

**CORPORATE BRANDING AND REPUTATION MANAGEMENT IN MALAYSIAN
INDIGENOUS MANUFACTURING**

JAIBALAN A/L HARIRAJAN

**MASTER OF SCIENCE (MANAGEMENT)
UNIVERSITI UTARA MALAYSIA**

2012

Table of Contents

| Title | Page |
|-------------------------------|-------------|
| Permission to Use..... | 1 |
| Disclaimer..... | 2 |
| Abstract..... | 3 |
| Acknowledgement..... | 4-5 |

CHAPTER 1: INTRODUCTION

| | |
|--------------------------------------------|----------|
| Introduction..... | 6 |
| Problem statement..... | 7 |
| Research question..... | 7 |
| Research objective..... | 8 |
| Significant of study..... | 8 |
| Limitation/ scope of the study..... | 9 |

CHAPTER 2: LITERATURE REVIEW

| | |
|----------------------------------------------------------------|--------------|
| Introduction..... | 10 |
| Description on Brand and Corporate Branding..... | 10-12 |
| Description on Reputation and Corporate Reputation..... | 13-14 |
| History of Automobile Industry in Malaysia..... | 15 |
| Company Background..... | 16 |
| Products and Services | 17 |
| Objective..... | 18 |
| Corporate Vision and Core Value..... | 18-19 |
| Mission..... | 20 |
| Target Market | 20 |
| Behavioral Factor..... | 21 |
| Demographic Factor..... | 21 |
| Psychographics factors..... | 22 |
| SWOT Analysis | 23-24 |
| Supporting Theory..... | 25-27 |
| Conceptual Framework Model..... | 27-29 |

CHAPTER3: RESEARCH METHODOLOGY AND DESIGN

| | |
|-----------------------------------------------|--------------|
| Introduction..... | 30 |
| Research Design..... | 30-32 |
| Type of Study..... | 32-33 |
| Application of Delphi Methodology..... | 33-35 |
| Process of Delphi Method..... | 36 |
| Respondent Selection..... | 37-38 |

CHAPTER 4: RESULTS AND FINDINGS

| | |
|--------------------------------------------------------|--------------|
| Introduction | 39 |
| Evolution of the World Automotive Industry..... | 39-41 |
| The National Automotive Industry..... | 42-47 |
| Result..... | 48-51 |

CHAPTER 5: DISCUSSION, RECOMMENDATION AND CONCLUSION

| | |
|----------------------------------|--------------|
| Introduction..... | 52 |
| Summary..... | 52-53 |
| Recommendations | 53 |
| Conclusion..... | 54 |
| References..... | 55-62 |

PERMISSION TO USE

In presenting this project paper in partial fulfilment of the requirements for a Post Graduate degree from the Universiti Utara Malaysia (UUM), I agree that the Library of this university may make it freely available for inspection. I further agree that permission for copying this project paper in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor or in their absence, by the Assistant Vice Chancellor of the College of Business where I did my project paper. It is understood that any copying or publication or use of this project paper or parts of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the Universiti Utara Malaysia (UUM) in any scholarly use which may be made of any material in my project paper. Request for permission to copy or to make other use of materials in this project paper in whole or in part should be addressed to:

Dean

Research and Innovation

College of Business

Universiti Utara Malaysia (UUM)

06010 Sintok

Kedah Darul Aman

DISCLAIMER

The author is responsible for the accuracy of all opinion, technical comment, factual report, data, figures, illustrations and photographs in this dissertation. The author bears full responsibility for the checking whether material submitted is subject to copyright or ownership right. Universiti Utara Malaysia (UUM) does not accept any liability for the accuracy of such comment, report and other technical and factual information and the copyright or ownership rights claims.

The author declares that this dissertation is original and his own except those literatures, quotations, explanations and summarizations which are duly identified and recognized. The author hereby granted the copyright of this dissertation to College of Business, Universiti Utara Malaysia (UUM) for publishing if necessary.

Date:

Student Signature: _____

ABSTRACT

The purpose of this study is to examine and gain a better understanding of the Corporate Branding and Reputation Management in Malaysian Indigenous Manufacturing. This study focuses on Malaysian's top car manufacturing company Perusahaan Automobile National (PROTON). PROTON has not been able to market the its products, namely, cars and spare parts in comparison to competitors. The researcher feels that it may be inappropriate Corporate Branding and Reputation Management or sheer absence of it. A study was conducted, involving Delphi method, to extract a useful path forward to steer the company for better Corporate Branding and Reputation management.

