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1. Introduction

In his 2014 State of the Union Address, former US president Barack Obama said, “In a world of complex threats, our security and leadership depends on all elements of our power - including strong and principled diplomacy” (Landler, 2014). His words highlight more than just one aspect relevant for this Master’s Thesis. Firstly, the world is struggling with complex conflicts. Terrorism, poverty, and social, political, and economic inequality are just a few examples. Secondly, in current times, power is an important tool to deal with these problems. Thirdly, power is more than just military capabilities, it is also heavily dependent on diplomacy.

This is where soft power comes into play. The term soft power was coined by Joseph Nye in the late 1980s but has ever since then been widely used in foreign policy. Soft power is described as co-optive power and is therefore a stark contrast to hard power, such as military capabilities. It is the ability to use attraction rather than coercion or payment to obtain a certain outcome. Soft power cannot only be used by people, but also by countries. According to Nye, a country’s soft power lies in its resources of culture, values, and policies (2008, p. 94). The probably most extensive tool to promote a country’s soft power is through its nation brand. In this paper a closer look at nation brands, their components, and their possibilities to influence a country’s image is taken.

This paper is written as part of the Master Programme East Asian Economy and Society. Asia is remarkable in many different ways. It is not only the biggest continent by size, but also by population. Its cultural roots as well as today’s lifestyles and traditions hold a fascination not only for tourists, but also for authors and filmmakers who have been trying to sell Asian cultures and myths to the broad public for the past decades. Due to various types of economic and political systems, Asia is one of the most vibrant regions in the world. Asian member states have become aware of their capabilities, though ongoing struggles over supremacy as well as territorial disputes are causing tensions between the countries. This makes Asia not only one of the most vibrant, but also one of the most complex regions in the world. According to Hall and Smith (2013, p. 1), there are currently two arms races going on in Asia: one for military capabilities, the other for soft power. It is known that East and South East Asian states invest in their military forces, but by “[u]sing traditional and new media, as well as cultural events and academic exchange programs, Asian states now aim to project a better image than their neighbours to garner sympathy and support for their foreign policy objectives” (Hall & Smith, 2013, p. 1). In this statement, the authors suggest that Asian countries focus on using means of soft power to promote a better image of themselves and to ultimately foster a better image than

their neighbours. The level of interest in a country's reputation and image is rising globally, but nowhere is it gaining momentum faster than in Asia. Asian countries spend more money on their reputation management than any other countries in the world. This strong emphasis on a nation's image and the willingness to spend money to improve this image highlight the importance of nation brands for Asian countries (Anholt, 2008, p. 265). The main research objectives of this paper are discussed in the next section and additional focus will be given to the importance of strong nation brands.

1.1. Research Objectives

As stated by Simon Anholt, the man who coined the term nation brand, there are different reasons why countries are interested in the reputation of their nation brands. Depending on the country's current image, the motive for promoting nation brands varies. Firstly, if a country's current international image is positive, it will try to keep its favourable image as a competitive advantage over other countries. Especially in Asia it is believed that image goes hand in hand with economic and political development. It is therefore no surprise that many countries try to ensure that their global reputation keeps pace with their economic and political power. Secondly, if a country's current international image is negative, countries usually believe this to be undeserved and will try to create a more positive image. Practicing effective nation branding to build a strong nation brand is one possible way to convert a negative image to a positive one. Thirdly, some countries believe that they are lacking an image in general, that they are not noticed by the rest of the world. They therefore wish to escape from their current anonymity, as it is crucial to have a reputation to participate in the global market place (Anholt, 2008, p. 265). These three motives show that despite the fact whether a country's current reputation is positive, negative, or non-existing, fostering a country's nation brand can be helpful to change or develop a country's image. Considering this, the first main objective of this Master's Thesis is to evaluate a country's current image. This is achieved by analysing different dimensions of a country's nation brand.

While it is important to know about a country's prevailing image, this information alone is not enough to draw conclusions on the competitive position of a country's nation brand. Additionally, it is important to evaluate the most significant features of this image. What are this image's strengths, weaknesses, opportunities, and threats? To obtain a competitive advantage, each of these four aspects must be considered. Hence, the second main objective of this paper is to conduct a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis to further the understanding of a country's nation brand.

As this paper has a comparative approach, competitiveness plays a significant role. The framework introduced in section 3 of this paper is not only designed to analyse the current features of a country's nation brand and to identify its strengths, weaknesses, opportunities, and threats. Its purpose is also to use the conducted data to compare the nation brands of two or more countries. The comparison can be used to evaluate the current competitive position of a country's nation brand. This evaluation is the third main objective of the paper.

The above-mentioned objectives suggest that the results of this study are of interest for various people with different backgrounds. International reputation is of utmost importance in many regards. As the connection between nation brands and foreign policy is tight, diplomats and politicians dealing with the reputation of a country might profit from this study's findings. They can gain a deeper understanding of the positive and negative aspects of their country's image, which can be used for future decision-making processes regarding diplomacy and foreign policy. Also, as economic elements are part of a country's nation brand, investors can use the findings to draw conclusions on a country's economic performance, as nation brands affect exports and foreign direct investment (Reibstein, 2017).

Although nation brands highlight aspects that catch the attention of possible investors, they might also influence potential visitors. For example, a positive image could attract tourists, which is vital for the many Asian countries that rely heavily on tourism. Foreign students and skilled workers are also more likely to move to a country that has a good reputation. Finally, scholars, students, and other people interested in Asia in general, as well as Japan and Singapore specifically, can gain a deeper understanding of subject areas. Thus, the topic of this Master's Thesis is of interest to a broad audience.

1.2. Research Outline

In the above section the main objectives of this paper were introduced. Now it is important to discuss how these aims can be achieved. Therefore, the research outline is introduced.

So far, in section 1, a general introduction to soft power and the importance of nation brands was provided. The before-mentioned objectives highlighted the different reasons, why strong nation brands might be important for various countries, but, on the same time, are of interest for scholars, politicians, economists too. The introductory section will be supplemented by defining the research question and by discussing the scope as well as the limitations of this paper.

The second section deals with the theoretical background. Section 2.1 introduces the state of the art. Literature on the theory of nation brands is discussed. The focus is on the publications of Simon Anholt and Keith Dinnie. Anholt has coined the term nation brand and Dinnie introduced the ‘Internal Analysis Model of Nation Brands’. An adapted version of his model is used as framework for this Master’s Thesis. Needless to say, there are more scholars focusing on nation brands. Although it would outrange the scope of this study to introduce all of them, some authors and publications will be discussed. After this general discussion, a closer look literature on Japan’s and Singapore’s nation brands is taken. Differences and similarities to this paper are highlighted. Nation branding is a wide ranged topic. Concepts like public diplomacy, cultural diplomacy, and place branding are often used synonymously. Therefore, some important terms and definitions are provided in section 2.2. In section 2.3, the significance of practicing nation branding and developing a strong nation brand is discussed. The concept of nation brands has its limitations and disadvantages. This paper does not aim to ignore those. Therefore, section 2.4 provides a critical review of nation branding. This review concludes the theoretical part of the paper.

Section 3 deals with the methodology. As has already been mentioned, Keith Dinnie’s ‘Internal Analysis Model of Nation Brands’ is used as analytical framework. This model is briefly introduced in section 3.1. Nevertheless, some adjustments are essential. These adjustments are discussed and explained in section 3.2. The adjusted model consists of five dimensions: ‘Tourism’, ‘Foreign Direct Investment’ (FDI), ‘Export Promotion’, ‘Talent Attraction’, and ‘Culture and Brand Ambassadors’. Each of these dimensions has three or more sub-indicators – further called key success factors. In section 3.3 a closer look at the five dimensions and their key success factors is taken. This introduction concludes the methodological part of this paper.

The analytical part – section 4 – is the main part of this paper. After a short introduction of Japan and Singapore, a two-level analysis is conducted. Sections 4.2 – 4.6 each deal with one of the five dimensions and their key success factors. The applied structure is identical for each dimension. Firstly, the dimension’s key success factors are discussed for Japan. Secondly, the same discussion is provided for Singapore. Thirdly, a brief analysis and comparison of Japan and Singapore concludes each dimension. These sections 4.2 – 4.6 are the first level of analysis, dealing with the current image of Japan’s and Singapore’s nation brands. As this analysis is the main foundation for any further analysis, it is the most extensive one. The second level of analysis is conduction through a SWOT-Analysis (section 4.7). This section does not only highlight the main strengths, weaknesses, opportunities, and threats of Japan’s and Singapore’s

nation brands, but provides a deeper insight in the competitiveness of Japan's and Singapore's nation brands. Section 4 concludes with some final remarks on the findings and the used framework with special focus on the functionality of the latter.

In section 5 a summary is provided. Further, as part of the conclusion, the research question is answered and the relevance of the main findings is discussed. After this last main section, the list of references, the list of abbreviations, the list of figures and tables, and the appendix are provided.

1.3. Research Question

Considering the above-mentioned objectives and the research outline, a two-level analysis is conducted. One level to achieve the first objective and one level to achieve the second objective. When the findings of these two analyses are combined, the main research question can be answered, and the third objective can be achieved.

The first level of analysis deals with the first main objective, the evaluation of the country's current image. To achieve this objective, an adjusted version of Dinnie's 'Internal Analysis Model of Nation Brands' is used. This model consists of five dimensions: 'Tourism', 'FDI', 'Export Promotion', 'Talent Attraction', and 'Culture and Brand Ambassadors'. By analysing each dimension and their key success factors, conclusions on the country's current image can be drawn and it is shown which dimension is the most dominant one.

The second level of analysis aims at taking a closer look at the image derived from the first level of analysis. This is done by conducting a SWOT-Analysis. This analysis is not only used to summarise the most important findings of the 'Internal Analysis Model of Nation Brands', but to highlight the most significant features of Japan's and Singapore's nation brands.

The third and main objective of this Master's Thesis is to evaluate the competitiveness of Japan's and Singapore's nation brands. The findings of both levels of analysis are combined to answer the main research question:

What is the current competitive position of Japan's and Singapore's nation brands?

The two-level analysis makes it possible to widen the scope of this research. But of course, there are certain limitations, which are discussed briefly in the section following.

1.4. Research Scope and Limitations

The so far provided information suggests that this paper deals with a variety of different topics. In focus are tourism, FDI, export promotion, talent attraction, and culture. As the framework introduced in section 3 of this paper shows, these sectors are closely related to a country's nation brand. One of the most significant features of nation branding is the opportunity to apply it in different areas. Every country has different strengths and resources to use for promoting its nation brand. A country may have troubles attracting tourist but is good at attracting investors from abroad due to favourable economic conditions. Other countries may suffer from a lack of products suitable for fostering exports, but therefore profit from deep and fascinating culture attracting a lot of tourists. Accordingly, it is important to take a brief look at different elements, as one alone does not say anything about the quality of a country's nation brand.

Nevertheless, the various aspects to be considered in the framework pose certain limitations to the research. When many different areas are analysed, there is no chance to take a deeper look at one area. There are books longer than this thesis dealing with Japan's tourism, or other books focusing on Singapore's FDI. When reading this paper, it is important to keep in mind that the main aim is not to provide detailed information on one of the dimensions. The main aim is to analyse the correlation between these sectors to draw conclusions about the competitiveness of a country's nation brand.

During research, an unexpected revelation quickly proved to be another limitation to this analysis; obviously, official literature and Japan's and Singapore's governments do not always offer the same amount of information concerning the key success factors of the proposed five dimensions – occasionally giving more information about one country does not indicate the preference of one country over the other.

Finally, some formal limitations have to be mentioned. For easier comparison, all currencies presented in this Master's Thesis are converted into United States (US) Dollar. The used exchange rates are listed in the Appendix (section 10.1) of this paper. Further, the nation-states mentioned in this paper are mostly referred to by their common names and not their official ones. For example, the Republic of Singapore will be referred to as Singapore. Further, the East Asian and the Southeast Asian region are mentioned frequently. When talking about East Asia, the countries following are included: China, as well as Hong Kong and Macau, Japan, South and North Korea, as well as Taiwan and Mongolia. When talking about Southeast Asia, the countries following are referred to: Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, and Vietnam. Last but not

least, this paper is written in British English. Nevertheless, direct quotations are cited in their original form, which is most often American English.

Having established the research scope and the limitations of this Master's Thesis, the next section discusses the theory of nation brands in more depth.

2. The Theory of Nation Brands

According to Fan (2010, p. 98), nation branding is a relatively new subject with roots in four different areas of research: country of origin (COO), place branding, public diplomacy, and national identity. As nation branding is a broad research field, it covers political, economic, and cultural dimensions. Fan goes even further and says, that nation brands consists of three sub-brands: a political brand, an economic brand, and a cultural brand (2008, p. 155). This wide range of components is both, an advantage and a disadvantage. Accordingly, there are not only advocates of the concept of nation brands. While section 2.1 offers an overview of the existing literature, and section 2.2 provides some important terms and definitions, section 2.3 observes nation brands from a critical point of view.

2.1. State of the Art

Simon Anholt is said to be the founder of nation branding. Hence, his publications must be mentioned first. He introduced the concept of nation and place branding in different books and articles. *'Brand New Justice'* (2003) and *'Places: Identity, Image and Reputation'* (2010) are only two of his books, dealing with nation branding or similar concepts. The key concept of all books is the idea of how image, identity, and marketing can be used to brand nations and places. Besides introducing nation branding and place branding, the main theory used in these books is Anholt's Nation Brand Hexagon, which is composed of six dimensions: 'Governance', 'Exports', 'Tourism', 'Investment and Immigration', 'Culture and Heritage', and 'People'. These six dimensions are found – in different compositions – in various other publications, theories, and models, of which some of them are introduced later on in this section. In *'Competitive Identity: the new brand management for nations, cities and regions'* (2007), Anholt took a more critical approach, saying that nation branding itself does not exist, but nation brands do. He started to use the term competitive identity instead of nation branding. Further, Anholt highlighted the different concepts of competitive identity like public diplomacy, marketing and governance, national image, and the country of origin effect. Additionally, he listed some sources of competitive identity, including culture, education, poetry, and rituals. All these components can be found in the framework used for the case study of this Master's Thesis.

In *'Nation Branding. Concepts, issues, and practice'* (2016), Keith Dinnie introduces his 'Internal Analysis Model of Nation Brands' – the main tool of analysis for the case study of this Master's Thesis – composed of four dimensions: 'Tourism', 'FDI', 'Talent Attraction', and

‘Export Promotion’. These four dimensions are all part of Anholt’s hexagon. Although Dinnie himself wrote the theoretical part of this book, a variety of country case studies written by other authors complement his work. These case studies draw connections between theory – for example nation branding identity, image, nation brand equity – and the praxis.

Although Dinnie does not include the cultural dimension, other researchers like Hurn (2016) highlight the cultural components of nation brands. In *‘The role of cultural diplomacy in nation branding’*, he discusses the correlation between nation branding and cultural diplomacy, by highlighting the way of how cultural diplomacy can be used to develop a strong global profile with a high recognition value. He further introduces the instruments of cultural diplomacy, which can be used to achieve the goal of such a strong global profile. These instruments include language, cultural and trade missions, tourism, airlines, gastronomy, science, broadcasting, social media, and technology. He concludes that cultural diplomacy, along with political and economic diplomacy, is the third pillar of foreign policy.

The correlation between nation branding and related areas is of interest for many scholars. In *‘Public Diplomacy and Nation Branding. Conceptual Similarities and Differences’*, Gyorgy Szondi discusses the connection between these two concepts (2008). He argues that there are five conceptual frameworks. First, nation branding and public diplomacy are two separate models. Second, nation branding is part of public diplomacy. Third, public diplomacy is part of nation branding. Fourth, nation branding and public diplomacy are two merging concepts. And fifth, nation branding and public diplomacy are not two separate models but one. Which conceptual framework is best used for nation branding strategies depends on the background of the country and the main foreign policy goals.

As discussed in the introduction of this paper, the reputation of their nation brands matters strongly for Asian countries. Accordingly, there are various publications dealing with this region. Simon Anholt himself wrote an article about nation branding in Asia (2008). Anholt once again highlights that nation branding in Asia is most often associated with tourism. He then discusses why China faces problems with its nation brand. Anholt concludes that China most struggles with the ‘Immigration and Investment’ dimension of his Brand Hexagon but that China’s nation brand may not be underestimated.

Another example of a publication dealing with nation branding in Asia is Dinnie’s *‘More Than Tourism: The Challenges of Nation Branding in Asia’*, in which he puts a special focus on tourism and nation branding in Asia (2012). The main idea behind this publication confirms what Anholt said earlier: tourism is indispensable for Asian country’s nation brands. In *‘Nation branding in Central Asia: A New Campaign to Present Ideas about the State and the*

Nation' Marat writes about nation branding in Kazakhstan and Uzbekistan (2009). She concludes that Central Asian states are often associated with a 'former Soviet label'. But although suffering with the side effects of this label, Central Asian states have the unique possibility to present themselves in a positive, different light. Not only as separate countries, but as a joint regional brand. The ASEAN perspective of nation branding is discussed by Dinnie et al (2010), by putting emphasise on the interorganisational possibilities of nation brands. Seven key dimensions of interorganisational coordination regarding nation brands are identified: sector, organisation domicile, mode, strategy formulation, nature, frequency and target audience. These dimensions are different from the ones mentioned by Anholt and Dinnie, leading to the assumption that nation branding is functioning differently when applied not only for one country but for a whole region or for a regional intergovernmental organisation like ASEAN.

Beside this regional focus, many publications are dealing with one single Asian country alone. To name just a few examples, Thailand's (Prucpairojkul & Triamsiriworakul, 2008), China's (Barr, 2012) and South Korea's (Hong, 2014) nation brands have all been the centre of analysis various times. As this Master's Thesis deals with Japan and Singapore, publications dealing with the nation brands of these two countries are discussed in more detail in the upcoming paragraph.

Japan is ranked high in the Nation Brands Index¹. Unsurprisingly, there is a certain amount of papers analysing Japan's nation brand. The publications of most relevance for this Master's Thesis are now introduced. In *'Japans nation branding: recent evolution and potential future paths'* Dinnie (2008) provides a general overview of Japan's most important nation branding efforts. He takes a critical approach by defining an allegedly insular and closed behaviour by the government and the people of Japan and financial issues as the main problems why an otherwise highly successful nation brand might face some challenges in the future.

Huang takes a practical approach to Japan's nation brand in *'Nation-branding and transnational consumption: Japan-mania and the Korean wave in Taiwan'* (2011). Three stages, of how Japan's and Korea's pop culture were implemented in Taiwan are discussed. Firstly, trendy television dramas promoted idols and a beautiful national image. Secondly, the Taiwanese media helped to promote these idols and this image. Thirdly, local businesses and foreign enterprises exploited these trends. It is then discussed that this strategy is well suited for strong cultural brands like the nation brands of Japan and South Korea.

¹ <http://nation-brands.gfk.com>

Even more practical oriented is *'A brand new future? Cool Japan and the social imaginary of the branded nation'* (Valaskivi, 2013), where Japan's nation branding campaign 'Cool Japan' is discussed. Valaskivi concludes that there are three key areas of emphasis for creating a new, modern, and vibrant image of Japan: to overcome the aftermaths of the 2011 earthquake; to transform the industrial structures and to create a new lifestyle; and creative approaches by the government and the people to support the 'Cool Japan' campaign.

Although Singapore's nation brand 'YourSingapore' is younger than Japan's, it has been in the centre of interest for various scholars. In 2011, the book *'Brand Singapore: How nation branding built Asia's leading global city'* (Song) was published. Song emphasises the role of the government and culture in promoting Singapore as a nation brand. Further, new and future branding challenges are discussed. Song concludes that Singapore is ready for creating a strong nation brand – an assumption tested in the case study of this Master's Thesis.

'Uniquely Singapore? A case study in destination branding' (Henderson, 2007), puts a focus on tourism as a marketing tool. Henderson highlights the signals of the government to transform the tourism sector into one key economic driver. The main aims of the government include to triple the tourism receipts to USD 22 billion, to double visitor arrivals to 17 million, and to create at least 100 thousand more jobs related to tourism.

In *'Nation branding: A case study of Singapore'* (Yee, 2009) nation branding and nation brands in general are discussed as well as Singapore's nation brand in particular. Yee concludes that everyone in Singapore – the government, the businesses, and the people – has to work together so that the country's brand can unfold its true ability in order to compete in the global market. According to Yee, Singapore's nation brand is ideal for nation branding, but Singapore has to identify and recognise its own identity first to reach its full potential.

Although it is impossible to name all publications dealing with nation branding – either in general or with a regional focus on Asia – the introduced publications suggest that nation branding is a well debated topic. These publications are highlighting different aspects of nation brands. Some are focusing on nation brands in general, some have a regional focus, others are dealing with one single country alone. There are as many books, articles, and papers about nation branding itself, as there are discussing nation branding in context of similar topics like public diplomacy, cultural diplomacy, tourism and policy making.

As there are so many texts written about nation branding, it must be highlighted what is different about this paper. First, the comparison between an East Asian and a Southeast Asian country. Although there are several publications dealing with either East Asia or Southeast Asia, there are comparatively few putting these two in one context. Next, this Master's Thesis

does not only discuss the nation brands and nation branding efforts of two countries but draws a direct comparison. To draw conclusions about the effectiveness of one country's nation branding efforts or the strength of one country's nation brand, a comparison is essential to analyse the competitiveness. Finally, this paper focusses on different political, economic, and social aspects. It looks at many aspects of a country's nation brand and therefore minimises the risk of being subjective when it comes to a direct comparison. Although different perspectives of Japan's and Singapore's nation brands have already been discussed by scholars, most of these publications were published years ago, while this paper provides an up-to-date analysis of Japan's and Singapore's nation brands. Especially the use of social media channels for promotional means, which is a relatively new aspect, is considered in this Master's Thesis.

In the last few paragraphs, the terms nation branding, public diplomacy, and nation brands were used frequently. In the section following, these and other related terms of interest for this paper are introduced and discussed. So far, a brief definition of nation branding was provided in section 1 of this paper. But what *is* nation branding? What is the difference between nation branding and nation brands? And what do public diplomacy and cultural diplomacy have to do with it? The section following provides the answers.

2.2. Terms and Definitions

Before the terms nation brand and nation branding are defined, it is important to discuss the two components 'nation' and 'brand'. According to the oxford dictionary a **nation** is "a large body of people united by common descent, history, culture, or language, inhabiting a particular state or territory"². Obviously, there are many other definitions, but this one is sufficient to understand the concepts of nation brands and nation branding.

"A brand, according to the classic definition by the American Marketing Association (1960), is a name, term, sign, symbol or design, or a combination of them which is intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors" (Fan, 2010, p. 3).

As mentioned by Dinnie, according to Doyle "[...]a successful brand is a name, symbol, design, or some combination, which identifies the 'product' of a particular organisation as having a sustainable differential advantage" (2016, p. 4). The words 'good', 'service' and 'product'

² <http://www.oxforddictionaries.com/definition/english/nation>

suggest that a brand seems to be something very economical and commercial. But what happens, when ‘nation’ and ‘brands’ are put in the same context?

Fan stated that countries have the ability to create unique names and images in the minds of people inside and outside the country (2010, p. 3). Thus, nations have brands. According to Dinnie, a **nation brand** is “the unique, multidimensional blend of elements that provide the nation with culturally grounded differentiation and relevance for all of its target audiences” (2016, p. 5). This definition highlights two important aspects. First, a nation brand is composed of many elements and not only one. For this reason, it was mentioned before that this paper deals with political, economic, and social components. The second important factor is the mentioning of the target audience. When it comes to nation brands, the target audience can be diverse. Ideally, nation brands must attract not only young but older people, tourists as well as investors, scholars equally as much as people reading about certain countries out of interest or fun. Each aspect of a country’s nation brand attracts a different part or different parts of this target audience. Hence, it is of high importance to define a target group before a **nation branding** tool is used. One might think, that the only difference between a nation brand and nation branding is the part of speech, but as Fan stated:

“Nation branding should be distinguished from a nation brand as there is not necessarily a direct link between the two. A nation’s ‘brand’ exists with or without any conscious efforts in nation branding as each country has a current image to its international audience, be it strong or weak, clear or vague” (2008, pp. 17-18).

Summarised, every country has a nation brand and it can practice nation branding to change the reputation of this nation brand. It is vital to mention that there are more precise distinctions between nation branding and a nation brand. Nevertheless, these distinctions are not discussed in this paper, as they are not crucial for the research. From now on, a nation brand is considered to be the brand a nation has, while nation branding are all efforts taken to form this brand.

