	.219	.515	.410
V3.6*	.284	.241	.331	.523
V3.7*	.235	.317	.347	.579
V3.15*	.086	.467	.351	.457
Eigenvalues	11.546	2.320	1.677	
Explained Variance per Factor (%)	48.110	9.667	6.990	
Cumulative (%)	48.110	57.778	64.767	

First Factor of ASEAN Extended Identity Building: SMEs cooperation
V3.16= ASEAN SME cooperation on good entrepreneurs V3.17= ASEAN SME cooperation on business growth V3.18= ASEAN SME cooperation on production for international markets V3.19= ASEAN SME cooperation on innovation development V3.20= ASEAN SME cooperation on increase of productivity V3.21= ASEAN SME cooperation on business networks building business networks within the industry and between related industries V3.22= ASEAN cooperation on setting corresponding standards V3.23= ASEAN cooperation on agriculture and forestry V3.24= ASEAN cooperation on economics with non-ASEAN countries

Second Factor of ASEAN Extended Identity Building: Other economic cooperation
V3.8=cooperation on service trading V3.9= cooperation on finance V3.10= cooperation on transportation V3.11= cooperation on tourism V3.12= cooperation on information technology and electronics (e-ASEAN) V3.13= cooperation on telecommunications V3.14= cooperation on energy

Third Factor of ASEAN Extended Identity Building: Free Trade and Investment Area
V3.1=ASEAN Regional Free trade liberalization V3.2=Free Trade liberalization between ASEAN and other countries in other regions (ASEAN+1) V3.3=Free service trade liberalization in ASEAN V3.4=Free Investment Liberalization in ASEAN V3.5=Most Favored Nation Treatment (MFN)

Recommendations

1. As for ASEAN, to create ASEAN identity among the SME entrepreneurs on the basis of "Economic cooperation among member countries," one has to consider the core identity of "news releases about major economic activities in ASEAN" supported by "organizing activities regarding SMEs cooperation."

2. As for future research, a study on relationships between identity creation and other components of brand equity (e.g. brand characteristics and personality) should be conducted.

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