ACKNOWLEDGEMENT

In the name of God the most Benevolent and most Merciful, All praises to God, the Lord of the universe and peace be upon His Messenger Firstly and foremost, I am grateful to God the Almighty for everything He has granted me. Besides that, this project paper would have not been carried out successfully without the cooperation from many parties who contributed in preparing and completing this project.

Second, I would like to take this opportunity to convey my gratitude and deepest appreciation to those who assisted me in completing this project paper especially my respectable project supervisor, **Prof. Dr. Ajay Chauhan** and special thanks and gratitude to **Dr. Shahmir Abdullah** for their professional and untiring guidance from the beginning of the study until the end of this research paper. His valuable comments, suggestions, support and his skilful guidance, supervision, time, and advice have been instrumental guidance in finalizing this research paper.

Third, special thanks to all the citizen of PROTON especially for their giving information, corporation and helping while I am doing this project paper. Hence, I would like to thanks to all respondents that give good feedback when answering my question. Fourth, thanks to all my dearest lecturers those teach me throughout my master study (**Master of Science (Management)**) from years **2010-2012**. Special dedicated toward my sponsor **YTL BERHAD** for the scholarship and the rest of them. I am proud to be your selected student; no word could say enough to dedicate this devotion. Besides that, I would like to express my appreciation for **Pn.Vimala Kamalakanan** for giving information to finish this research. Not forgetting, special thanks to my beloved wife **Shamini Murugaya** and other family members especially for their moral support and encouragement in order to finish my study. Moreover, I gratefully take this opportunity to extend my gratitude to my entire friend at

Universiti Utara Malaysia especially and all master students in UUM who are simultaneously completing their project paper in this semester. Hopefully, we will attain success one day together. Finally and most importantly, I am very grateful to The God whose guidance had helped me the whole way through.

May God bless all of us.

Thank you

JAIBALAN HARIRAJAN

801004-06-5507

College of Business

University Utara Malaysia

CHAPTER 1

INTRODUCTION

1.1 Introduction to the Study

Malaysia is one of the most developed countries in the ASEAN region. Its economy is largely dependent on manufacturing products such as electrical and electronic products, textiles, as well as rubber-based products, followed by the agricultural and mining sectors. Malaysia is also one of the world's largest exporters of palm oil, natural rubber, tropical timber, cocoa beans and pepper.

Since Independence in 1957, it has moved away from its reliance on tin and rubber and diversified its economy by aggressively attracting investment, both foreign and domestic. After Singapore and Brunei, it is the most developed country in South-East Asia, with the high standard of living. Malaysia's rapid increase in manufacturing has been achieved by modernising the country's transport, communications and energy infrastructure, developing industrial zones and offering substantial tax breaks for investors in export-oriented industries.

This study has focused on the Indigenous Manufacturing and more narrowly the automotive industry in Malaysia. The automotive industry is considered as one of the most important and strategic industries in the manufacturing sector. Specifically this research studied in Corporate Branding and Reputation Management in Malaysian Indigenous Manufacturing specifically on PROTON.

The contents of
the thesis is for
internal user
only

References

- Abdul Rahman, Abdul Aziz (1994). Nurturing of Bumiputera SMIs through Proton's Vendor Scheme: A Case Study of Tracoma. In Hara Fujio (ed), *The Development of Bumiputera Enterprises and Sini – Malay Economic Corporation in Malaysia*. Tokyo: Institute of Developing Economies.
- Adler, M. & Ziglio. E. (1996). *Gazing into the oracle: The Delphi Method and its application to social policy and public health*. London: Jessica Kingsley Publishers.
- Alessandri, S. W. 2001. Modelling corporate identity: A concept explication and theoretical explanation. *Corporate Communications*, 6(4), 173
- Argenti, P. (1997). Dow Corning's breast implants controversy: Managing reputation in the face of 'junk science.' *Corporate Reputation Review*, 1 (3), 126-131.
- Balmer, J.M.T., 2001. From the Pentagon : a new identity framework. *Corporate Reputation Review* . Vol 4 (1). pp 11-22
- Bendixen, M., Bukasa, K. A. and Abratt R. (2004). "Brand Equity in the Business-to-Business Market," *Industrial Market Management*, Vol. 33, No. 5, pp. 371-380.
- Bennett, R. & R. Kottasz. (2000). Practitioner perceptions of corporate reputation: An empirical investigation. *Corporate Communications: An International Journal*, 5 (4) 224-234.
- Bennett, R. & R. Rentschler. (2003). *Foreword by the guest editors*. *Corporate Reputation Review*, 6 (3) 207-210.
- Britten, N. J. (1995). *Qualitative Research Methods in General Practice and Primary Care*. Oxford Journals, 12(1), 104-114.
- C. Okoli, S. P. (2004). The Delphi method as a research tool: an example, design considerations and applications. Elsevier.