When reading through different papers about nation brands, one aspect becomes obvious: Sometimes the terms ‘soft power’, ‘public diplomacy’ and ‘cultural diplomacy’ are used synonymously with nation branding, but there is a slight difference. ‘**Soft power**’ – which refers to a country’s “ability to affect others to obtain the outcomes one wants through attraction rather than coercion or payment” (Nye, 2008, p. 94) - was defined in section 1 of this paper. Further, the connection between ‘soft power’ and ‘nation branding’ was discussed. The paragraphs following deals with the other two terms.

“**Public Diplomacy** is generally believed to refer to a national government’s efforts to influence international opinion on its domestic or foreign policies through public relations activities or intellectual exchanges targeting the media or citizen groups” (Oguora, 2013, p. 24). Further, Nye suggest that:

“Good Public Diplomacy has to go beyond propaganda. Nor is Public Diplomacy merely public relations campaigns. Conveying information and selling a positive image is part of it, but Public Diplomacy also involves building long-term relationships that create an enabling environment for government policies” (2008, p. 101).

To put it short, public diplomacy is the “direct communication with foreign peoples, with the aim of affecting their thinking and ultimately, that of their governments” (Malone, 1985, p. 199). Although nation branding and public diplomacy are often used interchangeably, they are not the same. “Nation branding is clearly situated in the marketing discipline, while Public Diplomacy largely remains in the realm and at the intersection of international relations and international communication as host disciplines” (Szondi, 2008, p. 4).

Cultural Diplomacy can be defined as “the exchange of ideas, information, art, and other aspects of culture among nations and their peoples in order to foster mutual understanding” (U. S. Department of State, 2004, p. 4). The basic idea of nation branding and cultural diplomacy is similar: to use specific economic, political, social, and cultural elements to shape peoples understanding of certain aspects of a target country. While cultural diplomacy is focusing on cultural elements, nation branding elements are more diverse. It can be said, that cultural diplomacy is a tool of nation branding. For most Asian countries, cultural diplomacy is one of the most important components of their nation branding strategy. This is further discussed in section 3.2 of this paper.

Nation branding is often used interchangeably with the terms destination branding and place branding. Although these terms are similar, there are minor differences. **Destination branding** is focusing on tourism promotion. Hence, destination branding is mainly practiced by tourism boards. Destination branding is of special importance in section 4.2, when the ‘Tourism’ dimension is discussed and analysed. Destination branding can be seen as one part of nation branding, as nation branding includes other aspects like political, economic, and cultural ones as well. **Place branding** is an umbrella term for branding villages, towns, cities, regions, and nations. In summary, destination branding is one part of nation branding, and place

branding is an umbrella term for every kind of branding where a geographical location is the main product (Yee, 2009, p. 16). Now that nation branding, nation brands, and related terms have been introduced, a closer look at the relevance of nation brands and nation branding is taken.

2.3. The Significance of Nation Brands and Nation Branding

In section 1.1 the first main objective of this Master's Thesis mentioned is to determine the current image of Japan and Singapore. Before the significance of nation brands and nation branding is discussed, the correlation between image and nation brands is highlighted.

According to Yee (2009, p. 1), there is a gap between brand identity and brand image. Through nation branding, this gap can be narrowed. Brand identity is projected by the country. It is "[a] unique set of associations the brand aspires through the minds of customers" (Yee, 2009, p. 5). For a nation, the key components of brand identity are for example history, language, political regime, architecture, sports, literature, territory, food and drink, folklore and so on. The brand image is what is perceived by others; in the case of nation brands, by the rest of the world. The main audience of brand image are domestic and external customers and firms, inward investors, governments and the media. Nation branding is what happens between brand identity and brand image, the communicator of brand identity. Exports, foreign policy, tourism, brand ambassadors, prominent personalities can be used as communicators (Dinnie, 2016, p. 41). The image created by these communicators is a country's nation brand.

The importance of nation branding is highlighted by the quote following: "[T]hose countries that do not consciously brand its nation would still activate an image on people's mind. Those perceptions most likely are stereotypes, dated, impressions rather than reality of facts" and nations are advocated "[...] to manage and control their branding especially when a country wants to achieve global marketplace (compete for tourists, tourism receipts and foreign investments, and talented people)" (Yee, 2009, p. 17). Taking this quote into consideration, a nation always has an image. But if this image is not shaped through nation branding, the gap between brand identity and brand image remains big.

There are four critical reasons why nations should brand themselves. Firstly, due to the fast-changing global environment, it is important for nations to stay highly relevant and current. Especially globalisation and technical progress made this first reason significant. Secondly, a strong nation brand makes it easier to withstand difficult times and negative publicity. If the general perception of a country is positive, minor crisis threatening the nation's image will most likely cause only little damage. Thirdly, strong nation brands are important to sustain a

competitive advantage. The importance of competitiveness has already been mentioned in the introduction of this paper. Fourthly, a strong nation brand helps in terms of self-governance and local funding. International events, like the Olympic Games, are used to place countries on the world map. In times, where attention is high due to these international events, it is all about the image (Yee, 2009, p. 18).

To sum it up, nations have an image. If this image should not be built on stereotypes and impressions, it is important to practice nation branding. Effective nation branding, which needs to be original, different, sustainable, believable, and relevant, helps to narrow the gap between brand identity and brand image. The image becomes more about reality and less about stereotypes and impressions. If countries practice nation branding, they create strong nation brands and these strong nation brands lead to economic and other competitive advantages. But of course, there are not only positive aspects of nation branding. Critical reviews are discussed in the upcoming section.

2.4. Critical Review of Nation Branding and Nation Brands

There are critical voices claiming that nation branding does not exist. One of them is Simon Anholt himself. In 2007, he published his book *'Competitive Identity. The New Brand Management for Nations, Cities, and Regions'*. As stated in the introduction of this book, he uses the term competitive identity instead of nation branding, "[...] because it has more to do with national identity and the politics and economics of competitiveness than with branding as it is usually understood" (Anholt, 2007, p. xi). Soon, he went even further and said that nation branding is dangerous. He calls nation branding the problem and not the solution. At this point it is essential to point out that Anholt's critique refers to nation branding, and not nation brands. He does not deny that nations have brands and that these brands effects the global image a country holds:

"In short, nobody doubts that places have their brand images, and that those images are critical to their success in the global contest for products, trade, services, talent, finance, investment, culture, respect and profile. It's only when people start talking about branding rather than just brand that the problems start" (2009).

Considering this statement, Anholt's critique on nation branding is important to mention, but not crucial for this paper, as the focus is on a country's nation brand and not on the marketing and communication practices nations undertake to create a brand. The framework introduced

in section 3.3 of this paper clearly aims at drawing conclusions on a country's nation brand and not its nation branding efforts.

Further, some scholars like Olins (2002) address the question whether a nation is a brand or not. This topic is very controversial. It has already been addressed why nations are brands. At this point, the other viewpoint is discussed. It is argued that a nation's substance and nature is different compared to a corporation. Names and logos of products can be changed quickly, while nations cannot be re-branded. As stated by Olins, according to Michael Girard, a French academic, "corporations change, merge, divest, invest and rebrand and reinvent themselves but nations don't change, they are immutable" (2002, p. 242). Olins does not answer the question whether a nation is a brand or not, but he discusses why nations indeed can be re-branded. He concludes that branding a nation is not the same thing as branding a corporation, but the techniques are similar. "People are people whether they work in a company or live in a nation and that means they can be motivated and inspired and manipulated in the same way, using the same techniques" (Olins, 2002, p. 248). In this paper, the same view is held. Branding a nation is different than branding a corporation, but nations can be branded and therefore are brands. After this critical review, in the section following the methodology is introduced.

3. Methodology

There are different possibilities how nation brands can be analysed. As presented in section 2.1 authors and scholars have used several approaches. The main approach to this Master's Thesis is Keith Dinnie's 'Internal Analysis Model of Nation Brands'. The model does examine nation brands by analysing four different dimensions. In the section following a brief introduction of the 'Internal Analysis Model of Nation Brands' is provided. Further, some adjustments are discussed. Finally, each dimension of the adjusted model and its key success factors are introduced in more detail.

3.1. Keith Dinnie's Internal Analysis Model of Nation Brands

Keith Dinnie introduced the 'Internal Analysis Model of Nation Brands' in his book '*Nation branding: Concepts, Issues, Practice*'. The model suggests that nation brands compete in four main dimensions: 'Tourism', 'FDI', 'Export Promotion', and 'Talent Attraction'. These four dimensions are not chosen randomly. Other scholars too suggest that these four sectors play an important role when it comes to nation brands. One example is Anholt's Nation Brand Hexagon³. According to Anholt's hexagon, the six main dimensions are: 'Governance', 'Exports', 'Tourism', 'Investment and Immigration', 'Culture and Heritage', and 'People'. While 'Exports' and 'Tourism' can be directly linked to Dinnie's Model, 'FDI' and 'Talent Attraction' are reflected in 'Governance', 'Investment and Immigration', and 'People'.

Another example why Dinnie's four dimensions are important for nation brands is the quote following:

"Nations are making increasingly conscious efforts to hone their country branding in recognition of the need to fulfil three major objectives: to attract tourists, to stimulate inward investment and to boost exports. A further objective for many nations is talent attraction, whereby countries compete to attract higher education students, and skilled workers" (de Chernatony, 2008, p. 17).

The objectives of nation branding mentioned can be directly linked to the four dimensions used for the 'Internal Analysis Model of Nation Brands'.

³ <http://nation-brands.gfk.com>

Each of the four dimensions is divided into four sub-categories, called key success factors. Dinnie suggests that each key success factor must be analysed and ranked between one and ten to complete the analysis of a country's nation brand. Table I pictures the model as introduced by Dinnie.

Nation-brand internal analysis - Tourism										
Key Success Factor	Nation-brand capability									
Customer Service Levels	1	2	3	4	5	6	7	8	9	10
Safety	1	2	3	4	5	6	7	8	9	10
Value of Money	1	2	3	4	5	6	7	8	9	10
Accessibility	1	2	3	4	5	6	7	8	9	10

Nation-brand internal analysis - FDI										
Key Success Factor	Nation-brand capability									
Stable Economic and Political Environment	1	2	3	4	5	6	7	8	9	10
Skilled Workforce	1	2	3	4	5	6	7	8	9	10
Streamlined Administrative Procedures	1	2	3	4	5	6	7	8	9	10
Infrastructure	1	2	3	4	5	6	7	8	9	10

Nation-brand internal analysis – Export Promotion										
Key Success Factor	Nation-brand capability									
High Quality Brands	1	2	3	4	5	6	7	8	9	10
Effective COO Positioning	1	2	3	4	5	6	7	8	9	10
Strategic Development of Target Markets	1	2	3	4	5	6	7	8	9	10
Innovation	1	2	3	4	5	6	7	8	9	10

Nation-brand internal analysis – Talent Attraction										
Key Success Factor	Nation-brand capability									
Favourable Residency Criteria (for visa, passport, etc.)	1	2	3	4	5	6	7	8	9	10
Attractive Lifestyle	1	2	3	4	5	6	7	8	9	10
Opportunity for Career Progression	1	2	3	4	5	6	7	8	9	10
Reputation for Higher Education	1	2	3	4	5	6	7	8	9	10

Table I: Internal Analysis Model of Nation Brands
Source: (Dinnie, 2008b, pp. 221-223)

Table I provides an idea of each dimension's components. The introduction of these key success factors follows in section 3.3. Although Dinnie's Model comprises many different factors, some adjustments have to be made. There are four main reasons for adjustment: to increase the level of vibrancy; to make the model more contemporary; to widen the scope of this research; and to make the model better suited for a direct comparison. In the upcoming section, these adjustments are discussed.

3.2. Adjustments to Keith Dinnie's Model

As mentioned above, there are four reasons for adjustment. The first one is the level of vibrancy. Most of the key success factors are static. A lot of numbers are used to analyse these key success factors. Although numbers are important and easy to compare, nation brands are something dynamic. A country's image cannot be described by numbers alone. Considering this, some key success factors are added, while others are combined, as they are similar or related to each other.

The second reason for adjustment is the importance of being contemporary. Due to globalization and technical progress, the world has changed a lot since Dinnie's model was introduced almost ten years ago. Consequently, it is important to make adjustments that will reflect such developments. For example, the internet has allowed the news to be distributed rapidly and uncontrollably. This is important to consider when trying to improve a nation's image. Another current phenomenon is social media. Ten years ago, social media outlets like Facebook, Instagram, and Twitter were rare or did not exist. Now, people utilize them daily to distribute news to a broad audience; distance is no longer a limitation. Taking this into consideration, new key success factors are added.

The third reason is content oriented. Instead of four main dimensions, the model is complemented by a fifth one: 'Culture and Brand Ambassadors'. Two main arguments endorse this adjustment. First, in section 3.1 Anholt's Nation Brand Hexagon is mentioned. Culture is the only section of this hexagon not represented in Dinnie's model. As the quote following shows, Anholt is not the only one mentioning the importance of culture and brand ambassadors for nation brands.

“An awareness and understanding of the core features of a certain nation is a prerequisite for developing nation-branding campaigns, as the essence of any nation brand derives not only from the country's companies and brands but also from its culture in the widest sense – language, literature, music, sport, architecture and so on all embody the soul of nation” (Dinnie, 2016, p. 111).

This Master's Thesis focus is on Asia. Asia's culture is said to be colourful and immensely diverse. Further, cultural diplomacy is a huge topic in Asia. Accordingly, it makes sense to include culture in the analytical framework.

The fourth reason for adjustment is simply to make the model better suited for a direct comparison. While researching for this Master's Thesis I came across a publication using Dinnie's 'Internal Analysis Model of Nation Brands'. The authors discussed one important reason why the scale of the model has been adjusted.

“We had made some adjustments to the model because, initially, the model used the scale from one to ten in order to evaluate the nation brand capability in each area which makes the result becomes subjective as it would be difficult to determine the score of each category. Therefore, we formulated an adjustment to the model by changing the one to ten score into ‘low, moderate, and high’ in order to make it easier for relative comparison with other selected countries” (Prucpairojkul & Triamsiriworakul, 2008, p. 7).

The model is adjusted the same way with the same argumentation. It is difficult to determine whether a certain key success factor should be ranked with five or six points, as the difference might be very small. It is much easier to determine if a key success factor should be ranked either low, moderate, or high. Considering these adjustments, the analytical framework for this Master's Thesis looks like pictured in Table II.

Nation-brand internal analysis - Tourism			
Key Success Factor	Nation-brand capability		
Safety	low	moderate	high
Accessibility and Infrastructure	low	moderate	high
Value for Money and Customer Service Level	low	moderate	high
Tourist Promotion	low	moderate	high

Nation-brand internal analysis - FDI			
Key Success Factor	Nation-brand capability		
Stable Economic Environment (from investors point of view)	low	moderate	high
Stable Political Environment (from investors point of view)	low	moderate	high
Streamlined Administrative Procedures	low	moderate	high
Skilled Workforce	low	moderate	high

Nation-brand internal analysis – Export Promotion			
Key Success Factor	Nation-brand capability		
High Quality Brands and Effective COO Positioning	low	moderate	high
Strategic Development of Target Markets	low	moderate	high
Innovation	low	moderate	high

Nation-brand internal analysis – Talent Attraction			
Key Success Factor	Nation-brand capability		
Favourable Residency Criteria (for visa, passport, etc.)	low	moderate	high
Opportunity for Career Progression	low	moderate	high
Reputation for Higher Education	low	moderate	high

Nation-brand internal analysis – Culture and Brand Ambassadors			
Key Success Factor	Nation-brand capability		
Cultural Diplomacy	low	moderate	high
National Symbols and Brand Ambassadors	low	moderate	high
Broadcasting and Social Media	low	moderate	high

Table II: Internal Analysis Model of Nation Brands – adjusted version

According to Table II, five dimensions and a total of seventeen key success factors are part of the analysis. Although the focus of this Master's Thesis are the nation brands of Asian countries, this framework can be used to analyse each country's nation brand- on its own and as part of a comparison. In the section following, all dimensions and key success factors are introduced briefly.

3.3. The Five Dimensions and their Key Success Factors

This section aims at giving the reader an overview of all dimensions and their key success factors. Not only their role in connection to nation brands is discussed, but the way each key success factor is analysed later in the case study is presented. This detailed introduction is provided for each dimension separately from section 3.3.1 to section 3.3.5.

3.3.1. Tourism

According to Simon Anholt, tourism is the loudest voice in branding a nation (2007, p. 25). Hence, it is of little surprise, that tourism is part of Anholt's Nation Brand Hexagon. The importance of tourism is stressed by the fact that people are traveling more than ever before, and the number of international trips is expected to rise even further (Sorenson, 2017, p. 53). It is important for countries to promote tourism to be attractive for tourists from all over the world. There are several reasons why people choose to travel to a certain country. Safety, accessibility, infrastructure, value for money, customer service level, and the way the country is advertising itself are certainly not all, but some of the most important ones.

There are different possibilities to analyse the different key success factors. This Master's Thesis uses '*The Travel & Tourism Competitiveness Report 2017*' published by the World Economic Forum (WEF) as main tool of analysis. The report was published recently, hence the data is very up-to-date. Beside the data from the report, additional information is gathered from Japan's and Singapore's official tourism organisations or boards, aiming at making the analysis not only reliably on numbers, but on actual campaigns. The next few paragraphs following introduce the four key success factors of the tourism dimension in more detail. The correlation between tourism and these key success factors is highlighted.

Safety

Safety is part of Dinnie's original framework. Especially these days safety is of utmost importance, as many people fear terrorist attacks, civil wars, or other constant threats like diseases or natural disasters. Even before 9/11 and the attacks of Brussels and Paris, safety was a fact to be considered when deciding for a country to live in or to travel to. Unsurprisingly, according to Dinnie, safety is the prerequisite for attracting mainstream tourism (2016, p. 217). Duval et al. discuss the importance of safety and security for tourism: "Tourism is irrevocably bound up with the concept of security. Tourist behaviour and, consequently, destinations, are deeply affected by perceptions of security and the management of safety, security and risk" (2009, p. 2).

Duval et al. mentioned an important aspect: it is all about perceptions. And these perceptions are anchored within a country's nation brand. Accordingly, it makes sense to include safety as one key success factor. 'Safety & Security' is one part of '*The Travel & Tourism Competitiveness Report 2017*'. The index is used as the main tool of analysis.

Accessibility and Infrastructure

While accessibility was part of the 'Tourism' dimension in the original model, infrastructure was not. Dinnie considered infrastructure as part of FDI. These two key success factors are combined in the adapted version, as the main focus is put on tourism infrastructure.

Accessibility plays a significant role in how a country can be reached. People afraid of flying will try to find places located closely to their country of origin, while people without cars rely on planes, trains, ships, and other means of transportation. For this Master's Thesis, accessibility is of even higher importance as Japan and Singapore are islands. Even for otherwise highly attractive destinations, accessibility can be a considerably obstacle (Dinnie, 2016, p. 217).

Although accessing a country is the first obstacle to overcome, the infrastructure within a country is equally important. A lot of tourist do not stay at one place. They like to visit different places and cities and to make day-, round-, or roads trips. Hence, highly developed public transport systems and road networks are often attractive for tourists. Beside transportation, access to internet, energy supply, and the communication system are of similar importance. All these factors are essential to increase the efficiency of production and distribution of tourism services (Jovanovic, 2016, p. 289).

To analyse 'Accessibility and Infrastructure', the main tool of analysis are three subcomponents of the '*The Travel & Tourism Competitiveness Report 2017*'. These subcomponents are: 'Airport Infrastructure', 'Ground and Port Infrastructure', and 'Tourist Service Infrastructure'. Especially the last component is of high interest, as it puts infrastructure and tourism in direct correlation.

Value for Money and Customer Service Level

Both key success factors, 'Value for Money' and 'Customer Service Level', are part of the original framework. As they are closely related to each other, they are combined in the adapted version of Dinnie's model. According to Middleton and Clarke the tourist product means customer value, which is "[...] the perceived benefits provided to meet the customers' needs and wants, quality of service received, and the value for money" (2001, p. 89).

During the last years, people are becoming increasingly aware of the fact that time – especially free time - is limited. This having been said, it is of little surprise that value for money becomes of higher importance for tourists, as time for travelling and vacation is limited. As for Asia, this fact is of even higher relevance, as official vacation days are generally few. To create value for money and a decent customer service level, it is essential to know the needs, wants, and expectations of tourists (Fyall & Garrod, 2005, p. 15).

For measuring ‘Value for Money and Customer Service Level’ three indicators of ‘*The Travel and Tourism Competitiveness Report 2017*’ are used: ‘Price Competitiveness’, ‘Prioritization of Travel and Tourism’, and ‘International Openness’. These three indicators provide solid information on how much tourist get for their money and how willing a country is to care about customer service levels.

One way to drive up the customer service level are initiatives taken by tourism boards. Official tourism boards have a certain reputation, they can reach a wide range of potential clients – in this case tourists – and as official governmental organisations, they enjoy access to a vast amount of data. Taking these advantages into consideration, the original framework was supplemented by an additional key success factor: Tourist Promotion.

Tourist Promotion

While the key success factor ‘Value for Money and Customer Service Level’ is measured mainly by numbers, this new key success factor puts emphasis on initiatives official tourism boards take. “Clearly, no one in the world will create a good brand for your country. Why should they? News organizations are interested in ‘bad news’ such as wars, disasters and the like. Who is there to make that attractive image for you?” (Cromwell, 2017). This question raised by Cromwell is answered by himself later in his article: the country itself. A country must invest in its brand. This process has to be led by the government, as only the government knows the full agenda, potentials, and resources a country has to offer. In this process, one of the major tasks of the government is to include all key stakeholders, such as NGOs and the business community.

Although it is difficult to measure the efforts taken by official tourism boards and the potential effects these efforts have, it makes sense to look at the current campaigns of these boards. Questions like: “Is there an official tourism board?”, “Are there more official tourist institutions?”, “Are their distinct nation branding campaigns?”, and “What is the main content of these campaigns?” are answered with the aim to draw conclusions on the nation’s current brand image and the current efforts taken by the government and its institutions.

3.3.2. Foreign Direct Investment

The correlation between a nation's image and FDI is a controversial topic. Scholars do not agree whether a country's image has direct impact on FDI or not. Nevertheless, most agree on the fact that a nation's positive image does not do any harm. Kalamova and Konrad analysed the correlation between nation branding and FDI. They concluded that the better a nation's image is, the likelier is that FDI rises (2009, p. 27). Globalisation is one of the most significant reasons why FDI is important for nation brands.

“Globalization has sharpened the competition between nations to attract inward investment. In response to this, nations need to put in place a long-term strategy to ensure that their levels of FDI attraction make a significant contribution to the nation's economy” (Dinnie, 2016, p. 217).

While infrastructure was part of the 'FDI' dimension in the original framework, it is part of the 'Tourism' dimension in the adapted version (see section 3.3.1). Although politics and economy are closely related, one can be stable while the other is not. Additionally, both are very extensive topics. This having been said, the economic and political environment are no longer one key success factor but two separate ones. In total, four key success factors are analysed and their correlation to FDI is highlighted to draw conclusions on the whole dimension.

Stable Economic Environment

According to Dinnie, without a stable economic environment, the chance of attracting FDI is little. Attracting inward investment is much easier, when economic indicators like GDP impact investment decisions positively (2016, p. 218).

There is much to say about a nation's economic environment. In this paper, the economic environment from the investors point of view is highlighted. In the analytical part, Japan's and Singapore's economic environment is analysed in regard to attract investors. To analyse whether an economic environment is stable or not, different areas of economy and society have to be analysed. '*The Global Competitiveness Report of 2017-2018*' published by The World Economic Forum (WEF) covers many different aspects of economy. The country profiles of this report are used to analyse this key success factor.

“We define competitiveness as the set of institutions, policies, and factors that determine the level of productivity of an economy, which in turn sets the level of prosperity that the country can achieve” (WEF, 2017c, p. 4). This quote gives an idea about the main contents of

this report, which covers three different areas with different pillars. These three areas are ‘Basic Requirements’, ‘Efficiency Enhancers’, ‘Innovation and Sophistication Factors’. These economic indicators are used by countries to promote themselves and to attract inward investment. Nevertheless, a stable economic environment alone is not enough, as it is always linked to the political environment.

Stable Political Environment

When it comes to nation brands, the political environment is especially important, as a significant number of nation branding activities are carried out by the government or governmental institutions. Additionally, politicians themselves are communicators, actors, and ambassadors of their own country’s values, virtues, and culture. If the trust in political leadership is low, a country’s image can suffer. One example is current US president Donald Trump. Since his inauguration, the world views of the US are less favourable, as the confidence in his presidency is low compared to former US presidents (Fetterolf, et al., 2017).