- Chia-Chien Hsu. (2007). *The Delphi Technique. Practical Assessment Research & Evaluation*, Volume 12- No 10.
- Corbin, S. &. (1990). *Basics of qualitative research: Grounded theory procedures and techniques*. Newbury Park, CA: Sage Publications, Inc.
- Cravens, K. S., & Oliver, E. G. (2006). *Employees: The key link to corporate reputation management*. *Business Horizons*, 49(4), 293—302.
- Crawford, K. H., & Leybourne, M. L. (2000). *How We Ensured Rigour In A Multi-Site, Multi-Discipline, Multi-Researcher Study*. *Qualitative Social Research* [On-Line Journal) .
- Deephouse, D. (2002). *The term 'Reputation Management': Users, uses and the trademark trade-off*. *Corporate Reputation Review*, 5 (1), 9-18.
- Delbeq, A., Van de Ven, A., & Gustafson, D. H. (1975). *Group techniques for program planning: A guide to nominal group and Delphi processes*. Glenview, USA: Scott, Foresman and Company.
- Donald R. Lehmann (2006), “Brands and Branding: Research Findings and Future Priorities,” *Marketing Science*, 25(6) 740–759.
- E.B. Watson, J.B. Thomas and D.J. Cherniak (2007) ⁴⁰Ar retention in the terrestrial planets. *Nature* 449, 299-304. www.nature.com/doi/10.1038/nature06144.
- Elder, N. &. (1995). Reading And Evaluating Qualitative Research Studies. *The Journal of Family Practice*, 41(3), Pp. 279-285.
- Empirical investigation. *Corporate Communications: An International Journal*, 5 (4), 224-234.
- Fan, Y. (2005). *Ethical Branding and Corporate Reputation*. *Corporate Communications: An International Journal*, Volume 10, Number 4, .

- Fan, Ying, 2005, *branding the nation: What is being branded?* in Journal of Vacation Marketing, Vol. 12, N° 1, pp 5-14, Sage Publications
- Fill, C. (2006). *Marketing Communications: Interactivity, Communities and Content*. (4th Edition), Pearson Education, Harlow, England.
- Fombrun, C. & van Riel, C. (1997). The reputational landscape. *Corporate Reputation Review*, 1 (1/2), 5-13.
- Fombrun, C. J. & V. Rindova. 2000. "The road to transparency: Reputation management
- Genasi, C. (2001). *Can you spin a reputation?* Business Communicator, 2 (6) 3.
- Gray, E. R., & Balmer, J. M. T. 1998/10/12. Managing corporate image and corporate reputation. *Long Range Planning*, 31(5), 695-702.
- Gwyne, Robert (1991). *New Horizons? The Third World Motor Vehicle Industry in an International Framework*. In Christopher M. Law(ed). Restructuring the Global Automotive Industry: National and Regional Impacts. London: Routledge.
- Halaweh, M. (2010). *Criteria for Evaluating the Quality of Qualitative Information Systems Research*. United Arab Emirates: Iadis International Conference Information Systems.
- Harvard Business Review, February, pp. 128-34.
- Hatch, M. J. and Schultz, M. (2001) 'Are the Strategic Stars Aligned for Your Corporate Brand?', *Harvard Business Review* (February): 128-34.
- Hatch, M.J. & Schultz, M. (2003). *Bringing the corporation into corporate into corporate branding*. European Journal of Marketing 37 (7-8): 1041-1046
- Henry Yu Xie, David J. Boggs. (2006). "Corporate branding versus product branding in emerging markets: A conceptual framework", Emerald 24,
- <http://www.idr.com.my/>. Access date: 28 July 2012.

http://www.irda.com.my/index.php?option=com_content&task=view&id=18&Itemid=41

. Access date: 28 July 2012.

http://www.malaysiatoday.net/Blog/2005_07_30_MT_BI_archive.htm. Access date:

27 July 2012.

<http://www.mida.gov.my/beta/view.php?cat=8&scat=468>. Access date: 30 July 2012.