Scholars conducting research on the correlation between political stability and FDI concluded that political stability positively influences FDI inflows (Mamunur, et al., 2017, p. 1). As political stability is difficult to measure, the main instrument of analysis are newspaper articles and papers on the political environment of the target countries.

Skilled Workforce

“A skilled workforce is attractive in that it minimizes the need for companies to pay for the training of their workforces in foreign locations and offers the prospect of higher productivity than less skilled workforces in other nations” (Dinnie, 2016, p. 218). With these words, Dinnie highlights the relevance of a skilled workforce for FDI.

To analyse this key success factors, four indicators are taken into consideration. First, the ‘Population at Working Age’ – people between 15 and 64 years old. Before you can analyse the quality of the workforce, a look at the quantity is useful. The second indicator is the ‘Median Age of the Population’. The median age allows to draw conclusions on the future availability of workforce. The third and fourth indicator are dealing with education. The ‘Literacy Rate’ and the ‘Percentage of People with Tertiary Education or Higher’ are analysed. After combining the numbers of all four indicators, some conclusions can be drawn whether a nation’s workforce can be considered as highly, moderate, or low skilled.

Streamlined Administrative Procedures

In an article about the promotion of FDI, Sun raised the question: What is important to increase FDI? Beside the stable economic and political environment, the second main factor mentioned deals with the regulatory framework.

“[A] sound policy and regulatory framework and efficient supporting institutions to enforce the relevant laws and regulations are imperative for FDI to enter and thrive. Especially in a globalized competitive market, the difference between countries in how conducive their investment climate may be, including how an investor is received, how many administrative and regulatory obstacles an investor has to overcome to enter and operate, and how commercial disputes are handled through the judiciary system have a huge impact on where the investor will go and how much contribution the investment will make to the host economy” (Sun, 2002, p. 2).

The Doing Business project by The World Bank provides information on business regulations and their enforcement in 190 economies. There are several rankings included in this project. Two are the ‘Ease of Doing Business’ and the ‘Starting a Business’ ranking. These two indices are used as main tool of analysis for this key success factor. For more detailed information on the way these rankings are calculated the website can be consulted⁴.

3.3.3. Export Promotion

While FDI tells something about the willingness of foreigners to invest into a country, export promotion focuses on the willingness of foreigners to buy a country’s products. Dinnie says that one of nation branding’s key objectives is to increase a country’s level of export (2016, p. 218). By looking at a country’s current export promotion, conclusions on a country’s nation brand can be drawn.

To do so, three key success factors are analysed. While ‘High Quality Brands’ and ‘Effective Country of Origin Positioning’ were two separate indicators in the original model, they are combined in the adjusted version. By analysing ‘High Quality Brands’, a closer look at the most successful brands is taken. Further, it is analysed what kind of brands are successful. The ‘Country of Origin Positioning’ indicates whether a nation itself is known for certain features or not. The second key success factor is ‘Strategic Development of Target Markets’. Nation branding is closely related to the realm of marketing. To sell a product, it is important

⁴ <http://www.doingbusiness.org>

to determine certain target markets. The same goes for nation branding. The last key success factor analysed is 'Innovation'. Being innovative is considered as one of the pre-requisites for effective export promotion.

High Quality Brands and Effective Country of Origin Positioning

“The consumers’ perception of a product significantly changes (for the better and for the worse) when they are told the country-of-origin of the product” (Kilduff & Núñez Tabales, 2017, p. 90). This statement clearly emphasises the correlation between a country’s image and consumer behaviour. Considering this statement, countries are advised to use this image to foster their export promotion. Kilduff and Núñez Tabales further mention that this prevailing image is not consistent when comparing products from different sectors. They use France as an example to underline their statement. Wine from France is known for its good quality and taste, while technology from France does not share this positive image (Kilduff & Núñez Tabales, 2017, p. 90). A country’s name or logo can be used by the government, companies and organisations to underline the country of origin effect.

As stated in section 2.2. “[...]a successful brand is a name, symbol, design, or some combination, which identifies the ‘product’ of a particular organisation as having a sustainable differential advantage” (Dinnie, 2016, p. 4). There are several reasons why brands matter. Articles from business magazines like the Forbes Magazine, The Economist, or The Huffington Post, all name different but very similar reasons. The most significant ones are: brands save decision-making time, brands provide safety, brands provide peace of mind, and most importantly, brands create value (Haskins, 2015). Considering these reasons, high quality and well known brands are vital for a country’s image, especially in the context of export promotion and in connection to an effective COO positioning.

What is the current COO positioning? Are there well known brands? Do they use the COO effect? And do these brands contribute significantly to the export receipts? Questions like these and similar are answered by using information gained from secondary literature and brand value rankings.

Strategic Development of Target Markets

With the previous key success factor, it is analysed how a country can use its name and reputation to influence consumer behaviour. In order to do so, it is important to know who these consumers are. “Until a firm has chosen and analysed a target market, it cannot make effective decisions regarding other elements of the marketing strategy” (Farrell & Hartline, 2014, p. 116). The selection of a target market – or sometimes target markets – is as crucial for nations as it is

for companies. After a target market is identified, more precise strategies to strengthen a country's nation brand can be developed. By looking at the most important export and business partners, conclusions on a nation's target market can be drawn. Although the main purpose of a strong nation brand is to attract the broad audience, countries define target markets and put special efforts to satisfy the consumer needs of these target markets.

Innovation

The third key success factor related to export promotion is 'Innovation'. The significance of innovation is shown by the product life-cycle theory by the American economist Raymond Vernon. According to this theory, a product undergoes several stages. The first stage is called introduction stage. After a product or service is developed, it is introduced to the national and/or international market. At this point, businesses invest a significant amount of money in promotion to advertise the new product, the profit is low, and the competitors are few. When enough goods are sold, the product automatically reaches the next stage. This stage is called growth stage. As demand is increasing, sales are rising too. Hence, the costs for production and promotion decrease. As the products gains publicity, the number of competitors increases as well. These competitors often sell the product or service at a cheaper price. When prices decrease, the number of potential customers increases further, and the next stage is reached. The third stage is called maturity stage. The product is widely known and many consumers buy the product. Additionally, the competition is high. Producers fear a decline in sales and invest more in promotion. At a certain point, the market is saturated. Sales are declining and the fourth stage – the declining stage – is reached. Products became unpopular (Jayanthakumaran, 2016, p. 55).

Between the maturity stage and the declining stage, innovation becomes vital. When sales are declining and consumer needs are saturated, products need to be modified or new products need to be invented. During the maturity stage, products are often produced in developing countries and sold to developed countries, as production costs tend to be lower in developing countries. This having been said, developing countries must innovate continuously to maintain their level of export. How significant innovation is for developed countries is further highlighted by Lachenmaier and Woessmann. In one of their surveys they concluded that the more a company innovates, the higher is their level of exports (Faustino, et al., 2012, p. 5). The main tool of analysis for this key success factor is 'The Global Innovation Index'. The website provides more detailed information on the content and methodology of the index⁵.

⁵ <https://www.globalinnovationindex.org/home>

3.3.4. Talent Attraction

While the ‘FDI’ and ‘Export Promotion’ dimensions mainly focus on products and services, the dimension ‘Talent Attraction’ puts the people in focus. It is essential for a nation’s GDP to attract tourists, to make investments attractive and to increase export sales, but for a steady progress, it is vital to attract talents from abroad. Nation brands can help to make a country attractive to these talents. Dinnie himself stated that the main two objectives of this dimension are to attract skilled workforce and foreign students (2016, pp. 218-219). Considering these objectives, a minor adjustment to the original model is made.

While the original model contained four key success factors, the adapted version is reduced to three. While ‘Reputation of Higher Education’ aims at attracting young people in training (foreign students), ‘Opportunity for Career Progression’ focuses more on more grown-up people who have already finished their education (skilled workforce). ‘Favourable Residency Criteria’ are a pre-requisite for people of all ages to have the opportunity to move to a certain country – regardless if only for a certain time or permanent. Hence, this last key success factor is important for both, the skilled workforce and the foreign students.

The last key success factor would have been ‘Attractive Lifestyle’. Like ‘Favourable Residency Criteria’, this factor aims at attracting both, foreign students and the skilled workforce from abroad. Nevertheless, this key success factor is dismissed, as attractiveness is subjective and difficult to measure. This having been said, the model remains with three key success factors, one attracting the skilled workforce from broad, one attracting foreign students, and one attracting both.

Reputation of Higher Education

As discussed in sections 3.3.2. and 3.3.3. innovation and a skilled workforce are crucial for a country when trying to foster FDI and export promotion. Being innovative and having a skilled workforce often starts with people in education. Accordingly, it is important to attract young talents. Universities across the world have different areas of expertise and different research focuses. Not only businesses and governments are looking for talents from abroad, universities are too. Attracting promising talents and researchers is one important aim of having a good reputation of higher education.

To measure ‘Reputation of Higher Education’ the findings of ‘Times Higher Education’ (THE) is used. THE provides data on university excellence for almost five decades. They are currently publishing the most influential and the most extensive university rankings, covering universities from every continent across the world. ‘The World University Rankings’ published

by THE cover know more than 2,100 institutions in more than 90 countries. To draw conclusions on ‘Reputation of Higher Education’, a look at the number of national universities ranked among the top 100 universities in the world is taken. Additionally, a look at the top 100 universities in Asia is taken. This paper is about the competitiveness of nation brands of two Asian countries. Taking this into consideration, it is important to get a brief idea about the reputation a country’s higher education enjoys among their neighbour countries.

Opportunity for Career Progression

Gaining new foreign students is one of the two main objectives of the dimension ‘Talent Attraction’. But after foreign students have finished their studies, they enter the working world. Hence, countries not only have to find a way to attract new foreign students but must create a working environment attractive enough to encourage these students to remain in the country after graduation. Additionally, it is crucial to be attractive for the skilled workforce from other countries. ‘Opportunity for Career Progression’ is one way of keeping students to stay and to attract employees from abroad.

It is difficult to determine whether ‘Opportunity for Career Progression’ is provided or not. To analyse this key success factor, the economic performance and Hofstede’s Cultural Dimensions are used. By looking at a country’s GDP, conclusions on the current economic performance can be drawn. When the current economic performance is good, career progression is more likely, as the country’s economy provides more possibilities. The analysis of the GDP performance alone is not sufficient enough to draw meaningful conclusions. Additional information is needed. Hofstede’s Cultural Dimensions allow to draw certain conclusions on a country’s general willingness and openness in the working environment. Three of Hofstede’s Cultural Dimensions are discussed: ‘Power Distance’, ‘Masculinity’, and ‘Uncertainty Avoidance’. ‘Power Distance’ is defined as “[...] the extent to which less powerful members of organizations accept an unequal distribution of power” (Adler, 2002, p. 56). Further, this dimension deals with the relationship between bosses and their subordinates. If ‘Power Distance’ is large, the acceptance that power is distributed unequally is high. This is an important prerequisite when foreigners are in a superior position. The second dimension used is ‘Masculinity’. “The dominant values in a masculine society are achievement and success; the dominant values in a feminine society are caring for others and quality of life” (De Mooij & Hofstede, 2010, p. 89). Further, this dimension allows to draw conclusions on whether gender equality is provided or not. While masculine oriented societies usually favour traditional role models, feminine oriented societies allow gender equality. Especially for women, this is an

important factor to be considered when it comes to career progression. The last of Hofstede's dimensions analysed is 'Uncertainty Avoidance'. As Adler stated 'Uncertainty Avoidance' "[...] reflects the extent to which people in a society feel threatened by ambiguity and therefore try to avoid ambiguous situations by providing greater certainty and predictability" (2002, p. 59). When 'Uncertainty Avoidance' is low, a society is said to be more open and more willing to adapt to changes. This, once again, is important for the possibility of career progression for foreigners.

After the analysis of a country's current economic performance and these three Cultural Dimensions, it can be determined whether a nation's talent attraction can be considered as high, moderate, or low.

Favourable Residency Criteria (for visa, passport, etc.)

Even if universities enjoy a good reputation and the opportunity for career progression of foreigners is considered good, 'Favourable Residency Criteria' are a requirement for foreigners to obtain the permission to stay in a country. The different types of visas each country offers to foreigners are discussed. Are there possibilities for students to obtain a special student visa? Do investment visas exist? And are there any options for foreigners to obtain an employment permit without holding a country's passport? These questions are answered in the analytical part of this Master's Thesis. Additionally, the way information is provided to foreigners is analysed. When governments try to attract new citizens, students and employees from abroad, it is crucial to provide necessary information as comprehensible as possible. Information is usually provided via different platforms and sources. For this Master's Thesis, only the official information provided by a country's Foreign Affairs Ministry is used.

3.3.5. Culture and Brand Ambassadors

As discussed in section 3.2. a fifth dimension is added to the original model. The significance of culture regarding nation brands has been discussed by Anholt. One of the six dimensions of his Nation Brand Hexagon is culture (2007, p. 26). "A deep and authentic nation brand must include the many elements and expressions of a nation's culture; if it fails to do so, it will rightly be perceived as shallow and superficial and not truly representative of the nation" (Dinnie, 2016, p. 113). Especially in Asia, culture is of special interest, as most nation branding efforts focus on cultural aspects like pop-culture or food diplomacy. But this new dimension not only covers traditional aspects of culture. Broadcasting and social media are subjects of discussion. The world wide web makes it convenient to distribute information. Social media channels are

used to reach a broad audience, both, nationally and internationally. Governments have started to use these channels for their purpose. Politicians are no longer ‘just’ politicians. Examples like Justin Trudeau and Barack Obama have proven that politicians can be role models and icons, promoting a country’s cultural values as well as its image. This fifth dimension was added with the aim to cover these new contemporary developments.

Cultural Diplomacy

Before this key success factor is intruded, one thing needs to be mentioned: cultural diplomacy is an extensive topic. To analyse all cultural diplomacy efforts and strategies of a country would clearly exceed the scope of this study. As political and economic aspects of nation brands are in focus, this key success factor is analysed from a bureaucratic point of view.

According to Hurn “Cultural diplomacy creates awareness abroad of the cultural attributes of the home culture by developing interaction through cultural activities with which the projecting culture wants to be identified“ (2016, p. 81). And governments have recognised this possibility to create awareness. Cultural diplomacy strategies implemented and efforts taken by governmental institutions are analysed. The most essential objective of this key success factor is to determine the cultural assets mostly used to promote a country’s image and values. Is there a clear focus on one assets? Are these assets traditional or contemporary? Do governments use these assets wisely for their international image? These questions are answered in the analytical part of this paper. To analyse this key success factor, a look at cultural diplomacy projects of official governmental institutions is taken.

National Symbols and Brand Ambassadors

There are different instruments for promoting and distributing culture. According to Hurn, one of these instruments are high-profile national heroes and icons (2016, p. 81). Instead of calling them high-profile national heroes, the term brand ambassador is used. The main purpose and the significance of these ambassadors is discussed in the paragraph following. First, the national icons are discussed. In this Master’s Thesis, these icons are referred to as national symbols. “National symbols are defined as the symbols or icons of a national community [...], used to represent that community in a way that unites its people”⁶. These symbols can be either visual, like flowers, verbal, like anthems, or iconic, like flags. For the case study, the existence of these symbols is analysed. As national symbols represent a certain community – in this case a nation –

⁶ <http://www.englandforever.org/national-symbols.php>

it makes sense to use them for cultural diplomacy. It is analysed whether these symbols are used for cultural diplomacy or not.

The significance of culture has been discussed in the previous paragraphs of this section. Branding a nation is different from branding a product. Competing products are often only varying in minor aspects and promoted on basis of spurious differentiations.

“On the contrary, nation brands are rooted in the reality of the nation’s culture, which is perhaps the truest, most authentic differentiator that any brand could wish to have. The limited knowledge that people have with regard to nations other than their own gives rise to what can become a damaging identity-image gap, whereby a nation’s true identity fails to be appreciated by external observers because of indifference or overwhelming negative stereotypes” (Dinnie, 2016, p. 114).

This having been said, culture is a significant part of a nation’s brand but needs to be treated carefully. To minimise the risk of promoting a nation’s culture and identity other than it truly is, brand ambassadors can be appointed. According to the Oxford Dictionary an ambassador is “[a] representative or promoter of a specified activity”⁷. Hence, the main purpose of a brand ambassador is to represent and promote a nation’s brand. In the analytical part of this Master’s Thesis, it is examined whether Japan and Singapore are using brand ambassadors or not. If they do so, it is further discussed if they are appointed by the government and what if they use culture for promotional purpose.

Broadcasting and social media

Besides ‘National Symbols and Brand Ambassadors’, another way of promoting a nation’s culture is the use of broadcasting and social media channels. As Grincheva states “[t]he potential of social media to reach wider, diverse audiences and establish communication in a faster and easier mode with a variety of different actors has been recognized by many countries” (2011, p. 2). National symbols can be placed everywhere over the internet, on the official websites of governmental institutions as well as social media platforms. If a country wants to be recognised by these symbols, as many different channels as possible have to be used to show them to the target audience. Further, brand ambassadors can use these broadcasting and social media channels for their purpose. As the main target audience of a countries nation brand is the foreign public, it is essential to use instruments which are able to go beyond borders.

⁷ <https://en.oxforddictionaries.com/definition/ambassador>

This last key success factor is analysed by a research on the most common social media platforms. These platforms are Facebook and YouTube. It is analysed if governmental institutions are represented on these platforms. Further, it is analysed what content is distributed on these platforms. After all five dimensions and their key success factors have been introduced, some final remarks on the framework are made in the section following.

3.4. Concluding remarks on the methodology

In section 1.2 of this paper, it is mentioned that a two-level analysis is conducted. The above introduced framework is the first level, while a SWOT-Analysis is the second level. SWOT stands for strengths, weaknesses, opportunities, and threats. While the first two components are internal factors, the last two are understood as external factors. Each internal factor can be analysed with one of the two external factors in order to give suggestions for further developments and strategic decision-making.

By ranking all key success factors either high, moderate, or low, the internal analysis of a nation brand is conducted. Accordingly, the strengths and weaknesses – the internal factors - are derived from the results from the first level of analysis. Afterwards, opportunities and threats are evaluated. Finally, all four dimensions are compared to each other to draw conclusions on the competitiveness of Japan's and Singapore's nation brands. While the main aim of the first level of analysis is to obtain results, numbers, and facts, the main aim of the second level of analysis is to analyse these findings to determine the competitiveness.

After the methodological framework has been discussed in detail, it is now applied in the case study (section 4). After the two countries of the case study have been introduced, the adjusted version of 'The Internal Analysis Model of Nation Brands' is applied.

4. Case Study: Japan's and Singapore's Nation Brands

As this Master's Thesis is written in the context of the master's program East Asian Economy and Society, the case study focuses on the Asian region. According to the Anholt-GfK (Growth from Knowledge) Nation Brands Index of 2017, Japan's nation brand, ranked 4th, is the strongest in the Asian region (GfK, 2017). Because of my BA in Japanese Studies, one of my research focuses during the MA was Japan. Due to the good performance of Japan's nation brand and my personal interest in this country, the decision to choose Japan as the first country for my Master's Thesis was quickly made. As this research has a comparative approach, a second country was needed. Although it would be interesting to compare two East Asian countries – as the competition between the Republic of China, the Republic of Korea, and Japan is high in almost every political and economic aspect – I decided for a Southeast Asian country. Due to history, economic performance, and other aspects, East Asia has been viewed as superior to Southeast Asia for a long time. Nevertheless, Southeast Asian countries are currently challenging East Asian countries. Southeast Asia is a popular travel destination. The economic performance of some Southeast Asian countries is catching up with the performance of East Asian countries. And lastly, the annual GDP growth-rate suggests that Southeast Asian countries are further closing in. Indicators like the HDI or the GDP underline this assumption. Considering this, I decided to compare the top-performer of the Nation Brands Index of East Asia with the top-performer of Southeast Asia: Singapore. Besides the Nation Brands Index, another fact backs up this decision. Singapore is the only industrialised country in Southeast Asia with the highest HDI score. When comparing a country with low economic performance and human development to a country with a high economic performance and human development, the analysis of some of the key success factors introduced above would be biased and a comparison less meaningful. Both Japan and Singapore have powerful nation brands, both are countries with a very high human development, and their economic performance can be considered good. This case study determines the competitiveness of Japan's and Singapore's nation brands in general and compared to each other. Prior to the analysis, some key indicators of both countries are presented. Japan will always be named first in this analysis due to alphabetical reasons.

4.1. Country Overview

For this case study, some key indicators are important to keep in mind. When talking about politics and economy, a country's size, its population, its currency, its geographical position, and other indicators play a significant role. Additionally, some general information on Japan's and Singapore's nation brands is given. This section aims at providing some general information to readers with little or no background knowledge.

4.1.1. Japan

Japan is an 370,000 km² big archipelago with more than 6,000 islands located in East Asia. To be more precise, it is in a volcanic zone on the Pacific Ring of Fire. This geographic location is especially important when it comes to tourism, as Japan can only be reached through airplane or boat. Despite a huge number of small islands, Japan has four main Islands: Honshū, Hokkaidō, Kyūshū, and Shikoku. These four islands account for more than 95 % of the country's total land. Honshū is the largest island. Most of the major cities – including the capital Tokyo, Osaka, Kyoto, Yokohama, Nagoya, and Kobe – are located on Honshū. With a population of approximately 127 million people, Japan is the 10th biggest country by population. Japan's national language is Japanese and its currency is the Japanese Yen (JNTO, 2018).

Japan is focusing on its nation brand. This fact is shown by the Nation Brands Index 2017, where Japan is ranked 4th (GfK, 2017). Additionally, there are several efforts taken by the government to promote Japan's image. Responsible for most of these efforts is the Ministry of Foreign Affairs (MOFA). By taking a closer look at these efforts – they are presented throughout the case study – it becomes clear that Japan focuses on cultural aspects when promoting its image. There are two special features important to keep in mind. The first is the fact that Japan is dealing with a shrinking and aging population. This is of special importance when it comes to the skilled workforce and the whole 'Talent Attraction' dimension. This phenomenon is discussed in greater detail in sections 4.3.3 and 4.5. The second is the incident that happened on March 10, 2011 – the Fukushima Daiichi nuclear disaster. After the Tōhoku earthquake struck and a devastating tsunami followed, an energy accident occurred at the Fukushima I Nuclear Power Plant. Although the total number of deaths is difficult to determine due to the catastrophic dimensions of the earthquake, the tsunami, and the nuclear incident, an estimated number of 1,600 people died in relation to the nuclear accident. This incident is of special interest for this paper, as it affected not only Japan's image, but also its number of tourists, a topic discussed in more detail in section 4.2. After this short introduction of Japan, the section following deals with Singapore.

4.1.2. Singapore

One of the most remarkable features of Singapore is its special status. The Republic of Singapore is a sovereign city-state. A city-state refers to a city and its surrounding territories. Together they form an independent state. In this case study, Singapore is considered a country and not a city. Singapore is in Southeast Asia. It consists of 63 islands; their total size is approximately 720 km². The biggest island is the main island, Pulau Ujong. There are two man-made links between Singapore and its neighbour Malaysia. Thus, unlike Japan, Singapore is not dependent on only airplanes and boats. With a population of approximately 5.6 million, Singapore is not only smaller than Japan in size, but also in population. These differences are not relevant for this paper though. A nation brand is made of a country's image, its foreign policy, and its openness to the foreign population; not about its size or population number (IndexMundi, 2018).

Although Singapore is not ranked as high as Japan in the Nation Brands Index, its nation brand is very strong with its main strength in FDI (Shehadi, 2016). The Nation Brands Index is not the only indicator suggesting that Singapore's nation brand is gaining popularity and strength. In section 2.1 some publications dealing with Singapore's nation brand are introduced. These publications were published during the last five years. This indicates that Singapore as a nation brand is recently becoming more of a topic.

One special feature must be mentioned prior to the case study: Singapore's diversity. There are four official languages: English, Malaysian, Mandarin, and Tamil. Further, there are different ethnic groups with a population ratio of over 10 %. This is of special interest, as culture plays a significant role for nation brands. But how is culture promoted when there are so many of them represented within a country? This feature is highlighted in the 'Culture and Brand Ambassadors' dimension. Another interesting feature about Singapore is the high ratio of foreigners living in the city. Foreigners make up almost 65 % of Singapore's population. Additionally, over 20 % of Singaporean residents are foreign born (Yeo, 2016). This is of special interest when it comes to talent attraction. Obviously, Singapore is already attracting foreign students and workers. And with the high percentage of foreign permanent residents, VISA and residency criteria is especially important for a country like Singapore. This feature is discussed in more detail in section 4.5. After Singapore and Japan have been introduced, the first dimension, 'Tourism', is analysed in detail in the upcoming section.