Jacobs, P. (1999). *Reputation management*. InfoWorld, 21 (4), 97-98.

Jay Wang, (2005). *Consumer nationalism and corporate reputation management in the global era*. Corporate Communications: An International Journal, Vol. 10 Issue: 3, pp.223 – 239 *Journal of Marketing*, 37 (7/8), 998-1016.

Kanageswary, M. U. (2004). *The Development of the Automobile Industry and the Road Ahead*. Department of Statistics Malaysia, 32.

Kanapathy, Vijayakumari (2000). *Industrial Restructuring in Malaysia: Policy Shifts and the Promotion of New Sources of Growth*. http://www.tcf.or.jp/data/200000127-28_Vijayakumari_Kanapathy.pdf

Keller, K. L. (1993), *Conceptualizing, measuring, and managing customer-based brand equity*, Journal of Marketing, Vol. 57 No. 1, pp. 1-22.

Keller, K. L. (2003) *Strategic Brand Management*, Upper Saddle River, New Jersey: Prentice Hall / Pearson Education International.

Keser, C. (2003). *Experimental games for the design of reputation management systems*. IBM Systems Journal, 42 (3), 498-506.

Khan, Feroz (1962). Establishment of a Motor Vehicle Assembly Industry in Malaysia. In Lim, C. P. and Onn, F.C. (eds). *Ancillary Firm Development in the Malaysian Motor Vehicle Industry*. Singapore: Singapore University Press.

- Khazanah Nasional Bhd. 2006a. About Iskandar Development Region. Source:
http://www.khazanah.com.my/docs/PR_ISKANDAR%20MALAYSIA_strides_forward_with_more_than_RM2.7bn_in_strategic_investments.pdf
- Khazanah Nasional Bhd. 2006b. The Vision. Source:
http://www.khazanah.com.my/docs/ISP-IRDA%20Announcement_220307.pdf
- Knox, S. and Bickerton, D. (2003). *The six conventions of corporate branding*, European Journal of Marketing, Vol.37, No.7/8, pp.998-1016.
- Knox, Simon & David Bickerton (2003), "The Six Conventions of Corporate Branding", *European*
- Kotler, P. (2003). *Marketing management* (11th edition), Upper Saddle River, NJ: Prentice Hall.
- Levitt, T.(1965). *Industrial Purchasing Behaviour;; A Study of Communications effects*. Boston: Division of Research, Graduate School of Business Administration, Harvard University
- Lim, Chee Peng (1988). Project AFDA: Second Year Report on the Machinery Industry in Malaysia. Council for Asian Manpower Studies Discussion Paper No.78-10, Quezon City.
- Lim, Chee Peng and Onn, Fong Chan (1983). Ancillary Firm Development in the Malaysian Motor Vehicle Industry. In Konosuke Odaka (ed), *The Motor Vehicle Industry in Asia, A Study of Ancillary Firm Development*. Singapore: Singapore University Press.
- Lincoln, Y. S. (1985). *Naturalistic Inquiry*. Sage Publication:Beverly Hills, Ca .
- Lines, V. L. (2004). *Corporate reputation in Asia: Looking beyond bottom-line performance*. Journal of Communication Management, 8 (3), 233-245.

- Linstone, H. A., & Turoff, M. (1975). *The Delphi method: Techniques and applications*. Reading, Massachusetts: Addison-Wesley Publishing Company.
- Little, Arthur D. (1967). *Vehicle Assembly and Component Parts Manufacture in Malaysia*. Report prepared for the Ministry of Commerce and Industry, Government of Malaysia.
- Malaysia Today. 2005. Volkswagen in talks to buy 30% of Malaysia's Proton. Source:
- Malaysian Industrial Development Authority (MIDA). 2006. About MIDA. Source: <http://www.motortrader.com.my/news/finally-a-locally-assembled-vw/>
- Marken, G.A. (2002). One-minute corporate reputation management. *Public Relations Quarterly*, 47 (4), 21-23.
- Marken, G.A. (2004). *Reputation management starts at home. One day at a time*. *Public Relations Quarterly*, 49 (2), 35-36.
- Mays, N. &. (2000). *Quality in Qualitative Health Research: Assessing Quality in Qualitative Research*. London: Bmj Books.
- Michell, P., King, J. & Reast, J. (2001). *Brand Values Related to Industrial Products*. *Industrial Marketing Management*, Vol. 30, No. 5, pp. 415-425.
- Muchinsky. (2003). *Psychology applied to work*. Belmont CA: Thomson Wadsworth. Vol. 7.
- Mun, H. W. (2007). Malaysian Economic Development. *Malaysian Economics Development*, 171. Source: http://harwaimun.com/Malaysian_Economics_Development.pdf
- Norman K. Denzin, Y. S. (1994). *The SAGE Handbook of Qualitative Research*. Sage Publications.

Patton, M. Q. (2002). *Qualitative evaluation and research methods* (3rd ed.). Thousand Oaks, CA: Sage Publications.

Perusahaan Otomobil Nasional Berhad. Source:
[http://announcements.bursamalaysia.com/Proton-Cover-NoticeAGM-CorpInfo-Directors'Profile-CorpGov-AuditCmt-ChairmanStatement%20\(725KB\).pdf](http://announcements.bursamalaysia.com/Proton-Cover-NoticeAGM-CorpInfo-Directors'Profile-CorpGov-AuditCmt-ChairmanStatement%20(725KB).pdf)

Perusahaan Otomobil Nasional Berhad: <http://corporate.proton.com/Corporate/About-Proton/Corporate-Information/History-of-PROTON.aspx/>

Pfeiffer, J. (1968). *New look at education*. Poughkeepsie, NY: Odyssey Press.

Proton Holding Berhad. 2006. *Annual report*. Shah Alam, Selangor. Source:
<http://corporate.proton.com/Corporate/About-Proton/Corporate-Information/History-of-PROTON.aspx/>

Proton posts RM591mil loss. *The Star*. 2007. 1 June: B1 & B3. Source:
http://harwaimun.com/Malaysian_Economics_Development.pdf

Rowe, G. & Wright, G. (1999). *The Delphi technique as a forecasting tool: Issues and analysis*. *International Journal of Forecasting*, 15(4), 353 - 375.

Russell Abratt & Nicola Kleyn, (2012). *Corporate identity, corporate branding and corporate reputations: Reconciliation and integration*", *European Journal of Marketing*, Vol. 46 Issue: 7/8, pp.1048 - 1063

Sarbutts, N. (2003). *Can SMEs 'do' CSR? A practitioner's view of the ways small-and medium-sized enterprises is able to manage reputation through corporate social responsibility*. *Journal of Communication Management*, 7 (4), 340-347.

Schultz, M. J. (2003). *Bringing the corporation into corporate branding*. *European Journal of Marketing*.

Seale, C. (1999). *Quality In Qualitative Research*. . *Qualitative Inquiry* , 465-478.

- Shaughnessy, Z. A. (2003). *Research Methods In Psychology* . New York: Mcgraw Hill, Vol. 6, .
- Silverman, C. S. (1997). *Ensuring Rigour In Qualitative Research*. European Journal Of Public: Health , 379-384.
- Smith, W. (2003). *Give yourself a good name*. *Director*, 57 (5), 28.
- TED Case Studies (June 2001). *Malaysian Proton and AFTA: Threat or Advantage?*
Source: (<http://www.american.edu/TED/proton.htm>)
- Urde, M. (2003). *Core value-based corporate brand building*, European Journal of Marketing, Vol.37, No.7/8, pp.1017-1040.
- Walker, R.W. (1970). *The Progressive Manufacture of Automotive Components in Malaysia* – Final Report and Recommendations prepared for the Ministry of Commerce and Industry, Government of Malaysia.
- Wartick, S.L. (1992). *The relationship between intense media exposure and change in corporate reputation*. Business and Society 31, pp. 33–49
- Zin, Ragayah (1995). *Promotion of Small and Medium Scale Industries (SMIs) through the Vendor Development Program: The Malaysian Experience*. Paper presented at the 5th Tun Abdul Razak Conference, 21-23 April, 1995. Athens, Ohio: Ohio University.