4.2. Tourism

“Promoting tourism products successfully requires a context that allows your audience to appreciate what your country has to offer to visitors. That context is the overall image, or brand, of your country” (Cromwell, 2017). As Cromwell points out, a certain context is essential for promoting tourism. In sections 4.2.1 till 4.2.4 this context is analysed for Japan and Singapore, before a direct comparison is made to highlight similarities and differences between these two countries. Prior to this analysis, a short general introduction to Japan’s and Singapore’s tourism is provided.

Japan

After the incident of Fukushima in 2011, Japan has tried hard to boost its tourism and to gain popularity among visitors from abroad. After the nuclear disaster, according to a statistic by The World Bank, the number of arrivals has dropped by approximately 28 % from 8.6 million to 6.2 million arrivals⁸. This was a major turning point for Japan’s tourism. Between 2011 and 2015, Japan’s inbound tourism grew by more than 30 % a year. This rate is among the fastest rates worldwide. The reasons for this growth are primarily external factors like changes in policy, the depreciation of the Yen, and China’s economic growth. In 2015, international tourists contributed around 35 billion USD to the Japanese economy. After this success, Japan’s leaders have recognised the fact that tourism could be a powerful contributor to the economy. They have set the target to double annual inbound tourism from approximately 19.7 million visitors in 2015 to 40 million in 2020 (Andonian, et al., 2016, p. 1). The year 2020 is no coincidence. In 2020, Japan will host the Summer Olympic Games and Paralympics. Hosting a major event like this is not only an opportunity, but also a challenge in terms of nation branding.

Singapore

Like Japan, Singapore’s tourism is flourishing. According to numbers published by the Singapore Tourism Board (STB), visitor arrivals and tourism receipts reached a historical high in 2016 (Lim, 2017). Nevertheless, compared to Japan, Singapore’s performance is weaker. While Japan recorded around 19.7 million arrivals in 2015, Singapore recorded about 12.5 million⁹.

For a country like Singapore, tourism is crucial, as Singapore has no natural resources. Tourism creates many jobs and its contribution to GDP is significant. As stated in the annual report of the World Travel & Tourism Council (WTTC), tourism contributed around 28.7

⁸ <http://data.worldbank.org/indicator/ST.INT.ARVL?locations=JP>

billion USD (9.9 %) to the annual GDP of 2016. Further, the total contribution of travel and tourism to employment was 8.6 % (WTTC, 2016b, p. 1). In direct comparison with Japan, these numbers are higher. For Japan, the contribution to GDP was around 7.4 % and the contribution to employment 6.9 % (WTTC, 2016a, p. 1). The numbers for Singapore are expected to rise even more in 2017. After this short introduction, each of the four key success factors of the 'Tourism' dimension will be analysed in greater detail.

4.2.1. Safety

The Travel & Tourism Competitiveness Index is published yearly by The World Economic Forum. Different indicators in four dimensions are measured: 'Enabling Environment', 'T&T Policy and Enabling Conditions', 'Infrastructure', and 'Natural and Cultural Resources'. Part of the 'Enabling Environment' dimension is the 'Safety and Security' indicator, with a maximum score of 7. This indicator and a report published by The Economist Intelligence Unit are used to measure whether this key success factor is low, moderate, or high.

Japan

According to The Travel & Tourism Competitiveness Index 2017, Japan's 'Safety and Security' score is 6.1 and the country is considered safe. In the East Asia and Pacific region, only Australia (6.3) and Hong Kong SAR (6.5) reached a higher score than Japan. Further, as the region's average is 5.9, Japan is above the average (WEF, 2017d, p. 22). In 2015, The Economist Intelligence Unit published a report on the safest cities worldwide. One of this report's four dimensions is 'Personal Safety'. 'Personal Safety' is about the more traditional aspects of safety like levels of crime and illegal activity. Two different Japanese cities were covered in this report. Osaka was ranked 2nd and Tokyo 3rd (The Economist Intelligence Unit, 2015, pp. 25-26). This result underlines the assumption that Japan is a safe country.

The Japan National Tourism Organisation (JNTO) itself describes its country as safe, having a high public safety and a low crime rate⁹. Nevertheless, there are other risks to be considered when traveling to Japan; mainly natural disasters. Since Fukushima and the Tohoku Earthquake, tourists are more cautious. The JNTO provides additional information about the dangers of the Fukushima region. When looking at the website of Lonely Planet, the largest travel guidebook publisher, similar information can be found. While generally being considered as very safe, it must be kept in mind that Japan is prone to natural disasters. Nevertheless, due to low crime rates and a high level of public safety, Japan's safety is considered as high.

⁹ <https://www.jnto.org.au/questions/health-and-safety/>

Singapore

According to the ‘Safety and Security’ indicator, Singapore is considered very safe. With a score of 6.5, Singapore is clearly above the region’s average, as Southeast Asia’s score in general is 5.3 (WEF, 2017d, p. 22). On the above-mentioned index on safe cities published by The Economist Intelligence Unit, Singapore is ranked 1st and accordingly it is the only city surpassing Osaka and Tokyo (The Economist Intelligence Unit, 2015, p. 26). These high scores are due to very strict regulations when it comes to crime, violence, and the abuse of alcohol and drugs. Singapore authorities are known for being very strict.

Despite being safe when it comes to personal security, Singapore deals with two mentionable issues. The first one is terrorism. Both the UK government¹⁰ and the US government¹¹ advise travellers caution, as extremist groups have launched attacks in neighbour countries. Nevertheless, there have not been any issues in Singapore up until today and the threat of terrorism is common in almost every other country in the world. The second mentionable issue is air pollution – in Singapore most commonly referred to as ‘haze’ – as it affects Singapore’s air quality drastically. It is caused by forest fires in surrounding regions. The National Environment Agency of Singapore, an official governmental institution, is offering information about affected regions and current Pollutant Standards Index (PSI) scores¹². Despite these two mentionable issues, Singapore is one of the safest countries in the world; accordingly, this key success factor is considered high.

4.2.2. Accessibility and Infrastructure

This key success factor is important for Japan and Singapore, as both countries are islands. Singapore has the main advantage over Japan as it possesses two man-build bridges to its neighbour Malaysia. Japan can only be reached by plane or boat. While Singapore is small and has an outstanding infrastructure, Japan needs to improve its infrastructure especially in rural areas. As mentioned in the methodological part of this Master’s Thesis, the three sub-indicators of the ‘Infrastructure’ dimension of The Travel & Tourism Competitiveness Index 2017 are used to analyse this key success factor.

¹⁰ <https://www.gov.uk/foreign-travel-advice/singapore>

¹¹ <https://travel.state.gov/content/passports/en/country/singapore.html>

¹² <http://www.haze.gov.sg>

Japan

The first sub-indicator is ‘Air Transport Infrastructure’. With a score of 4.6, Japan’s performance is neither good nor bad. The average of the East Asia region is 4.4. There are four major international airports, Narita and Haneda in Tokyo, Kansai International Airport in Osaka, and Central Japan International Airport in Nagoya. All of these Airports are located on the biggest island, Honshū. There are several local airports with international flights too, but these airports are mostly focused on regional flights in Asia (WEF, 2017a).

The second indicator is ‘Ground and Port Infrastructure’. With a score of 5.4, Japan is clearly above the region’s average of 4.4. This is mainly thanks to Japan’s outstanding railway network, especially within and between major cities. The railway system is famous for its safety and punctuality. The bullet train, *shinkansen*, is Japan’s super express train. It is covering most major cities in Japan frequently and is fast and convenient. The major cities like Tokyo and Osaka have a metro system – but while these options are handy for tourists, public transport is expensive. This is one of the major reasons why Japan’s score is not higher. Beside the good railway system, there are several ports. As Japan is an island, ports are crucial for the country, for both tourism and trade. Tourists afraid of flying can use ferries to enter Japan. For example, the ferry between Japan and South Korea runs multiple times a day (WEF, 2017a).

In the ‘Tourist Service Infrastructure’ section Japan scored 5.3, while the region’s average is 4.6. One of the most obvious obstacles for tourists are Japanese characters. In bigger cities, most tourist information is provided in English or at least in *rōmanji*, Japanese words written with the Latin alphabet. Using the metro in Tokyo or Osaka is manageable, as maps and also announcements in trains are often provided in English. Additionally, information brochures are offered in English and other languages. But in rural areas, tourists mainly find Japanese characters without translations, as English is not widely spoken. While tourist sights and tourist service centres can be found in major cities, little information is provided in rural areas. The Japanese Government tries to attract tourists, but a significant number of Japanese is still hesitant to interact with foreigners. Some Japanese perceive their culture as unique and different to Western cultures and have the impression that tourists often lack the knowledge to protect Japan’s cultural uniqueness. But beside these little obstacles, infrastructure and accessibility in Japan are good and therefore rated moderate to high (WEF, 2017a).

Singapore

Singapore has one major advantage over Japan: the fact that although there are many Chinese living in the country, most people understand English. Communicating with locals and getting necessary information is easy. Singapore's score in 'Air Transport Infrastructure' is 5.3. This is clearly above the region's average of 3.4 (WEF, 2017b). Although Singapore only has one major airport, this airport is outstanding. According to The World Airport Awards, Changi Airport is – just like 2016 – the world's best airport 2017¹³.

Singapore's score in the second dimension, 'Ground and Port Infrastructure', is 6.3, which is again significantly above the region's average of 3.5 (WEF, 2017b). The Land Transport Authority (LTA) is a statutory board under the Ministry of Transport. The LTA is responsible for all three main modes of public transport: trains, buses, and taxis. The LTA's responsibilities include maintaining the high safety and service standards of Singapore's ground public transportation. Hence, the LTA contributes greatly to the high score in this dimension (LTA, 2017).

With a score of 5.4, Singapore's performance in the 'Tourist Service Infrastructure' dimension is comparable to Japan's performance. The region's average is 3.9, hence once again, Singapore is clearly better situated than its neighbour countries (WEF, 2017b). One major reason for the overall good performance of Singapore is the fact that Singapore's government realised the importance of tourism for the country. According to the STB, a statutory board under the Ministry of Trade and Industry, tourism is one of the key service sectors and most important economic pillars (STB, 2017a).

4.2.3. Customer Service Level and Value for Money

As discussed in section 3.3.1, these two indicators are measured by using The Travel & Tourism Competitiveness Index 2017. Three sub-indicators are used: 'Price Competitiveness', 'Prioritization of Travel and Tourism', and 'International Openness'. While 'Price Competitiveness' allows to draw conclusions about the value for money, 'Prioritization of Travel and Tourism' as well as 'International Openness' are indicators for the customer service level.

¹³ http://www.worldairportawards.com/awards/world_airport_rating.html

Japan

Before taking a closer look at the three sub-indicators, an overview of all results is provided in Figure 1.




















 Prioritization of Travel & Tourism 1-7 (best)		18	5.4
Government prioritization of travel and tourism industry 1-7 (best)		16	5.8
T&T government expenditure % government budget		42	4.4
Effectiveness of marketing and branding to attract tourists 1-7 (best)		27	5.1
Comprehensiveness of annual T&T data 0-120 (best)		9	102
Timeliness of providing monthly/quarterly T&T data 0-21 (best)		3	22.0
Country brand strategy rating 1-10 (best)		42	79.5
 International Openness 1-7 (best)		10	4.4
Visa requirements 0-100 (best)		112	20.0
Openness of bilateral Air Service Agreements 0-38 (best)		10	23.6
Number of regional trade agreements in force number		35	29.0
 Price competitiveness 1-7 (best)		94	4.6
Ticket taxes and airport charges 0-100 (best)		46	80.7
Hotel price index US\$		72	140.6
Purchasing power parity PPP \$		116	0.9
Fuel price levels US\$ cents/litre		58	110.0

Figure 1: T&T policy and enabling conditions subindex - Japan
Source: (WEF, 2017a)

Japan's score for 'Price Competitiveness' is 4.6. This score is close to the region's average of 4.7. Keeping in mind that 7 is the highest possible score, a country like Japan, with a government trying to promote tourism (more information is provided in section 4.2.4), a score of 4.6. is surprisingly low. 'Price Competitiveness' has four sub-indicators. One of them are hotel prices. According to this 'Hotel Price Index', as seen in Figure 1, the average of all countries is USD 73.40, while Japan's average is USD 140.60. This is almost twice as much. Considering this, staying at a hotel in Japan it is expensive for tourists. Contrastingly, when it comes to ticket taxes, airport charges and fuel price levels, Japan is cheaper compared to the average of all countries (WEF, 2017a). But these numbers are only one way of analysing value for money. Additionally, it is important to look at the opinions of tourists. According to different

travel blogs and platforms (see nerd nomads¹⁴, TripAdvisor¹⁵, and timetravelturtle¹⁶), travelling Japan is expensive when it comes to accommodation and transportation, but cheap in terms of food. All these blogs and platforms agree that, although travelling Japan is often expensive, it is worth the money.

When it comes to ‘Prioritisation of Travel and Tourism’, Japan’s score of 5.4 is slightly above the region’s average of 5.0. One major reason for this good result is the dedication of Japan’s government. One sub-indicator of ‘Prioritisation of Travel and Tourism’ is ‘Government Prioritization of Travel and Tourism Industry’. Japan’s score of 5.8 is the 16th best ranking of all countries represented in the index. A closer look at the government’s work is taken in section 4.2.4. Another indicator for the ‘Prioritisation of Travel and Tourism’ is the available data. Japan frequently provides data on travel and tourism in a comprehensible manner. This conclusion can be drawn by looking at the sub-indicators ‘Comprehensiveness of Annual T&T Data’ and ‘Timeliness of Providing Monthly/Quarterly T&T Data’. Japan is ranked on places nine and three of all 136 countries (WEF, 2017a).

The last indicator for this key success factor is ‘International Openness’. Although Japan’s score of 4.4 is not high, it is still above the region’s average of 3.9. One major reason for this sub-optimal performance are the visa requirements. It is difficult to obtain visas for staying or working in Japan for a longer period of time. Visa requirements will be discussed in section 4.5.3. Nevertheless, when it comes to trade agreements and bilateral air service agreements, Japan is considered very open compared to most countries (WEF, 2017a). Considering this, it can be suggested that Japan’s openness is higher when it comes to trade and business than tourism and travel. After the analysis of all three indicators, it can be said that the key success factor ‘Customer Service Level and Value for Money’ is moderate.

¹⁴ <https://nerdnomads.com/expensive-japan-travel-cheap>

¹⁵ https://www.tripadvisor.com/ShowTopic-g294232-i525-k7082113-Is_Japan_really_expensive_to_visit-Japan.html

¹⁶ <http://www.timetravelturtle.com/2013/05/is-japan-expensive-cheap-travel/>

Singapore

Prior to the discussion, the results of all three sub-indicators are visualised in Figure 2.




















 Prioritization of Travel & Tourism 1-7 (best)		2	6.0
Government prioritization of travel and tourism industry 1-7 (best)		10	6.2
T&T government expenditure % government budget		7	10.3
Effectiveness of marketing and branding to attract tourists 1-7 (best)		5	6.0
Comprehensiveness of annual T&T data 0-120 (best)		89	54
Timeliness of providing monthly/quarterly T&T data 0-21 (best)		28	20.0
Country brand strategy rating 1-10 (best)		38	79.7
 International Openness 1-7 (best)		1	5.2
Visa requirements 0-100 (best)		16	65.0
Openness of bilateral Air Service Agreements 0-38 (best)		23	16.1
Number of regional trade agreements in force number		30	41.0
 Price competitiveness 1-7 (best)		91	4.7
Ticket taxes and airport charges 0-100 (best)		10	94.4
Hotel price index US\$		96	205.0
Purchasing power parity PPP \$		102	0.6
Fuel price levels US\$ cents/litre		65	116.0

Figure 2: T&T policy and enabling conditions subindex – Singapore
Source: (WEF, 2017b)

With a score of 4.7 in ‘Price Competitiveness’, Singapore’s score is near Japan’s, but not as good as the region’s average of 5.5. Although ‘Ticket Taxes and Airport Charges’ are low, hotel prices are even higher than in Japan. According to the ‘Hotel Price Index’, Singapore is ranked 96 out of the 136 represented countries (WEF, 2017b). But hotel prices are not the only expensive aspect of Singapore. In 2017, the British newspaper ‘The Telegraph’ ranked Singapore as the most expensive city in the world for the fourth time in a row (The Telegraph, 2017). Living in Singapore is expensive and so is travelling. Nevertheless, as the standard of living is high too, tourists achieve value for their money.

Singapore’s government is prioritising travel and tourism. ‘T&T Government Expenditure’ is around 10 % of the government’s budget. With this percentage, Singapore is ranked 7th among the 136 contesting countries. Additionally, Singapore is doing well in the dimension ‘Effectiveness of Marketing and Branding to Attract Tourists’ – another sub-indicator of ‘Prioritization of Travel & Tourism’. In this dimension, Singapore is ranked 5th. Compared to Japan, Singapore is not performing well when it comes to the ‘Comprehensiveness of the Annual T&T Data’. With a score of 54 (from 120 possible points), the country is only

ranked 89th. The combination of the results of all these minor sub-indicators, is leading to the overall good performance of Singapore in ‘Prioritization of Travel & Tourism’. With a score of 6.0, Singapore’s result is clearly above the region’s average of 5.0.

With an overall score of 5.2, Singapore is ranked 1st in ‘International Openness’. As the region’s average is 3.7, Singapore’s score can be considered extremely good. Directly compared to Japan, one factor is important to mention. While Japan is facing issues concerning ‘Visa Requirements’, one sub-indicator of ‘International Openness’, Singapore’s performance is good. With a score of 65 from a possible maximum of 100 leaves room for improvement, but nevertheless Singapore is ranked 16th. Regarding ‘Openness of Bilateral Air Service Agreements’ and ‘Number of Regional Trade Agreements in Force’, the other two sub-indicators of ‘International Openness’, Singapore’s performance can be considered good, but not outstanding with ranks 23 and 30 (WEF, 2017b).

All indicators discussed above lead to the same conclusion. Singapore’s performance is good, but still not excellent. This conclusion is endorsed by ‘The Customer Satisfaction Index of Singapore (CSISG)’, published jointly by the Institute of Service Excellence at Singapore Management University and the Singapore Workforce Development Agency. First launched in 2008, this index covers 11 economic sectors and more than 40 sub-sectors. The results show progression in most sectors and average scores between 60 and 80 out of 100 possible points (Institute of Service Excellence, 2017). Taking the results of the *‘Travel and Tourism Competitiveness Report 2017’* and The CSISG into account, the key success factor ‘Customer Service Level and Value for Money’ is ranked as moderate to high.

4.2.4. Tourist Promotion

The last key success factor of the ‘Tourism’ dimension deals with ‘Tourist Promotion’. While the key success factors discussed above mainly rely on scores, charts, and indices, tourist campaigns are more content oriented. In the paragraphs following, the work of official tourist boards is analysed. Therefore, the content of official governmental homepages and related articles are the main tool of analysis.

Japan

Japan’s official tourism board is the JNTO. It was established in 1964 and its main purpose is to foster international tourism exchanges. According to its website, JNTO’s main activities include the promotion of tourism to Japan, the publication of several tourism statistics, the operation of tourist information centres, and the support for international conventions and

incentive events. The Japanese headquarter is supported by 17 overseas offices (JNTO, 2017a). JNTO provides extensive information on sights and tourist spots throughout Japan, possible itineraries, Japan's culture, and various leisure activities. Information is provided in 15 different languages.

In 2008, the Japan Tourism Agency (JTA) was founded as a sub branch of The Ministry of Land, Infrastructure, Transport and Tourism (MLIT). The main goal of the JTA is to create a tourism nation. "The term 'tourism nation' reflects the will to shape a country that is 'good to live in, good to visit', with increased exchange through tourism creating a stronger recognition of their region's charms in the residents, and a purer experience of these charms for the visitors" (JTA, 2017). This definition suggests that the JTA is one of the major players in forming and promoting Japan's nation brand. By launching different campaigns like 'Visit Japan Campaign', 'Japan. Endless Discovery.', and 'Fly to Japan', the JTA tries to attract tourist from abroad.

When discussing these two major players in Japan's tourism promotion, one question arises: what are the differences between the JNTO and the JTA?

"The JTA is making comprehensive yet organized efforts towards a tourism nation, such as discussions with foreign governments, coordination with other ministries and agencies involved, establishment of a system of cooperation with private-sector operators and local governments, and support of the creation of appealing tourism destinations. On the other hand, the JNTO has overseas offices and actually carries out promotions targeting foreign customers, advertising Japan as a tourist destination and providing them with travel information. The JNTO is an independent administrative organization under the administration of the JTA, and its marketing information serves as the basis for government-implemented project planning" (JTA, 2017).

Despite these differences, the JNTO and the JTA are often working together to launch projects and campaigns. One of these projects is the MICE (Meeting, Incentive, Conference, Event) Ambassador Programme. Influential figures in academic and industrial circles are chosen as ambassadors to act as the face of the nation and to attract more international conferences to Japan by using their networks (JNTO, 2017b). Another example is the 'Japan. Endless Discovery' campaign. In 2010, this slogan and a new logo for Japan's nation brand were introduced. The logo combines two of Japan's most famous images: the rising sun and cherry

blossoms. The launch of this slogan and logo marks an important turning point for tourist campaigns. The focus shifted from heritage and history to contemporary culture such as fashion, animation, and art (The Independent, 2010). Culture is currently the main content of Japan's tourist campaigns. A closer look at this topic is taken in section 4.6, when 'Culture and Brand Ambassadors' are discussed. After observing official governmental institutions dealing with tourist promotion and their work, this key success factor is rated as high.

Singapore

The Singapore Tourist Promotion Board (STPB) was established in 1964, with the aim of promoting Singapore as a tourist destination. In 1997, the STPB was renamed the Singapore Tourism Board, to reflect a shift in focus regarding content. "STB expanded its role beyond destination promotion and started to establish Singapore as a regional tourism hub for both tourism companies and tourists" (STB, 2017a). The importance of tourism for Singapore has already been discussed. Tourism is one of the country's most important economic pillars. To accomplish their mission of shaping a dynamic tourism landscape, the STB cooperates with industry players to overcome certain challenges like resource scarcity and increasingly discerning travellers. Today, the STB is a statutory board under the Ministry of Trade and Industry (MTI) of Singapore. As the main tourism board, it is responsible for the marketing and the promotion of Singapore's tourism and destination brand.

In 2004, the STB presented Singapore's destination brand 'Uniquely Singapore', which lasted until 2009. Since the launch of this destination brand, visitor arrivals and tourism receipts both increased. In 2010, the STB launched a successor of its destination brand: 'YourSingapore'

„YourSingapore helps ensure that Singapore remains relevant and compelling to today's travellers. It delivers on Singapore's promise to provide a concentration of multi-faceted and user-centric travel experiences as well as positions the destination as one that is future-facing and inspiring. Doing well in this area is critical as brand equity and brand recall have a tremendous impact on visitor arrivals and tourism receipts" (STB, 2017c).

The government and the STB recognised that the needs and preferences of visitors are varying. They adopted a visitor-centric marketing approach and developed marketing campaigns customised for different target nations. Australians 'Get Lost and Find the Real Singapore', while Chinese make 'New Discoveries', and Thais 'Experience Many Worlds in One Place'.

Beside this target-oriented marketing, the STB focuses on new digital and social media initiatives. These initiatives include a close cooperation with TripAdvisor to provide fresh user-generated content on YourSingapore.com. Additionally, in 2013, a YouTube channel was launched. Since April 2018, the channel has more than 22,000 followers and has recorded more than 3.5 million clicks. The channel features different playlists. Besides general information on Singapore's main attractions, there are playlists customised for the different target nations.

As the STB practises well-oriented target marketing by using new digital and social media channels, and as their campaigns are updated frequently so to react to current needs and preferences, Singapore's tourist promotion is considered high.

4.2.5. Analysis

The analysis of the 'Tourism' dimension shows that Japan and Singapore are emphasising the importance of this dimension for their economic performance. The results for the different key success factors shown in Table III reflect this priority.

	Japan	Singapore
Safety	high	high
Accessibility and Infrastructure	moderate - high	high
Customer Service Level and Value for Money	moderate	moderate - high
Tourist Promotion	high	high
Dimension	high	high

Table III: Tourism and its key success factors

While Singapore's performance is good throughout all key success factors, Japan's 'Customer Service Level and Value for Money' results show room for improvement - especially in terms of 'International Openness', which is one of the indicators for customer service levels. Being open and welcoming to tourists is crucial for the tourism sector. Also, Japan is more open when it comes to international cooperation regarding business and trade. This is surprising, as the Japanese Government is clearly focusing on 'Tourist Promotion'. As money, time, and work are invested in tourist promotion, it is advisable to convince the Japanese to be more open towards foreign tourists. The scepticism of some Japanese towards foreigners is stressed in section 4.5. Although natural disasters like earthquakes and environmental pollution such as the haze are an issue for both countries, Japan and Singapore can be considered safe, which is an important prerequisite for attracting tourists.

In terms of ‘Accessibility and Infrastructure’, both nations perform well. Singapore has one major advantage over Japan, as it is much smaller by size. Although the infrastructure of Japan is good on the main island Honshū, the other islands are not as well accessible, as there are no major international airports or ports. Additionally, the *sinkansen* lines are mainly operating on Honshū. This issue is addressed by the government. *Shinkansen* lines have recently been constructed or are currently under construction on Hokkaidō and Kyūshū. Nevertheless, there is no *shinkansen* line on Shikoku¹⁷.

One major strength of both countries are their tourism boards. As discussed in section 4.2.4, the JNTO, the JTA, and the STB work as governmental organisations with the intent of making their countries attractive for tourists. With target market-oriented campaigns, up to date information in several languages, ambassador programmes, and the usage of social media channels, these organisations foster ‘Tourism Promotion’ nationally and internationally. These boards established the destination brands ‘Japan. Endless Discovery’ and ‘YourSingapore’, which are part of and reflect the countries nation brands. Due to these strengths, Tourism is rated high for both nations.

4.3. Foreign Direct Investment

The second dimension discussed in this case study is ‘FDI’. While the first dimension focuses on tourism, ‘FDI’ involves a nation’s economy and politics. Hence, the country’s image is analysed from a different point of view. The decisions to travel to a country are based on different factors than the decision to invest in or do business with the very same country. After the current economic and political environment have been discussed, a look at the workforce and the administrative procedures is taken. FDI is a very broad topic with many aspects and indicators. Unfortunately, the room for an in-depth analysis and a continuing discussion of this topic is limited in this Master’s Thesis. Therefore, the economic and political environment are only discussed from an investor’s point of view. The analysis of this dimension starts with a brief FDI overview of both countries.

Japan

In Japan, FDI has a long history. While outward FDI has mostly exceeded inward FDI until recently, the Japanese Government tries to foster inward FDI with different policies and initiatives. Prime Minister Abe Shinzō is a driving force behind these initiatives. The cabinet of Abe announced the goal of doubling inward FDI to USD 307 billion in 2020 as part of the

¹⁷ https://cdn.jrailpass.com/img/public/pdf/JRP_japan.pdf

‘Japan Revitalizing Policy 2013’. Three years later, in the ‘Japan Revitalizing Policy 2016’, this goal was reconfirmed. The MOFA, in cooperation with the JETRO (Japan External Trade Organization), has established contact points for direct investment towards Japan in 126 diplomatic missions overseas. The main tasks of these contact points are:

“Collect information which relates to potential foreign direct investment; Collect information which contributes to improving investment environment in Japan; Promote Japan’s attractiveness as an investment destination among foreign business communities; Organize and cooperate on events promoting FDI towards Japan” (MOFA, 2017a).

According to the JETRO, there are five reasons why to invest in Japan. First, Japan is an ever-growing economy. Ever since the government’s endeavour to attract foreign companies, the investment environment is improving. Second, Japan has a sophisticated market. According to the website of the JETRO, this is reflected in the fact that Japan is the 3rd largest economy in the world. Third, Japan is an innovation hub. The topic innovation is discussed in more detail in section 4.4.3. Fourth, Japan has business-friendly infrastructure, which has been discussed in section 4.2.2. Fifth, you can enjoy a comfortable living in Japan, as it is a safe and pleasant (JETRO, 2017).

The government’s efforts are proving effective. In 2014, the inward FDI stock was 204.82 billion USD, exceeding 200 billion for the first time. Since 2011, the FDI outflows exceed the FDI inflows. Further, the FDI Promotion Council was established. Consisting of government ministers and private advisors, this council provides recommendations on how to improve the investment climate. Their suggestions include shortening waiting times for immigration procedures, introducing free Wi-Fi for foreign visitors, and providing multi-language displays in stores, roads, railways, and hospitals during the Summer Olympic Games and Paralympics in 2020 (export.gov, 2017).

Singapore

Although FDI inflows decreased between 2015 and 2016, Singapore is still one of the countries with the highest FDI inflows worldwide. Between the years 2011 and 2015, inward FDI almost doubled and inward FDI was higher than outward FDI during the whole time. Additionally, it must be mentioned that there was a general decrease in international investment in the year 2016. Global FDI flows fell approximately 13 %. It is expected that Singapore can deal with this short-term decline, as the forecasts for 2017 are positive both for Singapore and the global market (Peck Ming, 2017).

Beside these recent developments, Singapore is a very popular destination for foreign investments. “[...] Singapore has established itself as a regional financial hub. Its robust economy, stable political environment, corruption-free government and educated talent pool have made Singapore an alluring destination for global companies” (Singapore Business Review, 2016). What is particularly interesting about this quote is that the attributes mentioned are represented in the key success factors of this dimension: the economic environment, the political environment, and the skilled workforce. This suggests that Singapore is performing well in the FDI dimension. But before analysing the correctness of this assumption, the governmental side of FDI is briefly looked at.

When researching Japan’s FDI on Google, governmental websites pop up immediately. According to Singapore’s good performance in FDI, one might assume that the same goes for Singapore. But surprisingly only a few statistics of Singapore’s government show up. Nevertheless, the MTI, the Singapore Economic Development Board (EDB), and the International Enterprise Singapore (IES) are highly involved in promoting Singapore as an FDI hotspot. While the IES is more concerned with helping Singapore companies globalise, the EDB supports local and foreign investors in Singapore. Attracting investment and enhancing the business environment are two of the main objectives of the EDB. In its annual report, the Committee on the Future Economy (CFE) does not explicitly mention direct investment, but investment in general. The report emphasises the need for international cooperation, trade, and investment. The CFE is co-chaired by the Ministry of Finance and the MTI. This report is an indication for the government’s open-mindedness towards and interest in international investment and trade (CFE, 2017, p. 17). After this general introduction to the topic, the four key success factors of the ‘FDI’ dimension are discussed in detail.

4.3.1. Stable Economic Environment (from Investor’s Point of View)

There are different options to analyse a country’s economic environment. Depending on the point of view, different components are of importance. For investors, not only key indicators like population, GDP, or GDP per capita are essential. ‘*The Global Competitiveness Report of 2017-2018*’ published by the WEF includes many different aspects of economy. The report covers three different areas: ‘Basic Requirements’, ‘Efficiency Enhancers’, ‘Innovation and Sophistication Factors’. To provide readers with an overview, the entire country profiles of Japan and Singapore are presented. Nevertheless, only the most significant features and aspects are discussed in more detail in the upcoming two sections.

Japan

Japan is the 3rd biggest economy in the world. Hence, it is of little surprise that the country's performance according to 'The Global Competitiveness Report 2017-2018' is good. Out of all 137 countries covered, Japan's economy is ranked 9th. The results of each pillar are summarised in Figure 3. When looking at the results of the previous years, one can see that the ranking has been steady since 2012. This indicates that Japan has a stable economic environment.

Japan

9th / 137

The Global Competitiveness Index 2017-2018 edition

WORLD
ECONOMIC
FORUM

Key indicators, 2016

Source: International Monetary Fund; World Economic Outlook Database (April 2017)

Population millions	126.9	GDP per capita US\$	38,917.3
GDP US\$ billions	4,938.6	GDP (PPP) % world GDP	4.37

Performance overview

Index Component	Rank/137	Score (1-7)	Trend	Distance from best	Edition	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Global Competitiveness Index	9	5.5			Rank	10 / 144	9 / 148	6 / 144	6 / 140	8 / 138	9 / 137
Subindex A: Basic requirements	21	5.7			Score	5.4	5.4	5.5	5.5	5.5	5.5
1st pillar: Institutions	17	5.4									
2nd pillar: Infrastructure	4	6.3									
3rd pillar: Macroeconomic environment	93	4.3									
4th pillar: Health and primary education	7	6.6									
Subindex B: Efficiency enhancers	10	5.4									
5th pillar: Higher education and training	23	5.4									
6th pillar: Goods market efficiency	13	5.2									
7th pillar: Labor market efficiency	22	4.8									
8th pillar: Financial market development	20	4.9									
9th pillar: Technological readiness	15	6.0									
10th pillar: Market size	4	6.1									
Subindex C: Innovation and sophistication factors	6	5.6									
11th pillar: Business sophistication	3	5.7									
12th pillar: Innovation	8	5.4									

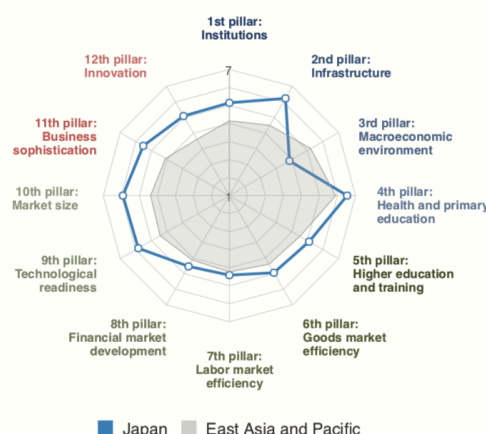


Figure 3: Global Competitiveness Report - Japan
Source: (WEF, 2017c, p. 160)

The results of the three sub-indices show that Japan's economy is efficient and innovative. Education – especially health and primary education – is good, the labour market as well as the financial market conditions are fine, the technological standard of the country is high, infrastructure is advanced, and business sophistication is great. The overall environment is not only stable, but good. According to the results shown in Figure 3, there is only one major issue in Japan: the 'Macroeconomic Environment'. What is not shown in Figure 3 are the sub-indicators for the 3rd pillar: 'Government Budget Balance', 'Gross National Savings', 'Inflation', 'Government Debt', and 'Country Credit-Rating'. The results for 'Inflation', 'Gross

National Savings' and 'Country Credit-Rating' are not good but still above average. The reason why Japan is ranked 93rd in this 3rd pillar are the remaining two sub-indicators. While the country is on the 93rd place in 'Government Budget Balance', the 137th and therefore last place on 'Government Debt' is even worse (WEF, 2017c, p. 161). Currently, Japan's government debt is over 200 % of its national GDP.

“Economists say that if a country's debt reaches 90 % of its GDP, this means likely economic collapse. But Japan's debt is different. It's mostly owed to the Japanese people in the form of government bonds. The Japanese government owes each of its citizens about 7.5 million yen. Since 95 % of its debt is held domestically, its economy is not as precarious as it would be if it were debt to foreign countries” (Seifi, 2012).

This quote does not only highlight the uncertain economic situation, it clarifies why Japan is still able to remain such a big and successful economy. Nevertheless, investors are aware of this huge amount of governmental debt and are most likely cautious. The situation may not be as delicate as it seems on first sight, but there is no way to erase the fact that Japan has the highest governmental debt of all 137 countries encompassed in this report.

Figure 3 shows that Japan is a stable and successful economy according to all other pillars. Although the 3rd pillar shows some significant weak points, the overall performance of this key success factor is rated moderate-high.

Singapore

Though Singapore is a small economy compared to Japan, its economic environment is not only stable, but the economic conditions are very favourable. As the results depicted in Figure 4 show, Singapore is under the top ten nations in 8 out of 12 pillars.

Key indicators, 2016

Source: International Monetary Fund; World Economic Outlook Database (April 2017)

Population millions	5.6	GDP per capita US\$	52,960.7
GDP US\$ billions	297.0	GDP (PPP) % world GDP	0.41

Performance overview

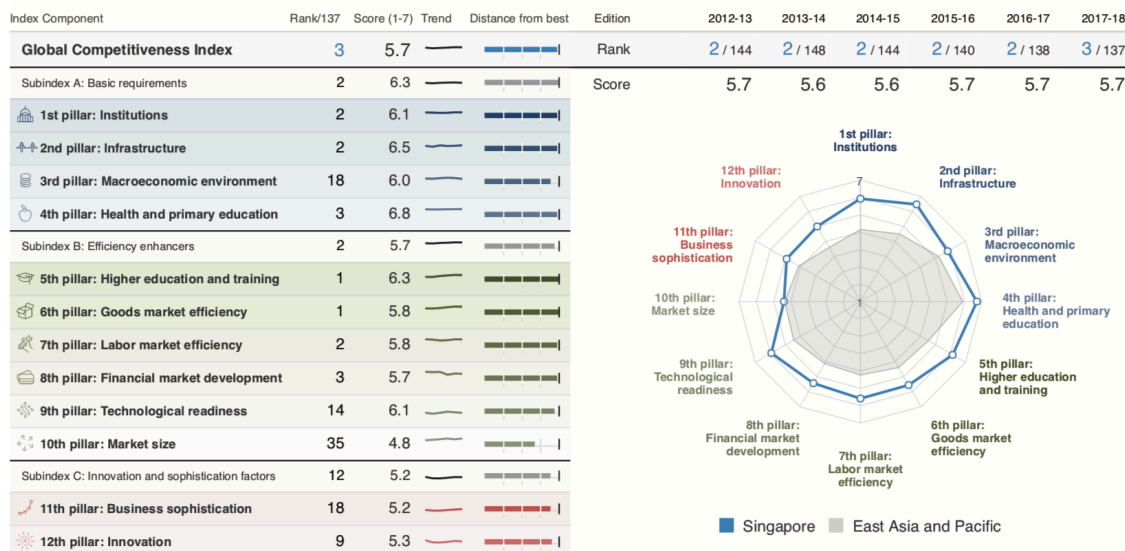


Figure 4: Global Competitiveness Report - Singapore

Source: (WEF, 2017c, p. 262)

Although Singapore's performance on the 3rd pillar is not as bad as Japan's, the two countries share one issue: the high government debt. On the 3rd pillar's sub-indicator 'Government Debt', Singapore is ranked 128. Nevertheless, this is not as shocking as it might seem on first sight. Government debt is composed of internal debt and external debt. While internal debt is owned to residents, external debt is owned to non-residents. Similar to the case of Japan, the major part of the government debt is internal and the external debt is not as unusual as it seems.

"[...] Singapore is a major financial center and a business hub. Foreign companies operating from Singapore as regional headquarters used the political stability of our nation, transparency of our commercial and financial laws, favourable tax regime and not least the high sovereign credit rating to issue debt targeted at both local and foreign investors. That is to say, they borrow from both resident and non-resident investors to finance their operations and projects across the Asian Pacific region" (Kuan, 2016).

While Singapore's performance is poor in terms of 'Government Debt', its overall performance on the 3rd pillar is much better than Japan. This is because Singapore's performance on the sub-indicator 'Government Budget Balance' is much better compared to Japan. While Japan is ranked 93rd, Singapore is ranked 3rd. Hence, although Singapore's government debt is high, so are its government earnings.

Singapore has its worst result in the 10th pillar, 'Market Size'. Its scores on the sub-indicators 'GDP (PPP)' and 'Domestic Market Size Index' are only in the better midfield. This is of little surprise, as Singapore is a small economy.

According to Subindex C, the 'Innovation and Sophistication Index', Singapore is only ranked 12th. Out of all three sub-indices, this result is the worst. This is due to the country's results in the 11th pillar, 'Business Sophistication'. When looking at the individual sub-indicators for this pillar, there is no noticeably bad results. The only noteworthy issue to mention is the fact that there are obviously too few local suppliers, as Singapore's ranking on the sub-indicator 'Local Supplier Quantity' is 73rd (WEF, 2017c, p. 263). Once again, this is of no surprise due to Singapore's size.

The only issue Singapore has to face is its governmental debt, but as governmental earnings are high too, this high amount of debt is not as alarming as it seems. As there are no other real issues, Singapore is clearly rated high according to this key success factor.

4.3.2. Stable Political Environment (from Investor's Point of View)

The political landscape is often as essential for investors as the economic environment. Different types of political leadership exert different impact on a country's economy. Are there political parties? If yes, do the ruling parties foster international cooperation and the economy? Do ruling parties often change? Are there political unrests in the country? Investors think about questions like these before investing in a country. The political landscape impacts a country's image. The upcoming two sections provide a short overview of the political situation in Japan and Singapore. Secondary literature and newspaper articles are the main tools of analysis.

Japan

The political system of Japan is based on Japan's constitution, which was enacted in 1947, after World War II. A democracy in form of a constitutional monarchy was established. The longstanding imperial family is the honorary figurehead of the country, while the governmental power has ever since been distributed between three branches: the National Diet, the Cabinet, and the judiciary section. The National Diet consists of the House of Councillors, the upper

house, and the House of Representatives, the lower house. Together, they are the highest level of state power and form the section of the government which is able to enact new laws. The Diet appoints the prime minister, the head of the Cabinet. The prime minister is the face of Japan's ruling government and an essential figure in guiding foreign diplomacy. He appoints Ministers of State, who oversee the eleven ministries of Japan. The Cabinet office is a bureau unifying these eleven ministries. As he provides guidance from a top down approach, the Prime Minister can align the goals and policies of the government's ministries. "Political control of Japan's government ultimately comes down to the Diet and how its members are allocated among party affiliations" (Caylon, 2016).

What is special about Japan's political landscape is the currently ruling party of Prime Minister Abe Shinzō. The Liberal Democratic Party (LDP) has been in power since 1955. Only between the years 2009 and 2012 was the Democratic Party of Japan (DJP) able to obtain power. Accordingly, the LDP has a strong influence on national politics. The LDP has always worked closely with business interests and favour a pro-US foreign policy.

"The party has focused on providing a favourable environment for business, endorsing low taxes, and supporting the development of Japanese industry through government subsidies and protectionist trade policies (particularly from the 1950s to '70s). In foreign affairs, the LDP has been a strong and consistent ally of the United States, though tensions have arisen over the specifics of the security alliance (e.g., over U.S. military bases in Japan, the presence of nuclear weapons, relations with China, and Japan's military contributions to East Asian security) and over economic relations" (Christensen, 2015).

Recently, in October 2017, Prime Minister Abe Shinzō held a snap election. Abe's intention was to strengthen the party's position, especially as he tries to revise Article 9 of the constitution and as North Korea becomes a bigger threat (Fackler, 2014). The coalition of the LDP and the Komeito gained a two-thirds majority of the Lower House (Yamaguchi, 2017). This underlines the following conclusion: As the LDP held power almost continuously since its establishment in 1955 and has a clear focus on business and economy, the political environment from an investor's point of view is stable. Accordingly, this key success factor is rated high.

Singapore

When talking about the political situation in Singapore, it is important to keep its history in mind. During World War II, Singapore was conquered and occupied by the Japanese Empire. After the defeat of Japan in 1945, Singapore reverted to British control. In 1959, Singapore became a self-governing state within the Commonwealth. Lee Kuan Yew became the first Prime Minister. In 1965, Singapore gained independence and has since then been known as the Republic of Singapore. The political system which was formed during that time was inspired by the British system, thus Singapore is a republic with a Westminster parliamentary system. While the President is the head of the state, the Prime Minister is the head of the government. There are three branches: the Cabinet, which is the Executive, the Parliament, which is the Legislature, and the Judiciary. The majority of the Members of Parliament is elected, and only a minor number of non-constituency Members of Parliament and Nominated Members of Parliament may be appointed. Ever since Singapore's independency in 1965, politics are dominated by the People's Action Party (PAP). Since the general election in 2015, they hold 83 out of 89 seats in the Parliament. The President, as head of the state, is elected for a term of six years directly by the citizens of Singapore. The Cabinet, consisting of the Prime Minister and his ministers, is responsible for policies and the day-to-day administrative business. The Prime Minister is appointed by the President. After his appointment, the Prime Minister proposes candidates for ministers to the President; they are then appointed by the President as well. Singapore's current situation is well summarised in the following quote:

“Singapore, under the leadership of the PAP, possesses a distinct political culture: authoritarian, pragmatic, rational and legalistic. Singapore's power structure is highly centralized, characterized by a top-down style. It features appointment rather than election to most offices. Economic growth and political stability were maintained by the paternal guidance of the PAP. Thus, Singapore is not administered by politicians, but by bureaucrats, in a meritocracy where power is gained through skill, performance, and loyalty to the nation and its policies” (GuideMeSingapore, 2017).

This quote not only summarises Singapore's political style, it additionally highlights the political stability, which is protected by an ever-ruling party. Taking these facts into consideration, Singapore is rated high in this key success factor.

4.3.3. Skilled Workforce

To analyse this key success factor, four indicators are taken into consideration: the ‘Population at Working Age’, the ‘Median Age’ of the country’s population, the ‘Literacy Rate’ and the ‘Percentage of People with Tertiary Education or Higher’. As this dimension is only measured by numbers, Japan and Singapore are analysed simultaneously. This allows for a direct comparison between the two countries. Further, indicators like these four are always more meaningful if there is a bench market to compare them to. In this case, Japan and Singapore are used as bench markets for each other.

Japan and Singapore

Table IV pictures the results of all four indicators of this key success factor. The first two indicators underline what was mentioned before: Japan’s population is aging. With approximately 61 %, Japan’s population at working age is more than 10 % lower than Singapore’s. Japan is suffering from a low birth rate combined with a high life expectancy. “People in Japan continue to outlive those in other countries, marking the world’s longest average life expectancy of 83.7 years, according to the latest World Health Organization report released” (Otake, 2017). Considering this high life expectancy, a further rise of the indicator ‘Population at Working Age’ is to be expected. According to The World Bank, the world’s average for this indicator is 65 %. Considering this number, Japan’s ‘Population at Working Age’ is significantly lower than the world’s average, while Singapore is performing very well. This is – among other things – due to the average age of the country’s population. With a median age of 34.3 years, the people of Singapore can be considered young. This number suggests that Singapore’s ‘Population at Working Age’ stays high. The median age of the Japanese is approximately 47 years. According to the website ‘world.bymap’, only the people of Monaco have a higher median age. Considering these alerting numbers, Japan needs to address the problem of an aging population.

Indicator	Japan	Singapore
Population at Working Age (in %) Source: World Bank (2017)	60.8 %	72.7 %
Country’s Median Age (15 years and above, in %) Source: http://world.bymap.org/MedianAge.html (2016)	46.9 years	34.3 years
Literacy Rate Source: UN and Department of Statistics Singapore	99 %	97 %
People with Tertiary Education or Higher (at working age) Source: OECD and Department of Statistics Singapore	49.5 %	52.8 %

Table IV: Skilled Workforce Indicators

As Table IV further shows, the ‘Literacy Rate’ for Japan and Singapore is very high. With rates of 99 % and 97 %, both countries are performing well. The same goes for the last indicator, where both nations score around 50 %. As almost half of the population at working age has a tertiary education or higher, both nations are clearly above the Organization of Economic Co-operation and Development (OECD) average of 35 %¹⁸. Considering the high literacy rate and the high level of education, it can be concluded that both Japan’s and Singapore’s workforce is very skilled. Summarising the results of all four indicators, Singapore’s performance is high, while Japan is rated moderate to high due to fact that the country will suffer from skilled labour force shortage in the near future.

4.3.4. Streamlined Administrative Procedures

The main tool of analysis for this key success factor is the ‘Ease of Doing Business Rank 2017’. The ranking published by the World Bank includes 190 economies. The higher the ranking, the easier it is to start a business and the more conducive the business environment is to set up a business. The ranking consists of several sub-rankings. Besides the overall ranking, four of these sub-rankings are used to analyse this key success factor: ‘Starting a Business’, ‘Getting Credit’, ‘Trading across Borders’, and ‘Registering Property’. These rankings indicate how difficult it is to start a business and to do business. All indicators are analysed regarding governmental restrictions and regulations.

Japan

Japan’s overall ranking is 34 (The World Bank, 2017a). This result might be good at first sight, but considering the fact that Japan is the 3rd largest economy in the world, this result might not be as good after all. The most significant reason why Japan does not achieve a higher rating is the ‘Starting a Business’ ranking, where Japan achieves the 89th place. It takes around 8 procedures and 11.5 days to register a business. The average of the other OECD countries with high income is 4.8 procedures and 8.3 days. This leads to the conclusion that Japanese have to endure more procedures, which consume a certain amount of time, than the average.

According to the ‘Register Property’ rating, Japan achieved the 49th place. It takes around 6 procedures and 13 days to register a property. Although, once again, Japan’s score is above the OECD average (4.7) regarding procedures, the OECD’s average number of days required to register a property is 22.4. This might be surprising, as more procedures take significantly less time in Japan compared to the OECD average.

¹⁸ <https://data.oecd.org/eduatt/adult-education-level.htm#indicator-chart>

The third indicator is the ‘Getting Credit’ rating. With rank 82 out of 190 economies covered, Japan is in the centre field. One sub-indicator for this rating is the ‘Strength of Legal Rights’ index (0-12). With a score of 4, it must be assumed that there is a lack of legal rights dealing with the process of getting a credit.

The fourth indicator is the ‘Trading across Borders’ rating. This indicator is of interest for this Master’s Thesis as nation brands focus on international relations, therefore administrative procedures for international trade are crucial. The numbers presented do not include tariffs and are for the administrative procedures only. Japan achieves the 49th place. It takes about 24 hours and USD 241 to fulfil the border compliance, and about 3 hours and USD 54 to fulfil the documentary compliance in the process of exporting goods. Compared to the OECD average –12.7 hours and USD 150 for border compliance and 2.4 hours and USD 35.4 for documentary compliance – it is much more time consuming and expensive to export goods from Japan. A similar picture occurs when it comes to import. It takes about 48 hours and USD 275 to fulfil border compliance and 3 hours and USD 107 to fulfil documentary compliance. Again, Japan’s numbers are clearly above the OECD average – with 8.7 hours and USD 111.6 for border compliance and 3.5 hours and USD 25.6 for documentary compliance.

Considering all these numbers and results, it can be concluded that there are a lot of administrative procedures in Japan which are time consuming and expensive. As these produces seem to work nonetheless, Japan is rated moderate for this key success factor.

Singapore

With rank 2, Singapore is clearly better situated than Japan (The World Bank, 2017b). One major strength of Singapore is the ‘Starting a Business’ rating. Singapore achieved the 6th place. It only takes about 3 procedures and 2.5 days to start a business. Compared to both Japan and the OECD high income countries, this performance can be considered good. It usually takes fewer procedures and less time to start a business. This reinforces the decision to start a business in Singapore.

The ‘Registering Property’ rating shows a similar performance. Singapore’s overall ranking is 19. It takes around 6 procedures and 4.5 days to register a property. Considering these numbers, registering a property in Singapore seems easy, with little bureaucratic obstacles to overcome.

Singapore’s rating on the ‘Getting Credit’ ranking is place 20. With a result of 8, the score of the ‘Strength of legal rights index’ is strong compared to Japan. Accordingly, there are legal rights regulating the access to credit. These rights often make it easier for business people

to get a credit. Further, these conditions favour international investments and make Singapore attractive as a location to start a business.

Placed 41st in the 'Trading across Borders' rating, Singapore's performance is weaker compared to the other indicators. This is due to high costs for both import and export border and documentary compliances. Apart from the costs for export documentary compliances, all other costs are almost twice as high as the OECD average (please refer to the section about Japan). From a bureaucratic point of view, international trade is expensive. Nevertheless, when it comes to time, Singapore's performance is similar to the OECD's average. The only exception is the time it takes to fulfil border compliance when importing. In Singapore, an average is 33 hours, while the OECD average is 8.7 hours.

Considering the results of all four indicators and Singapore's overall ranking of 2 in the 'Ease of Doing Business Rank' index, the country's performance for this key success factor can be considered high. There are procedures and regulations, but as it does not take long to go through these procedures, they are obviously well-organised.

4.3.5. Analysis

Table V summarises the results of the second dimension, 'FDI'. As the analysis has shown, both Japan and Singapore have a stable economic and political environment. Japan is the 3rd largest economy in the world. Although Japan suffered from a declining GDP and a weak Yen the situation seems to improve slowly but steadily. Japan has one of the highest government debts in the world, with over 200 % of the country's GDP. Although most of this debt is national debt, Japan additionally faces a significant budget deficit. Hence, the country either needs to decrease its government debt or to increase its government earnings. This is necessary to gain the trust of investors, as the current financial situation is not trustworthy in the first place. If a country is not able to handle its own money properly, investors are less willing to invest. From a political point of view, Japan is very stable. The LDP has ruled Japan since 1955 without major interruption. In the near future, Abe Shinzō's plan to revise Article 9 of the constitution might cause sensation and disconcertment within the party, as not all members of the LDP favour this revision. Article 9 states that Japan will renounce the threat or use of force as means of settling international disputes. But, according to Abe, with increasing military activity in North Korea, Japan needs to be able to defend itself. He plans to revise the constitution by 2020. The future will show whether the intension to revise the constitution will cause political disputes (Rich, 2017). Additionally, this revision has an impact on the country's nation brand, as many Japanese support Abe's intentions. This influences the international image of Japan.

Further, Japan needs to address the issue of being an aging country. Currently, Japan's workforce is considered as being skilled. Nevertheless, the number of people at working age will decline. One way of dealing with this shortage in labour force is the opening of the labour market for foreign labour. During the past nine years, the number of foreign workers in Japan has almost doubled and is expected to rise even further and faster (Reynolds & Roman, 2016). Japan's nation brand can be used to attract foreign workers. This topic is addressed in section 4.5 of this Master's Thesis. The analysis of the last key success factor has shown that there are streamlined procedures in Japan. Nevertheless, it takes a long time to go through these procedures, especially when it comes to import and export. This needs to be addressed in order to stay competitive and to attract future investors.

	Japan	Singapore
Stable Economic Environment	moderate - high	high
Stable Political Environment	high	high
Skilled Workforce	moderate - high	high
Streamlined Administrative Procedures	moderate	high
Dimension	moderate-high	high

Table V: FDI and its key success factors

As for Singapore, the 'FDI' dimension is a clear success, as all four key success factors are rated high. Although Singapore does not make it to the world's top ten economies, the country's economy is catching up with the top players. The rise of the GDP has shown consistent development. Singapore is gaining more and more attention as a location for investment and starting a business. Hence, the nation's image encourages investors to come to Singapore. With only one ruling party since the day Singapore has become an independent country, the political environment can be considered stable. Singapore's workforce is skilled, young, and international. Nevertheless, the country faces similar issues, according to the 'Streamlined Administrative Procedures' key success factor. Although there are less procedures in Singapore, it takes time and money to go through these procedures. To be more competitive in the future, the government should address this issue. Overall, Singapore's FDI presents the country's nation brand in a good light and can be considered as one major strength.

4.4. Export Promotion

Japan and Singapore are islands. As they lack national resources, they are dependent on import. Both countries are processing nations. They import national resources and export processed goods. This makes export very important for both nations, as they need to balance their import costs with export earnings. After a general introduction to Japan's and Singapore's current export situation, three key success factors will be analysed. A look at the countries brands and country of origin position will be taken, the target markets will be analysed, and the level of innovation will be evaluated.

Japan

According to the World Trade Organization (WTO), Japan is the 4th largest importer and the 4th largest exporter in the world¹⁹. While national resources like oil, gas, and coal are imported, processed products like vehicles, computers, and electrical machinery are exported. Although Japan's trade balance gets better, imports have exceeded exports for a long time. Since 2016, Japan's trade balance has been positive. Currently, the trade surplus is around 4.2 billion USD²⁰. Exports account for approximately 13 % of Japan's total economic output. In 2016, 60 % of these exported products went to other Asian countries, while 23 % were shipped to the US, and another 13 % to Europe (Workman, 2017a). Japan is trying to improve its trade balance by pursuing the conclusion of Economic Partnership Agreements (EPAs). Currently, Japan is involved in sixteen of these EPAs. Singapore is one of these partnership countries. By concluding partnerships like the EPAs, or by participating in similar agreements like the Trans-Pacific Partnership (TPP) and the Free Trade Area of the Asia Pacific (FTAAP), Japan is trying to further promote its exports. The analysis of the three key success factor shows what kind of products Japan is exporting to whom and with what level of innovation.

Singapore

According to the WTO "Singapore is a small and open economy, which is highly dependent on trade. Singapore's domestic and foreign trade policies are therefore closely intertwined" (WTO, 2016, p. 3). Further, Singapore's trade policies have four major key priorities:

¹⁹ http://stat.wto.org/CountryProfiles/JP_e.htm

²⁰ <https://tradingeconomics.com/japan/balance-of-trade>

“Enhancing productivity and innovation-led growth through economic restructuring; supporting the rules-based multilateral trading system to ensure a predictable and fair trading environment; promoting trade liberalisation to create opportunities for all Singapore-based companies; and modernising Singapore's domestic regulatory regime with a view to facilitate trade“ (WTO, 2016, p. 3).

Singapore is the 14th largest exporter and the 16th largest importer in the world. Singapore is mainly exporting electrical machinery like computers and corresponding equipment. Compared to Japan, Singapore's trade balance was positive throughout the last years. Overall, trade is one of the most important contributors to Singapore's economy. “Trade accounted for approximately 60 % of Singapore's GDP in value-added terms [...]” (WTO, 2016, p. 3).

4.4.1. High Quality Brands and Effective Country of Origin Positioning

In section 3.3.3 it is highlighted why brands affect buyer decisions. The topic of this Master's Thesis are nation brands. This section analyses how commercial brands may affect or not affect their country's nation brands. The COO positioning is often related to commercial brands. In section 3.3.3 this was proven by the example of France. While wine and cheese from France are linked with good quality, French technology is not. Hence, wine and cheese brands from France have a different reputation than technology brands. Top export brands will be looked at more closely. Additionally, articles and secondary literature are used to analyse the COO positioning of Japan and Singapore.

Japan

Generally, Japan is known for manufacturing high-quality products. This section does not aim at analysing whether this assumption is true or not. But consumers have the perception that Japanese products are of good quality. Japanese companies selling cars and electronics are often linked to this perception. Japan's top five global brands in 2017 are Toyota, Honda, Canon, Nissan, and Sony²¹. These companies are known by a majority of people and they all either sell cars or electronics. Taking this ranking and the general perception of consumers into consideration, it can be concluded that Japan is known for good quality cars and electronics. Taking a look at other famous Japanese brands underlines this conclusion: Lexus, Subaru, Mazda, Suzuki, Panasonic, and Nintendo. All of these brands are within the top 20 of the best global brands in 2017. According to the Observatory of Economic Complexity (OEC), cars

²¹ <https://www.rankingthebrands.com/The-Brand-Rankings.aspx?rankingID=33>

made up 14 % of Japan's total exports and vehicle parts additional 4.5 %. Adding these two numbers, the car industry made up approximately a fifth of Japan's total exports. The importance of electronics is reflected in the number of exports of integrated circuits (4.6 %) and industrial printers (2.1 %) (OEC, 2017a).

Japan's most successful brand is Toyota. When looking at Forbes' 'The World's Most Valuable Brands' ranking, Toyota is listed number eight. One of the most outstanding facts is that numbers one to seven are brands from the US. Considering this, Toyota is the world's most valuable brand outside of the United States of America. Toyota's current brand value is approximately USD 41.1 billion. Just for comparison, Apple, with a current brand value of USD 170 billion, is the most valuable brand. Another outstanding fact is that Toyota is the world's most valuable automotive brand (Forbes, 2017).

Nowadays, clothing and cosmetics are moving into the limelight, even though Japan's most important branches – high-quality electronics and cars – still have the most significant impact on Japan's exports, which has been shown in the numbers presented above. UNIQLO and Shiseido are represented within the top 20 of the best global brands. While UNIQLO is selling clothes, Shiseido is selling cosmetics.

It can be summarised that Japan is known for good quality manufacturing products. Its most valuable and successful brands are operating in the fields of automotive and electronics. There is a vast number of Japanese brands well known to most people. Hence, this dimension is rated high.

Singapore

Singapore is an important economic player and the world's 14th largest exporter according to the WTO. According to the OEC (2017b), Singapore is mainly exporting integrated circuits (17 % of the total exports) and refined petroleum (15 % of the total exports). Although Singapore is economically successful, it still lacks an effective COO positioning and internationally known high-quality brands. In a case study about Thailand's nation brand, the country is compared to other South-East Asian countries, Singapore, Malaysia, the Philippines, and Indonesia. About high-quality brands in these countries, the authors write the following:

“This is due to the fact that, even though all these countries are the major exporters of many types of products, they are still lack of the [sic] strong brand names that can represent their countries’ images. In additions [sic], since most of products are only small component parts in electronic equipment (Singapore, Malaysia, and the Philippines) and agricultural produces (Indonesia and Thailand) which have enormous amounts of suppliers competing in the same market and there are not many differences in product’s characteristics, it is difficult for each company to develop its own brand that can obtain recognition from the buyers in the international level” (Prucpairojkul & Triamsiriworakul, 2008, pp. 75-76).

When talking about the COO positioning of Singapore, Prucpairojkul and Triamsiriworakul concluded the same. Singapore is a major exporter, but as it is mainly exporting small components inside of electronic equipment, it is difficult for the consumer to recognise the country of origin (Prucpairojkul & Triamsiriworakul, 2008, p. 76).

However, when researching brands from Singapore, some well-known names pop up. Razer is one of the most famous gaming companies worldwide. TWG Tea might look European, but it is actually from Singapore. The luxury hotel chain Banyan Tree was founded by the Singaporean businessman Ho Kwon Ping (Bay, 2014). When it comes to the airline industry, Singapore Airlines is currently ranked 3rd of ‘The World’s Top 100 Airlines’ (Skytrax, 2016). With a brand value of approximately USD 5.4 billion, Singapore’s most valuable brand is DBS Banks, which is a multinational banking and financial service cooperation (Brand Finance, 2017).

There might not be a real COO positioning in Singapore and there might not be well-known international brands, but all it is all the more notable that Singapore is such an important economic player and worldwide exporter. Considering this, Singapore is rated moderate for this key success factor.

4.4.2. Strategic Development of Target Markets

In order to brand effectively, it is important to know the most important business partners. Branding has many potential recipients in different branches of politics, economics, and society. Hence, there are various target markets. As this key success factor is part of the ‘Export Promotion’ dimension, target markets are primarily understood as trade partners. Nevertheless, target markets in terms of tourism are addressed as well. Different statistics from international organisations and governmental institutions are used to determine these target markets.

Japan

In terms of trade, China and the US are Japan's most important target markets. Although it must be mentioned that due to geographical proximity and economic development, Southeast Asian countries gain significantly higher importance. The US are Japan's major export partner, as 22 % of all exports are going to the US. This is because the US is the world's biggest vehicle importer, while Japan is one of the major exporters (Eurostat, 2016). Until recently, Japan and the US were part of TPP, a trade agreement between eleven countries. TPP encourages trade between its member countries, as it includes measures to remove non-tariff and tariff trade barriers. In January 2017, US president Donald Trump withdrew from TPP, a step which resulted in an uncertainty about the economic partnership between the US and Japan. In February 2017, President Abe and President Trump agreed to enter a bilateral economic dialogue, led by Michael Pence, Vice President of the US, and Taro Aso, Japan's Deputy Prime Minister and Finance Minister. As a result, in April 2017, working-level groups in three areas were established: trade and investment rules, cooperation on economic and structural policies, and sectoral cooperation (Harris, 2017). These efforts taken by the Japanese Government indicate that Japan acknowledges the US as a major economic partner and therefore as one of their target markets to do business with.

Japan's second biggest export partner is China, with a share of approximately 19 % of all Japanese exports. The relationship between Japan and China has a long history. Although the two countries share some cultural roots due to Buddhism, Japan and China mostly have a hostile history, especially since industrialisation. Both countries have always sought supremacy in the Asian region and are still pursuing this goal today. Two major events were the First Sino-Japanese War (1894-95) and the Second Sino-Japanese War (1937-45). Another significant dispute between Japan and China is the Senkaku Islands dispute (called Diaoyu Islands in China, but due to the Master's Thesis' focus on Japan from now on referred to as the Senkaku Islands). This long-running territory dispute is about a small island group in the East China Sea. The Senkaku Islands are close to major shipping lanes and rich fishing grounds. Additionally, there may be oil reserves in this area. Japan, China, and Taiwan all claim these islands as their own. These disputes are a high risk for the economic relationship between the world's second and third largest economies. Due to their geographical proximity and their economic strength, the two countries need each other. China is especially interested in Japan's expertise in energy efficiency and other eco-friendly know-how, as China suffers from environmental damage brought by the rapid industrialisation (Schuman, 2013).

According to the JNTO, Asian countries are Japan's major target markets in terms of tourism. In 2016, approximately 85 % of all tourists came from Asian countries. The two most important partner countries in terms of tourism are China and South Korea, as almost half of Japan's tourists are from one of these two countries. With a share of approximately 5 %, most Non-Asian tourists are from the USA (JNTO, 2016).

In summary, it can be said that in terms of countries, the US and China are Japan's major target markets. Due to territorial and historical disputes between China and Japan, the US might gain more significance in the near future. But in terms of regions, Asia itself should be Japan's major target market in terms of trade and tourism. The numbers presented in this section have proven that Japan sets strategic target markets. Due to geographical proximity and its advantages, economic relations with Asian countries are maintained, and due to its economic strength, it is clever to focus on the US, the world's leading economy. Nevertheless, although target markets are set, there is a lack of target-oriented marketing campaigns. Considering this, Japan is rated moderate-high for this key success factor.

Singapore

By looking at Singapore's top export partners, it can be observed that the main target market is Asia. With a share of approximately 13 % each, China and Hong Kong are the top importers of Singapore's goods and services. On the 3rd and 4th places are Singapore's neighbour countries Malaysia (11.6 %) and Indonesia (7.8 %). Within the top 10 export partners, there is only one non-Asian country, the US (6.9 %). The other five countries listed in the top 10 are Taiwan, Japan, South Korea, Thailand, and Vietnam (Workman, 2017b). Although Singapore has one of the best airports and one of the busiest ports in the world and is thus suitable for long-distance trading, closer Asian countries are clearly the major target market. All the countries mentioned above have increased their import purchases from Singapore over the past seven years. Considering this, Singapore is obviously focusing on the right countries. As Singapore is part of the Association of Southeast Asian Nations (ASEAN), trade with other ASEAN countries is easy and cheap, as intra-regional tariffs are low. It is therefore of little surprise that Singapore's main export and trade partners are other ASEAN countries.

In 2016, approximately 16.4 million people visited Singapore. Almost 78 % of all visitors were from Asian countries. Most visitors came from either Southeast or East Asia. Beside Asia, most visitors were from Europe, but with a share of only 10 %, Europe is by far not as crucial in terms of tourism as Asia. More visitors from Oceanian countries (7.1 %) than visitors from American countries (4.1 %) came to Singapore. One reason for this might be the

geographical proximity of Oceania and Singapore (STB, 2017b). These percentages indicate that Asia is Singapore's main target market, when it comes to tourism. As mentioned in section 4.2.4, the STB developed customised integrated marketing campaigns. The key markets mentioned on the STB's website are: China, India, Indonesia, Malaysia, the Philippines, Thailand, Vietnam, and Australia (STB, 2017c). As all of these countries except the last one are Asian countries, Singapore clearly practices target-oriented marketing. The STB officially recognised that most of the visitors are from Asian countries and they thus developed campaigns suited for certain countries. A closer look at the statistic presented by the STB on international visitor arrivals reveals that most visitors come from the above-mentioned countries. The top five countries are Indonesia, China, Philippines, India, and Australia (STB, 2017b).

While Singapore's main target market in terms of tourism and export partners are Asian countries, the situation is different when it comes to FDI. According to a statistic from the Singapore Government on FDI, the top three FDI sources 2015 were the US (USD 178.9 billion), Japan (USD 84 billion), and the British Virgin Islands (USD 78.2 billion) (Department of Statistics Singapore, 2016). In summary, it can be said that Singapore's main target markets in terms of tourism and exports are Asian countries. As trade with the top export partners is increasing and Singapore has developed customised marketing campaigns for the top tourism partners, there are clear target markets and target marketing is practiced. Considering this, Singapore's performance for this key success factor can be considered high.

4.4.3. Innovation

The last key success factor for this dimension is Innovation. In section 3.3.3, the significance of innovation – especially for developed countries like Japan and Singapore – has been demonstrated by Raymond Vernon's product life-cycle theory. When sales start to decline and consumer needs are satisfied, modifications or new inventions are the key to staying competitive.

The Global Innovation Index (GII) encompasses 127 economies, representing over 90 % of the world's population and approximately 98 % of the global GDP. As Japan and Singapore are both represented in the GII 2017, this index is used as main tool of analysis. The index relies on two sub-indices: the 'Innovation Input Index' and the 'Innovation Output Index'. The Input Index consists of five pillars, five elements of the economy enabling innovative activities. These are 'Institutions', 'Human Capital and Research', 'Infrastructure', 'Market Sophistication', and 'Business Sophistication'. The two output pillars – 'Knowledge and Technology Outputs' and 'Creative Outputs' – measure the innovation outcomes. Each pillar has two or more sub-

indicators (Cornell University, INSEAD, and the WIPO, 2017). Even though a lot of the pillars and sub-indicators of the GII are covered by the framework of this Master's Thesis, not every pillar and sub-indicator is mentioned and discussed. The analysis highlights Japan's and Singapore's major strengths and weaknesses according to the GII 2017. For easier understanding, the results of the input and output pillars are presented in form of tables. For more detailed information on the different sub-indicators, please refer to the source mentioned above.

Japan

Japan's GII 2017 rank is 14. This indicates that Japan is a highly innovative country. As the analysis of high-quality brands and the COO positioning in section 4.4.1 has shown, Japan is strong in the sectors car production and electronics. Being innovative is important for both sectors, as most customers are seeking the newest technologies and models. Table VI summarises the main results of the GII 2017.

Japan's GII 2017 Overview	Score (0-100)	Rank
Global Innovation Index (out of 127)	54.7	14
Innovation Efficiency Ration	0.7	49
Innovation Input Sub-Index	65.0	11
• Institutions	87.4	13
• Human capital & research	56.7	14
• Infrastructure	64.3	9
• Market sophistication	64.3	12
• Business sophistication	54.5	11
Innovation Output Sub-Index	44.0	20
• Knowledge & technology outputs	47.1	12
• Creative outputs	40.8	36

Table VI: Japan's Global Innovation Index Overview
Source: (Cornell University, INSEAD, and the WIPO, 2017, p. 241)

The country is ranked 11th on the 'Innovation Input Index'. One of Japan's major strengths is the 'Infrastructure' pillar. With several international airports, busy ports, and one of the most efficient railway networks in the world, Japan's infrastructure is very good. More detailed information can be found in section 4.2.2, where Japan's infrastructure has already been discussed in more detail. Another strength is the 'Research and Development' sub-indicator, which is part of the 'Human Capital and Research' pillar. Japan is ranked 3rd, which is mainly due to the fact that governmental expenditures on R&D are high. But not only the government is willing to invest money in R&D, as the GII 2017 shows, global companies in Japan are investing too.

On the ‘Innovation Output Index’, Japan is ranked 20th. When it comes to ‘Knowledge and Technology Outputs’, Japan’s performance is good (rank 12). Core strengths are the creation and diffusion of knowledge, while the sub-indicator ‘Knowledge Impact’ must be considered a weakness. When talking about output, Japan’s major challenge is the ‘Creative Outputs’ sub.index. While most of the sub-indicator’s scores are in the stable middle field, Japan faces problems when it comes to ‘Cultural and Creative Services Exports’. With regards to this Master’s Thesis topic, this performance must be viewed critically, as the export of cultural and creative services is important for promoting a country’s nation brand.

Japan’s core strength is R&D. While the overall performance of the country is good, most of the sub-indicators related to R&D are highlighted as strengths. This is one reason why Japan’s ranking on the Innovation Input Index is good. There are minor issues when it comes to the ‘Innovation Output Index’, as Japan faces some challenges regarding creativity output. According to the ‘Innovation Efficiency Ratio’, which is “[...] the ratio of the Output Sub-Index over the Input Sub-Index” (Cornell University, INSEAD, and the WIPO, 2017, p. 12), Japan is ranked 49th. This is because the ‘Input Index’ is stronger than the ‘Output Index’. Nevertheless, the overall performance of the country is good. Hence, this key success factor is rated high.

Singapore

According to The GII 2017, Singapore is very innovative. From all 127 encompassed economies, Singapore is ranked 7th. The input pillars are clearly Singapore’s strengths, as the country is rated 1st on the ‘Innovation Input Index’.

Singapore’s GII 2017 Overview	Score (0-100)	Rank
Global Innovation Index (out of 127)	58.7	7
Innovation Efficiency Ration	0.6	63
Innovation Input Sub-Index	72.3	1
• Institutions	94.4	1
• Human capital & research	63.7	5
• Infrastructure	69.1	2
• Market sophistication	71.2	4
• Business sophistication	62.9	2
Innovation Output Sub-Index	45.1	17
• Knowledge & technology outputs	47.3	11
• Creative outputs	42.9	32

Table VII: Singapore’s Global Innovation Index Overview
Source: (Cornell University, INSEAD, and the WIPO, 2017, p. 286)

As for ‘Institutions’, Singapore has a very favourable regulatory environment, a very favourable political environment, and a good business environment. After reading through the analysis of the ‘FDI’ dimension, this is of little surprise, as the political environment, the economic environment, and the administrative procedures have been discussed and rated as high. One of the sub-indicators of ‘Human Capital and Research’ is ‘Education’, which is one of the minor weaknesses of Singapore. From all encompassed 127 economies, Singapore is only ranked 102th when it comes to ‘Governmental Expenditures on Education’. Additionally, the pupil-teacher ratio for the secondary level is not ideal and Singapore only reached the 64th rank in this sub-indicator.

Although Singapore is ranked 1st on the ‘Innovation Input Index’, it is only ranked 17th on the ‘Innovation Output Index’. With an overall ranking of 11, the performance for the first pillar, ‘Knowledge and Technology Output’, is good, but not outstanding. But Singapore clearly faces some challenges according to ‘Creative Outputs’. With a low number of trademark applications, few national feature films produced, a low printing and publishing output, and few Wikipedia edits, Singapore is only ranked 32th in this pillar.

In summary, Singapore has many approaches to encourage innovation. This indicates that the country is trying hard to be and stay innovative. Nevertheless, there are problems with the output. Being 1st on the input part, but only ranked 17th on the output part indicates some obstacles to overcome. This conclusion is underlined by the ‘Innovation Efficiency Ratio’. According to this ratio, Singapore is only ranked 63rd. Nevertheless, this key success factor is rated high, as the overall score and the score of the ‘Innovation Input Index’ are very good.

4.4.4. Analysis

Both Japan and Singapore are islands and low on natural resources. Hence, they rely on trade. They import mainly natural resources and process them into export goods. As this is one key component of their economic performance, both countries are rated high in the ‘Export Promotion’ dimension. Table VIII summarises the results of the three key success factors.

	Japan	Singapore
High Quality Brands and effective Country of Origin Positioning	high	moderate
Strategic Development or Target Markets	moderate - high	high
Innovation	high	high
Dimension	high	high

Table VIII: Export promotion and its key success factors

Japan is one of the world's leading exporters of electronics and vehicles, there are many well-known brands. The country focuses on regional cooperation and trade with Asian neighbours, but foster close relationships with the world's leading economy, the US, as well. Additionally, Japan is considered very innovative and technically up to date. The only minor issue according to the 'Export Promotion' dimension is that there is a lack of target-market-oriented marketing campaigns. The analysis and discussion of the upcoming two dimensions 'Talent Attraction' and 'Culture and Brand Ambassadors' will show that there is a significant amount of Japanese who are hesitant to interact with foreigners. Japan's culture, virtues, traditions, business etiquettes, and habits are unique in many ways. Some Japanese are afraid that foreigners do not know enough about the unique "Japanese way" to respect it. Considering this, who if not the Japanese should know how different cultures can be and how important it is to consider these differences when it comes to marketing? The world is a heterogeneous place. When promoting a country's nation brand, countries are advised to consider these differences and to practice target-oriented marketing.

Although Singapore is small in terms of its area, its economy is very strong. The country is practicing target-oriented marketing and they develop personalised marketing campaigns for their major target markets. Additionally, the country is considered very innovative. Obviously, Singapore's marketing is working, as the country is attractive for trade, tourism, and investment. In terms of brands and country of origin positioning, Singapore clearly lacks well-known international brands. But considering that the country is famous for its financial and insurance sector, the lack of international super brands is not as crucial as it seems. Banks and insurance groups sell services, not goods. These services are attractive for companies and business people and they attract a significant amount of FDI, but the customer numbers cannot be compared to Japanese super brands like Sony and Toyota. These companies sell their products to customers all around the world and they enjoy a huge number of potential customers of all ages and income classes. Banks, insurance groups, and other companies operating in the financial sector have a smaller target market, but therefore this target market consists of people with money and power. Considering these circumstances, Singapore's performance is outstanding, as the country is able to attract investors and trading partners successfully, although there is this lack of well-known super brands.

4.5. Talent Attraction

This dimension is of interest for both countries for different reasons. As discussed in section 4.3.3, Japan faces the problem of having an ageing population. The workforce is expected to decline, resulting in a lack of qualified labour force. One possibility to overcome this shortage of skilled workforce is to attract talents from abroad. Singapore on the other hand has a very high share of foreign-born residents, suggesting that the country has been attractive to foreign talent already. Before the three key success factors of this dimension – ‘Reputation of Higher Education’, ‘Opportunity for Career Progression’, and ‘Favourable Residency Criteria’ – will be discussed, a general introduction for both countries is provided.

Japan

People in Japan are getting older, they tend to live alone, and the average family size is shrinking. Considering these developments, talent attraction is of utmost important for the country.

The number of people aged 65 or older accounts for 26.7 % of the total population. This is 3.7 % higher than five years ago. And this number is most likely to rise even further in the next five years. The Ministry of Internal Affairs and Communications of Japan (MIC) knows the percentage of people aged 65 or older is higher than ever before. The rise of 3.7 % over the last five years is explained by the fact that many Japanese belonging to the *dankai no sedai* – the baby boomer generation – have entered this age group during this period. The baby boomers refer to Japanese people born during the post-World War II period. Nevertheless, due to the declining birth rate and developments in medical science, the number of people aged 65 or older will increase even further. Another indicator for this further increase is the average size of families and wedding statistics. 32.5 % of all households are single households, making this type of living the largest segment of the population. Additionally, less people are getting married; approximately 32 % of men aged 15 or older and 23 % women aged 15 or older are not married (Yoshida, 2016). Although partners do not need to live together or be married to have children, this type of living sometimes indicates the preference of not having a family and children. Considering these developments, Japan faces serious challenges to keep the level of skilled workforce high, as these conditions are resulting in labour shortages. It is essential for the country to attract talents from abroad. Japan is opening up to foreign workers already, as the country has realised the need for them (Curran, 2016). The analysis of the three key success factors will show whether the basic conditions for attracting foreigners to Japan are sufficient.

Singapore

While Japan is in need of foreign talents, Singapore somehow faces the opposite problem. Singapore's percentage of foreigners is round 65 %. But is this a reason to panic? Other micro-states like Monaco, the United Arab Emirates, Macau, or Vatican City have similar or even higher ratio of foreigners. Small states like these are relying heavily on foreign labour. Additionally, small states are often geographically limited and they need to import basically everything. Not only natural resources, food, or sometimes even water, but foreign labourers too. In the case of Singapore, it is important to keep in mind that foreign-born permanent residents make up around 10 % of the population. If these permanent residents are viewed as part of the citizenry, the percentage of foreigners would be around 42 %, thus significantly lower than the above mentioned 64 % (Yeo, 2016).

It is of little surprise that a lot of Singaporeans are not happy about this situation. Many citizens believe that foreigners are taking their jobs. And at least to a certain extent, they are right. The Singapore Government has tried to react to the concerns of its citizens. A policy called the Fair Consideration Framework (FCF) was introduced in 2013. The policy "[...] requires all employers to consider Singaporeans fairly for job vacancies. They should only hire an expat if no suitable Singaporeans apply within two weeks. The rules only apply to jobs paying less than \$12,000 Singapore dollars per month (about £5,850) and to companies with 25 staff or more" (Curtis, 2014)²². Although the FCF should ease the situation, some Singaporeans still feel betrayed. They claim that employers simply require qualifications that a Singaporean would most likely not have. Whether this is true or not, the situation in Singapore is precarious.

The increase of foreign residents has slowed down over the past years. "Although it seems that we've held off the growth in the foreign population, Singaporeans will need to fill the void after these foreigners leave. How do we adjust quickly enough to meet the needs of the future economy without cheap foreign labour?" (Yeo, 2016). Yeo's question underlines that, compared to Japan, Singapore struggles with the opposite situation. While Japan needs to increase the number of foreign workers, Singapore is trying to reduce the foreigner-citizen ratio. How the current situation in Japan and Singapore influences these goals is discussed in the upcoming three sections.

²² about USD 8.8 thousand

4.5.1. Reputation of Higher Education

Attracting foreign students is one way of attracting talent. It is difficult to measure higher education. The number of enrolments in tertiary education does not say much about the quality of the education itself. To get an idea about the quality of higher education, a closer look at the universities is taken. The findings of Times Higher Education (THE) are used. These findings include The World University Rankings 2016-2017. The results of Japan and Singapore are compared to the world's performance and to Asia's performance.

Japan

According to The World University Ranking 2016-2017, there are only two Japanese universities within the top 100. On the 39th place is the University of Tokyo and on the 91th place is the Kyoto University. As Japan is one of the world's leading economies, this result might be surprising. Looking only at Asia, there are twelve Japanese universities within the top 100. But what is even more interesting is the ratio of international students at these universities. Only three out of these twelve universities have a percentage of international students higher than 10. These are the University of Tsukuba with 17 %, the Tokyo Institute of Technology with 13 %, and the Kyushu University with 12 %. Compared to the world's top universities, these percentages are low. Currently, according to the THE ranking of 2016-2017, the University of Oxford is considered the best university worldwide. With 35 %, Oxford has more than three times as many international students than the University of Tokyo (10 %). At the Kyoto University, only 7 % of the student body are international students. Overall, at least 20 % of all students of most universities within the top 100 are international students (Times Higher Education, 2017b). The percentage of international students might not be an indicator for the quality of the university itself, but the percentage is interesting in terms of talent attraction. According to the above-mentioned percentages, Japan's universities are either not attractive to foreign students or it is too difficult to enter the country as a foreign student. Whether the last is true or not is discussed in section 4.5.3, when a closer look at residency criteria is taken. Although Japan has a lot of universities and there are many possibilities to obtain higher education, the quality of these universities is only average according to The World University Rankings. Additionally, the percentage of international students is low compared to world's leading universities. Hence, this key success factor is rated moderate.

Singapore

As in the case of Japan, there are two Singaporean universities within the top 100 universities worldwide. On the 24th place is the National University of Singapore and on the 54th place is the Nanyang Technological University of Singapore. Additionally, these two universities are the only ones listed in the Asian top 100 universities (Times Higher Education, 2017b). But as Singapore is much smaller compared to Japan, it is of little surprise that there are fewer universities in Singapore than in Japan. What is important to mention – especially regarding talent attraction – is the number of international students at the above mentioned two universities. Thirty-two per cent of the student body of both the National University of Singapore as well as the Nanyang Technological University of Singapore are international students. This number confirms the assumption made in the introduction to this dimension. The share of foreigners is high in Singapore, hence the share of international students obtaining higher education in Singapore is too. It was mentioned in section 4.5 that Singaporeans tend to be unhappy about the high number of foreigners in the country. The same is true for higher education institutions.

“Singapore has positioned itself as a Global Schoolhouse since 2002 and thus has launched a series of policies to reform its higher education sector. This Global Schoolhouse initiative is considered as an important strategy of the nation opening up its territory to the presence of foreign higher education providers and consumers and hence corresponding to globalisation. However, there is a growing sentiment among Singaporeans against this “open-door” policy, as local university places are lost to international students. Such a sentiment forces the Singaporean government to make changes in its strategic direction” (Yat Wai Lo, 2014, p. 263).

While this little excursion does not say much about the quality of education, it is important regarding talent attraction, as it highlights once again the importance for Singapore to balance the ratio between foreigners and citizens. Although there are only two Singaporean universities represented within the top 100, these two universities enjoy a good reputation, especially among Asian universities. The National University of Singapore heads the list of the best Asian universities and the Nanyang Technological University of Singapore is on the 4th place (Times Higher Education, 2017a). Considering the results of the Asia University Ranking 2017 and the World University Rankings 2016-2017, this key success factor is rated high.

4.5.2. Opportunity for Career Progression

While the quality of higher education is important to attract foreign students, the opportunity for career progression is often an important factor to consider when deciding whether to stay in a country after finishing tertiary education or not. Career Progression is difficult to measure as it is difficult to forecast future developments. As mentioned in section 3.3.4, the GDP growth rate helps to draw conclusions about the present economic situation and Hofstede's cultural dimensions are used to make assumptions about the possibility of career progression according to cultural stereotypes.

Japan

Japan is one of the world's biggest economies. Its annual GDP growth rate was 1 % in 2016. Other high-income countries had an annual GDP growth rate of approximately 1.7 %, while the average of the East Asia & Pacific region is 4.1 % (The World Bank, 2017c). Considering the results of these benchmark markets, Japan's current GDP growth rate is low. But as Japan's economy has already been strong with one of the highest GDP's in the world, the lower GDP growth rate is not as critical as it seems.

In section 3.3.4, three of Hofstede's cultural dimensions have been introduced and their relevance for career progression has been discussed. Out of a score of 100, Japan's 'Power Distance' is 54, its 'Masculinity' is 95, and its 'Uncertainty Avoidance' is 92 (The Hofstede Centre, 2017a). The moderate score in the 'Power Distance' dimension indicates that Japanese tend to accept that power is distributed unequally and that they are open to career progression. Nevertheless, the high score for the 'Uncertainty Avoidance' dimension shows that people tend to be on the safe side and hesitate to take risks. Therefore it might be difficult for newcomers in a company to make a fast career progress. Additionally, as the Japanese tend to be sceptical towards foreigners, career progression for non-Japanese is most likely to be even more difficult. The high score in the 'Masculinity' dimension indicates that there is a certain inequality between males and females, resulting in a high degree of gender disparity. Considering this, career progress for women is less likely than for men (Prucpairojkul & Triamsiriworakul, 2008, pp. 79-80). With a low GDP growth rate, a high 'Uncertainty Avoidance' and a high 'Masculinity', career progress for foreigners is difficult. Hence, this key success factor is rated low.

Singapore

Singapore's GDP growth rate is approximately 2 %. This rate is above the average of other high income countries (1.7 %), but lower than the one of other East Asian & Pacific countries (4.1 %). Singapore's GDP growth rate is very unstable. Since 2009, the GDP growth rate was between -0.6 % and 15.2 % (The World Bank, 2017d).

When looking at Hofstede's dimension, the situation is different to Japan's. The 'Power Distance' score is 74, the 'Masculinity' score is 48, and the 'Uncertainty Avoidance' score is 8 (The Hofstede Centre, 2017b). Singapore has one of the lowest scores of 'Uncertainty Avoidance' worldwide, and a very low 'Masculinity' score compared to the Asian region. This signifies that Singapore's society has a low inequality between social classes and a low discrimination against women. Additionally, the low 'Uncertainty Avoidance' indicates that the country is open to changes. Considering these scores, it can be concluded that the chance for career progression for foreigners is good, even regardless of genders. Additionally, other societies with a relatively high 'Power Distance' and a low 'Uncertainty Avoidance' are said to be open to changes that might come with new employees of the company (Prucpairojkul & Triamsiriworakul, 2008, pp. 79-80).

According to the annual GDP growth and the results of Hofstede's Cultural dimensions, it can be summarised that Singapore is open to foreigners and the economic environment gives the opportunity for career progression, regardless of nationality and gender. Therefore, this key success factor is rated high.

4.5.3. Favourable Residency Criteria (for Visa, Passport, etc.)

A high-quality education and the opportunity for career progression are two out of many reasons why a country might be attractive to foreigners, but favourable residency criteria are a prerequisite for working or living in a certain country. In this section, a look at visa and passport regulations is taken.

Japan

Like many other countries, Japan offers options for entering the country for short-term stays up to three or six months, depending on your country of origin. As foreigners are not permitted to study or do any remunerative activities, the different regulations regarding short-term stays are not discussed in greater detail.

For students and employees, there are 27 different visa types. Some of them are working visas – different types for different professions – and some of them are non-working visas. Generally, working-visas allow foreigners to work. Nevertheless, working visas are only for high level of professional knowledge or skills. Foreigners are not allowed to engage in manual or simple labour, “[...] unless they have the visa granted according to the family status (spouse/child of Japanese national, long term resident, etc.), a trainee visa, or are part-time workers on student or dependent visas” (June Advisor Group, 2017). In March 2012, a special High Skilled Professional visa was introduced with the aim to attract workers who contribute to Japanese economy. Students can stay in Japan with a non-working visa for students. The application is submitted through the school.

In addition to these working and non-working visas, there are family related visas and the possibility to obtain a permanent resident visa. Although there are many options, the procedures are difficult and often combined with time-consuming administrative procedures.

“Inn[sic] most cases, it is required to have a hosting organization (company, entity, or some kind of business related organization), or inviting person (commonly known as a "visa sponsor") to be able to get a visa in Japan, such as a school in case of a student visa or an employer in case of a working visa” (June Advisor Group, 2017).

Detailed information on how to obtain a visa and what type of visa is needed is provided by the MOFA. Information is provided in English. Some documents, like the visa application forms, are available in Chinese, Korean, Portuguese, and Spanish. A guide on how to live in Japan, including some useful Japanese terms, emergency numbers, and so on, is offered in the same languages. Considering this, the information foreigners need is easy to obtain (MOFA, 2017c). In summary, it can be said that there are many different visa types for workers, students and family members, but administrative procedures are tough. Considering this, this key success factor is rated medium.

Singapore

Beside the option of short-term visits, there are different options for foreigners to study, work, or live in Singapore. The Singapore Government works with passes. There is a Student’s Pass and there are different types of Employment Passes (or working permits). The section following introduces some of these passes.

If students want to study in Singapore, they need a Student's Pass. "A foreigner is required to apply for a Student's Pass if he/she has been accepted by an educational institution to pursue full-time studies in Singapore" (ICA, 2015). As there are different types of educational institution, there are different ways of applying for the Student's Pass. For example, if a student from abroad wishes to study at a university in Singapore, he or she must first be accepted by the university before applying for a Student's Pass. In most cases, this procedure does not take long and students are able to obtain their passes within two weeks.

There are different types of working permits. According to the Ministry of Manpower (MOM) "[a]ll foreigners who intend to work in Singapore must have a valid pass (commonly known as a work visa) before they start work" (MOM, 2017). There are permits for professionals, for skilled and semi-skilled workers, for trainees and students, and for family members. Depending on the reason for seeking an employment pass, one has to choose the correct type. According to the MOM, the foreign workforce holding a working permit was 1.4 million in December 2016. As the total labour force was 3.67 million during this time, almost 40 % of the labour force were holding a working permit or employment pass. Normally, the employer or an employment agency must apply for the working permit; most permits are valid up to two years before they must be renewed.

The goal for most pass holders is to obtain a Permanent Residence Visa, as this visa type frees foreigners of any other visa restrictions. Permanent Residence Visa holders can travel in and out of the country whenever they want, and they no longer need any working permit (Visa Express, 2017).

Although Japan as well as Singapore offer different visa options, it is easier to obtain a permit in Singapore, as the Singaporeans are used to and most often willing to work with foreigners. Additionally, as English is the first language, communication is easy in most cases. The MOM provides detailed information in English on the different types of passes. Further, they offer information on employment agencies and foreign employee dormitories. This indicates that the government is prepared for foreign workers and is willing to provide support. Considering all these facts, this key success factor is rated high.

4.5.4. Analysis

After reading through the introduction of this dimension, the results summarised in Table IX are of little surprise. While Japan is facing some struggles in each key success factor, Singapore is rated high in all of them. Singapore's foreign population and foreign workforce are high and, as a small island, Singapore often relies on these foreigners. Nevertheless, as mentioned in

section 4.5, there are critical voices within society regarding foreigners, as they allegedly take jobs and opportunities. Considering this, Singapore's overall performance in this dimension might be too good. Obviously, the country provides foreigners with good options in terms of education, career progression, and living. As long as the conditions for foreigners are this good, Singapore stays attractive for them. The analysis of Hofstede's dimensions has proven that this openness towards foreigners is rooted deeply in Singaporean society. The future will show if this openness changes due to the current socioecological environment. Although the good result in this dimension might be counterproductive if Singapore wants to reduce its number of foreigners, the result is outstanding in terms of nation branding, as the country provides excellent conditions for foreigners and cultivates an open-minded and welcoming image.

	Japan	Singapore
Reputation of Higher Education	moderate	high
Opportunity for Career Progression	low	high
Favourable Residency Criteria (for Visa, Passport, etc.)	moderate	high
Dimension	moderate	high

Table IX: Talent attraction and its key success factors

Japan's overall performance in terms of 'Talent Attraction' is by far not as good as Singapore's. Firstly, Japan needs to increase its number of foreign workers, as Japan is an ageing society and will face labour shortages in the future. These shortages need to be compensated with talented foreign workers. This highlights the urgent need to create welcoming conditions for foreigners. But as Table IX shows, there is still a long way to go. The percentage of foreign students in higher education and the possibility for a foreigner's career progression are low. Additionally, Japan's society is masculine-oriented and 'Uncertainty Avoidance' is high. This indicates that changes are difficult to achieve. Although the current situation is not foreigner-friendly, the Japanese Government has recognised the need for change. If Japan wants to increase its nation brand image, 'Talent Attraction' is a good way to start. There are visa possibilities for foreign workers and students, but bureaucracy is complex. It is advisable to offer special help to foreigners who want to apply for a student or working visa. According to Hofstede's dimensions, major parts of the Japanese society are not open towards foreigners. Japan has a unique culture and many Japanese are afraid that foreigners lack respect for these cultural virtues and are not able to adapt accordingly. These views might be changed if Japanese were confronted with more foreigners in their country to see that their fears are unfounded.

4.6. Culture and Brand Ambassadors

The last dimension analysed in this Master's Thesis addresses the cultural components of nation brands. Three possibilities of how culture can influence nation brands are discussed. Firstly, culture can be used as a matter of diplomacy. Cultural diplomacy underlines a country's heritage and uniqueness. Secondly, famous and influential people can use culture to promote their own country. Further, symbols like national flags, flowers, or other icons can be used to make people think about a certain nation when seeing them. Thirdly, social media is an important tool to inform, update, and reach people all over the world. Thus, social media can be used as tool to promote culture. These three components of culture are discussed in detail after a general overview for each country is provided.

Japan

It is said that Japanese culture is diverse, but most often it is only differentiated between traditional and popular culture. Traditional culture includes the Japanese cuisine, which is famous for far more than sushi and sashimi. The Japanese tea ceremony is not only a simple tradition, but a very old one; Buddhists used tea ceremonies as early as the 9th century for religious rituals. Temple and shrine visits are part of many public holidays, such as New Year's Eve. Additionally, Japan has its own art culture, including *noh* and *kabuki*, the traditional performing arts. People all over the world enjoy *origami*, the art of paper folding, which also originated in Japan. A possibly less famous cultural tradition is *ikebana*, the art of flower arrangement. These parts of traditional culture are very important to many Japanese, but popular culture is on the rise. Popular culture includes Japanese fashion, anime and manga, cosplay, and theme cafés and restaurants like maid cafés, cat cafés, robot restaurants (The Japan Travel Centre, 2017). As the above-mentioned examples of Japanese culture show, the cultural heritage of Japan is indeed very diverse. But which aspects of culture are used for diplomatic and branding activities? Does Japan try to sell itself as a traditional country? Or as modern and trendy? Or are both tradition and popular culture important to 'get the real Japanese image'? The analysis of the three key success factors provides the answer.

Singapore

As mentioned before, Singapore has four official languages and a very diverse population. Although most Singaporeans are Chinese, there is a high proportion of Malaysians (13.3 %) and Indians (9.1 %). This diversity is reflected in Singapore's culture. According to the VisitSingapore homepage, the "melding of Singapore's rich tapestry of cultures into a harmonious collective is the country's biggest attraction" (VisitSingapore, 2017b). Singapore

offers Chinese temples, pagodas, Hindu temples, mosques, and Christian churches. The streets of Singapore reflect the diversity of its population. Thanks to this diversity, Singaporeans and tourists can expect cultural celebrations thorough the year, as Chinese, Hindu, and other festivals are celebrated. Another important aspect of Singapore's culture is food.

“The rich heritage of Singapore is also evident in the wealth of food choices. Food centres such as Maxwell Food Centre are one-stop venues with different ethnic cuisines all under one roof. Newer additions to Singapore's colourful ‘foodscape’ include celebrity restaurants and trendy eateries in heritage districts” (VisitSingapore, 2017a).

Compared to Japan, Singapore is a young country. Accordingly, there is no distinction between traditional and popular culture, but between Chinese, Hindu, Malaysian, and other cultures. This is certainly one outstanding aspect that distinguishes Singapore from most other countries. The analysis of the key success factors following will show whether this diversity is used to promote Singapore's nation brand.

4.6.1. Cultural Diplomacy

Recently, many nations have been using culture as a mean of diplomacy. Governments all over the world recognise the power of music, art, fashion, films, and other parts of culture. This section aims at analysing whether Japan's and Singapore's governments are using ‘Cultural Diplomacy’ as part of their nation branding strategy. Further, if ‘Cultural Diplomacy’ is practiced, it is analysed which parts of culture are used for these diplomatic purposes. Most data needed to analyse this key success factor is gathered from information provided by official governmental institutions.

Japan

As stated on the website of the MOFA “[c]ulture, alongside politics and the economy, is an important field within the diplomacy of Japan, and its role has become more and more important in recent years” (MOFA, 2014). Japan has a long history and this history was often embossed by military actions and expansionary policy. Especially before and during World War II, Japan was said to be a military and not a cultural superpower. But quickly after the drop of the two atomic bombs and the end of World War II, Japan's government emphasized on creating the image of a peaceful and friendly nation, focusing on its cultural power (Cannon, 2012, p. 110). The MOFA established the Japan Foundation in 1972. The main objective of the Japan

Foundation was to promote cultural exchange with other countries. During that time, the focus was clearly on traditional culture, for example *kabuki*, *noh*, *bunraku*, *ikebana*, and tea ceremony (Ogoura, 2009, p. 47). This traditional focus shifted in 2004, when the Public Diplomacy Department with its Cultural Affairs Division was established within the MOFA. Ever since, emphasis has been put on popular culture like manga, Japanese pop music, fashion, or animation (Nakamura, 2013, pp. 3-4). At the same time, the slogan ‘Cool Japan’ emerged.

“The Japanese government attached the slogan ‘Cool Japan’ to its nation-branding projects around 2005. This was a few years after the famous ‘Gross National Cool’ expression was coined by American journalist Douglas McGray (2002). Since then, the Cool Japan phenomena has become a site of intensive focus for scholars in Japanese studies, particularly from the points of view of popular culture and creative industries [...]” (Valaskivi, 2013, p. 1).

By using pop-culture as well as traditional culture and arts, the MOFA is trying to improve the understanding and trust of Japan. The current focus is on manga and anime, as these are popular among young people all around the world (MOFA, 2017b).

One effort of the MOFA was the establishment of the Japan International MANGA Award in 2007 (MOFA, 2007). Manga creators are awarded for their contribution to the spread of the manga culture overseas and further, to foster the international exchange through manga. In 2008, the Anime Ambassador project was established. ‘Doraemon’, a famous blue anime cat, was appointed as Anime Ambassador. On this opportunity, the Doraemon Movie was translated into five languages and screened in 67 countries worldwide as of January 2017. Recently, cosplay is gaining a strong international popularity. The MOFA is conferring a Foreign Ministry’s Prize on the best costume-player at the World Cosplay Summit, the biggest cosplay event held in Japan since 2007 (MOFA, 2017b).

The analysis of this key success factor shows that Japan has been focusing on cultural diplomacy since the end of World War II. Although traditional culture plays a significant role, the current focus is on popular-culture like anime, manga, and cosplay (MOFA, 2017). The MOFA has established different awards and is trying to promote Japan’s culture abroad. The strong efforts of the Ministry, together with the clear focus on popular-culture and its success, are the reasons why this key success factor is rated high.

Singapore

Like most Asian countries, Singapore has recognised the need, the importance, and the power of cultural diplomacy. As Yan Shin Leong, a Member of the Singapore Parliament and member of the Advisory Board of the Institute for Cultural Diplomacy Singapore says:

„Cultural Diplomacy has been in existence since time immemorial. Traders, pilgrims, explorers, musicians and artisans can be considered examples of informal ambassadors or cultural diplomats. The establishment of trade routes and trading centers enabled frequent exchanges of ideas, information and gifts between individual“ (Cultural Diplomacy News, 2015).

Singapore is a small country and security and stability largely depend on good relations with neighbouring states. One way of fostering the relationship with neighbouring states is cultural diplomacy. Singapore's cultural diplomacy efforts are clearly centred on art. The National Arts Council (NAC) – an institution of the Singapore Government - supports the overseas presentations of and the development of opportunities for national artists. Especially since the launch of the Cultural Diplomacy Fund in 2014, the NAC was able to further foster international cooperation. In 2015, a Memorandum of Understanding with the British Council was signed. Greater cultural collaboration is fostered in areas such as arts and disability, playwriting and cultural leadership (NAC, 2017).

But art is not the only mean of cultural diplomacy. One of the most famous cultural diplomacy projects of the government was “A Dash of Singapore Culinary Diplomacy”. In 2011, the Embassy of the Republic of Singapore in Washington D.C. hosted an event which combined culinary tradition and music. “Culinary diplomacy has shown that it can create pathways to resolving conflicts, at times more effectively than traditional diplomacy“ (Harish, 2016). The embassy promised a journey of gastronomical discovery, an evening full of music, and a book presentation about traditional Singaporean family recipes.

Further, the government uses local films to distribute culture abroad. One cultural diplomacy project of the Ministry of Culture, Community and Youth (MCCY) and the Ministry of Foreign Affairs (MFA) includes ten feature-length and ten short films which are sent to Singapore's diplomatic missions. According to the MFA, the project aims at “profiling Singapore's cultural offerings aboard and developing international opportunities for our artists and institutions” (Heng , 2015).

The above-mentioned examples of cultural diplomacy projects prove that Singapore is using cultural diplomacy. Arts, food, and films are central. Further, the research has shown that Singapore focuses on culture in general and not necessarily on Singaporean culture. While anime, manga, *ikebana*, and so on are clearly associated with Japan, the means of culture used by the Singapore Government are not. Hence, this key success factor is rated moderate. Cultural diplomacy is practiced, but more for fostering international relations and not for presenting the culture of Singapore itself.

4.6.2. National Symbols and Brand Ambassadors

Culture can be transmitted and promoted through different channels. Using national icons like flags, flowers, or other symbols can increase the recognition value of a country's nation brand. Further, brand ambassadors are a mean of promotion. In the upcoming sections, the existence and the use of these icons and ambassadors is analysed. The main tool of analysis are newspaper articles and information provided by official governmental websites.

Japan

In the section following, some of Japan's most remarkable national symbols are introduced. The national flag of Japan is a rectangular flag, with a white background and a crimson-red disc in the middle. In Japanese, the flag is called *nisshōki* (sun-mark flag), but more commonly referred to as *hi no maru* (circle of the sun). The crimson red represents sincerity and passion, while the white represents purity and honesty. The red circle further symbolises the sun, which is one of the main reasons why Japan is often called the 'Land of the Rising Sun'. The sun plays a significant role in Japanese mythology, as the Emperor is said to be a direct descendant of Amaterasu, the goddess of the sun. The flag, its meaning, and its colours are clearly used for nation branding matters. Japan's nation brand 'Japan. Endless Discovery' uses a logo similar to the national flag. A red circle, surrounded and covered by white cherry blossoms. Cherry blossoms are the national trees/flowers of Japan – another national symbol used for nation branding and cultural diplomacy (Smith, 2001). The 'International Manga Award' introduced in section 4.6.1 uses a logo of red and white. The JINTO decided for red and white as its main colours. These are just a few examples of how the national flag and the national flower/tree are used to represent the country.

In section 4.6.1, the Anime Ambassador Doraemon was mentioned. But Doraemon is not the only ambassador used to promote Japanese culture. In 2009, the MOFA introduced three 'Kawaii Ambassadors' (Ambassadors of Cuteness). These three 'Kawaii Ambassadors' have

the main mission of transmitting new trends of Japanese pop culture, especially in the field of fashion, to the rest of the world. Further, they should promote the understanding of Japan by participating in cultural projects carried out by the Japan Foundation and the Japanese Embassies (MOFA, 2009). One of the ambassadors is dressed like a Lolita, another one like a Japanese school girl, and the last one represents the Harajuku style. The three young women are sent to different events around the world to represent and promote Japan's fashion and its culture. In 2020, Japan will host the Winter Olympics and Paralympics.

“Japan is also surprisingly self-aware. Instead of denying the massive nerd culture and pretending that people don't come here for the anime, they have decided to put characters front and center by plastering them on every marketing opportunity available. Japan has decided to go all-out by making their “cultural ambassadors” a bunch of anime characters” (Martin, 2017).

Once again, Japan tries to use its pop culture to promote the country. The above-mentioned national symbols and the use of different brand ambassadors has proven that the Japanese Government tries to focus on pop culture in terms of promotion, but clearly does not deny its roots and history. As both symbols and ambassadors are used throughout the government's nation branding and cultural diplomacy efforts, this key success factor is rated high.

Singapore

Singapore's national flag consists of two equal, horizontal sections. The upper half is red, the lower half is white. The upper left red section is occupied by a crescent white moon and next to the moon are five white stars arranged in a circle. The colour red stands for universal brotherhood and equality of man, while the white colour represents pervading and everlasting purity and virtue. The moon represents a young, striving nation and the stars symbolise Singapore's ideals of democracy, progress, peace, justice, and equality. Another national symbol of Singapore is the Lion Head. It symbolises courage, strength, and excellence. The head is red and the background is white – the colours of the national flag. The lion's mane consists of five parts; they represent the same five ideals as the stars of the national flag. Singapore is said to be the garden city. Flowers are everywhere and are an important part of Singapore's culture. The national flower is an orchid, the Vanda Miss Joaquim (National Heritage Board, 2015). In section 4.2.4, Singapore's Nation Brand ‘YourSingapore’ was introduced. The logo consists of different coloured and sized cubes, arranged in the same way as the shape of Singapore. The logo of the STB is green. Neither the national colours nor the

national symbols are incorporated in the nation brand. Also, they are not used by the main tourism board.

As mentioned in section 4.6.1, Singapore is using art as its main tool of cultural diplomacy. Artists are used as citizen ambassadors. Solo presentations as well as internationally renowned platforms and international collaborators on arts-based projects are used to promote social change. Citizen ambassadors are partnered in more than 800 projects around the world, connecting communities and strengthening intercultural understanding” (Singapore International Foundation, 2017). Unlike Japan, Singapore does not use a few well-selected famous characters or people as ambassadors. The government tries to involve many people who

“[...] possess a passion for Singapore and look towards connecting with the global community for greater understanding between countries, to build a better world. By strengthening and building people-to-people connections, Citizen Ambassadors share knowledge, skills and experiences to enrich the lives of others” (Singapore International Foundation, 2015).

Singapore’s national symbols clearly have deep meaning, but at first glance it seems as if the country does not use these symbols for nation branding reasons. Still, the government tries to use ambassadors to promote the nation’s culture. As for now, it seems more like an idea and an effort instead of a real nation branding and cultural diplomacy tool. Hence, this key success factor is rated moderate.

4.6.3. Broadcasting and Social Media

The internet made it possible to distribute any kind of information and content fast and without great expenses to a significant percentage of the world’s population. Politicians and governmental institutions nowadays use the internet to inform people and to promote their work. In this section, a look at the biggest social media and broadcasting platforms – Facebook and YouTube – is taken. It will be analysed whether the ministries and tourism boards – who are the main nation branding and cultural diplomacy players – are represented on these platforms or not. Further, if they are represented, numbers of followers and posting and updating schedules will be given. Finally, the content of postings and updates will be discussed.

Japan

Although nation branding and cultural diplomacy are mainly the responsibility of the MOFA, the MLIT and the Ministry of Education, Culture, Sports, Science, and Technology (MEXT) are involved too. Around 122,000²³ people are currently following the MOFA's English Facebook page. The MLIT does not have a Facebook page and the MEXT only has a Japanese one with 72,500 followers. This shows that only the MOFA uses Facebook to distribute content to foreigners, as most foreigners are not able to speak Japanese and therefore must rely on English content. The MOFA updates its Facebook page at least daily. The focus of these posts is the work of the minister himself. Hence, the MOFA is using its Facebook page for diplomatic purposes, but not primarily for cultural diplomacy matters. Nevertheless, the MOFA's cultural diplomacy projects like the 'International Manga Award' and the 'Cosplay Summit' are promoted on the MOFA's Facebook site. The MOFA uses YouTube as well. The 'mofachannel' has around 17,400 followers and updates regularly. Depending on the topic, updates are either daily, weekly, or sometimes only monthly. The content is similar to the content on the Facebook page. Still, there are promotional videos like 'Japan: Fascinating Diversity' in different languages, but most of the English videos have less than 100 clicks in total. This shows that while the MOFA offers content for foreigners to promote the country, the videos are rarely watched – the general interest is therefore low.

The JNTO has several English Facebook pages. "Visit Japan for U.S. fans" with more than 370,000 followers, "Visit Japan Now", the page of JNTO Singapore with approximately 920,000 likes, or "Visit Japan International", with more than 520,000 likes. The pages are updated daily and the posts aim at attracting tourists and foreigners. Most posts are about parts of the Japanese culture. The JNTO additionally has a YouTube channel for 'Visit Japan' with approximately 33,800 followers. The channel offers videos in different languages including Japanese, English, German, Vietnamese, Russian, Chinese, and many more. The content is similar to the content on the Facebook page. Sometimes certain regions of Japan are concentrated on, sometimes certain cultural or daily life aspects.

In summary, it can be said that both ministries and tourism organisations use social media and broadcasting channels, that the content goes along with the nation's overall nation branding and cultural diplomacy projects, and that these channels have a certain number of followers. Still, there is room for improvement, especially, when it comes to content. There is

²³ The numbers of likes and followers for the whole section are of February 6th 2018.

a clear separation between formal, official content – which is posted by the ministries – and informal, promotional content, which is posted by the tourism organisations. And, as numbers have shown, the latter category is more popular on social media and broadcasting channels. Overall, this key success factor is rated moderate to high.

Singapore

Two ministries are involved in nation branding and cultural diplomacy activities, the MCCY and the MFA. Both ministries have a Facebook page. The MCCY has almost 102,000 followers. They update their page several times a week, but not on a daily base. The content is diverse, as they post updates about topics like sports, food, upcoming events and festivals, and so on. The most interesting fact is that – compared to Japan – the ministry does not focus on official, formal, and mainly political content. Politicians are mentioned rarely. The MCCY has a YouTube channel with approximately 400 followers. The updates are less frequent, but the content is similar to the content on Facebook.

The MFA has currently 4,045 followers on Facebook. The page is updated on a daily basis. The content is much more formal than the content of the MCCY. Politicians and ministers are mentioned more often. The posts usually focus on their work. Although there are some videos posted on Facebook, the MFA does not have its own YouTube channel.

The STB has its own Facebook page: VisitSingapore. The page has currently more than 2.8 million followers, which is by far the highest number out of all the Japanese and Singapore institutions involved in nation branding and cultural diplomacy activities. The page is updated five to seven times a week. The content is chosen wisely, as it promotes art and food, the two main components of Singapore's cultural diplomacy. Additionally, festivals and events are promoted. VisitSingapore has its own YouTube channel, with approximately 21,700 followers. Its purpose is promoting Singapore as a tourism destination, but especially Singapore food is often the focus of the videos.

Overall, it can be said that the government and its institutions are active on social media and broadcasting platforms. They have many followers and the content aims at promoting Singapore as a tourist destination. Additionally, Singapore's culture, especially food and art, is promoted. Hence, these channels are used for nation branding and cultural diplomacy activities. This key success factor is rated high.

4.6.4. Analysis

Cultural diplomacy can be an efficient tool for governmental institutions to promote their culture, which is an important part of a nation's society. For nation branding experts like Simon Anholt, culture is an important – if not the most important – part of a nation brand. This dimension, comprised of three key success factors, analyses how culture is used by Japan and Singapore to promote their nation brand, and to what extent culture is included in a nation brand. Table X summarises the main findings.

	Japan	Singapore
Cultural Diplomacy	high	moderate
High Profile National Icons and Cultural Ambassadors	high	moderate
Broadcasting and Social Media	moderate - high	high
Dimension	high	moderate

Table X: Culture and Brand Ambassadors and their key success factors

Japan clearly focuses on its culture. Although traditional culture and heritage are often emphasised, nowadays the main focus is on popular culture. Anime, manga and cosplay are used to promote Japanese culture and values. A look at the national symbols of Japan has shown that the colours red and white, the sun, and cherry blossoms are associated with the country. These colours and symbols are used for activities, institutions, and projects involved in nation branding and cultural diplomacy. The focus on pop culture is underlined by the government's choice of brand ambassadors. Anime characters and three young Japanese women, dressed in three typical Japanese fashion styles, have been chosen to promote the nation's culture and style of living. Currently, Japan is preparing for hosting the Summer Olympic Games and Paralympics 2020. Events like these are a good opportunity to promote a country's nation brand. The mascots for these Olympic Games are anime characters from the most famous and popular anime worldwide, such as Sailor Moon, Once Piece, and Naruto. Although Japan is proud of its traditional culture, the government obviously tries to promote the country as young, dynamic, vibrant, and modern. This might be an attempt to reduce the prejudice that Japanese people tend to be conservative and calm. The Japanese saying '*Deru kui wa utareru*' means that if you stand out, you will be subject to criticism. But current nation branding and cultural diplomacy efforts taken by the government are clearly symbolising a change.

The government, especially the MOFA, are participating in cultural diplomacy activities and are hosting cultural diplomacy events like the ‘International Manga Award’ or the ‘World Cosplay Summit’. Social media and broadcasting channels are used by the government, its ministries, and the official tourism boards. Although the content is updated frequently and promotes Japan not only as a travel destination, but as a country with deep and diverse culture, the number of followers on these channels and the number of likes, shares, and comments show that there is room for improvement. It is important to keep in mind that information aimed at promoting the country has to be in English, as only a few foreigners speak Japanese. Compared to Singapore, Japan’s social media channels have fewer followers, but the majority of these followers are foreigners. Therefore, although the number of followers is limited, these channels are directly reaching the main target group of nation branding and cultural diplomacy efforts. Overall, Japan is rated high for this dimension.

Compared to Japan, Singapore too is using culture and brand ambassadors, but on a different level and to a different extent. The main content of Singapore’s cultural diplomacy efforts are art and food. Brand ambassadors – which are mainly artists – and social media channels are highlighting these two parts of culture too. While anime, manga, and cosplay can be directly linked to Japan, as these types of culture originated in Japan, art and food are nothing uniquely Singaporean. The recognition value is completely different. It has been mentioned before that Singapore is diverse in many ways. It is diverse in terms of its population, its national language, its religion, and therefore its culture. This diversity can be used to promote a certain image, but it seems as if Singapore is still searching for a ‘true Singaporean’ identity. This assumption is underlined by the analysis of Singapore’s national symbols. The colours red and white are important, as well as the moon, the stars, and the orchid, but these colours and symbols are missing in nation branding and cultural diplomacy activities and projects. Therefore, Singapore’s nation brand ‘YourSingapore’ is focusing on the nation’s diversity, with a colourful logo composed of cubes in many different sizes. The MFA, the MCCY, and the STB are using social media and broadcasting channels. The focus is on art, food, sports, and festivals. The number of followers shows that many people can be reached via these channels. In this context, the STB’s Facebook page ‘VisitSingapore’ with its approximately 2.8 million followers needs to be mentioned. Nevertheless, English is the main language of Singapore. Hence, not only foreigners but also citizens are among these followers and it is difficult to draw conclusions about the ratio between foreigners and citizens. As these foreigners and citizens probably have different interests and therefore intentions of following Facebook pages, it is difficult to practice target-oriented social media marketing. Overall, Singapore is rated moderate for this dimension.

4.7. Analysis of Japan's and Singapore's Nation Brands

After each dimension of the framework has been analysed, the findings are now combined and an overall analysis of Japan's and Singapore's nation brands is conducted. This Master's Thesis intends to achieve three main objectives. In this section, the first two objectives are achieved. Firstly, to draw conclusions on the current image of Japan's and Singapore's nation brands by determine the most dominant of each dimension. An overview of all findings is presented in two separate tables, one for each country. These tables allow to evaluate the most dominant sector and provides an overview of the current image. Secondly, to conduct a SWAT-Analysis to define the most significant features of Japan's and Singapore's nation brands. It is important to not only evaluate the most dominant sector. Just because a sector is dominant, does not mean it is automatically a strength, as domination and strength are different. Further, strengths alone are not enough to analyse a nation brand. In order to change or improve the current image, it is essential to know weaknesses, opportunities, and threats.

Japan

Japan is ranked 4th in the Nation Brands Index of 2017 (GfK, 2017). This indicates that Japan's nation brand is strong. The results of the analysis summarised in Table XI confirm this assumption. According to the analysis of all five dimensions and their key success factors, the country's nation brand is rated high.

Japan	
Tourism	high
FDI	moderate - high
Export Promotion	high
Talent Attraction	moderate
Culture and Brand Ambassadors	high
Overall	high

Table XI: Japan's Nation Brand

The fifth dimension 'Culture and Brand Ambassadors' is the most dominant dimension. The performance of the third dimension 'Export Promotion' is equally good, but the nation brand efforts taken by the Japanese Government clearly focus on culture. Projects like the 'International Manga Award' and the 'World Cosplay Summit' highlight this focus. Further, the analysis of the 'Tourism' dimension has shown that the JNTO tries to attract tourists by

promoting Japan's traditional culture like tea ceremonies, performing arts like *noh* and *kabuki*, the Geisha culture, and many others. Thus, the most dominant dimension is 'Culture and Brand Ambassadors'.

Culture is not only the most dominant dimension, but Japan's biggest strength. Although the overall findings suggest that Singapore's nation brand is stronger than Japan's, Japan is better rated in the Nation Brands Index. Further, Japan's nation brand is often mentioned as an example of a strong nation brand. The analysis has shown that Japan is focusing on culture to promote the country. Japan's image is often related to either modern or traditional culture. Most nation branding efforts taken by the government are related to culture. This is no coincidence. Culture is such an effective tool, because Japan's culture is unique. Anime, manga, *ikebana*, Geisha, *noh*, *kabuki*, cosplay, tea ceremony, and Harajuku fashion are just a few examples of types of culture, which are purely Japanese. Using culture to promote a certain image is therefore a rather clever and effective approach by the Japanese Government.

According to the findings, Japan's weakness is the 'Talent Attraction' dimension. The quality of Japan's higher education is moderate, and so are its visa regulations. The opportunity for career progression is even rated low. In the paragraph above, the unique culture of Japan has been mentioned. The population is said to be homogenous and proud of its culture. Japanese tend to be sceptical towards foreigners. 'No Foreigners'- signs in front of restaurants and shops or 'no foreign tenants'-signs in front of flats are common in Japan. The critical attitude towards foreigners is not necessarily racist. Most of these sceptical Japanese are concerned that foreigners do not understand their culture well enough to respect it. This is not automatically a sign of antipathy towards foreigners, but rather the fear that foreigners are not able to adapt. Again, the saying '*Deru kui wa utareru*', which was mentioned before in section 4.6.4, needs to be highlighted: 'the stake that sticks out gets hammered down'. There is the nationwide concern that foreigners will not fit into Japan's homogenous culture. But then again, the Japanese Government is obviously trying to change this attitude towards foreigners. And that is the reason why the 'Talent Attraction' dimension is not only the major weakness of Japan's nation brand, but its biggest opportunity for improvement.

Japan is suffering from an ageing population. People are growing older and at the same time the birth rate is declining. Hence, the workforce will decrease significantly in the near future. Japan needs to change its attitude towards foreigners, as it will need a foreign workforce. There are indicators that the Japanese Government tries to introduce specific changes. As discussed in section 4.6.4, the government tries to establish an image of an open and foreigner-friendly Japan, where diversity is welcomed instead of feared. True or not, the number of

foreign residents and students is increasing. It is important to support foreigners in the process of adapting to Japan, the local way of living, the culture, and the language. A friendly attitude towards foreigners is one of the best opportunities to increase Japan's international image and to strengthen its nation brand.

As Japan's nation brand is strong already, the only minor threat is a possible weakening of this nation brand. Currently, Japan is the 3rd largest economy in the world with a stable political environment, but China, the 2nd largest economy in the world, is far ahead and one of the fastest growing economies in the world. Further, Germany and the United Kingdom (4th and 5th biggest economies) are slowly catching up. Additionally, other Asian countries like India, Indonesia, and South Korea are expected to surpass Japan within the next 30 years (Gray, 2017). If Japan's economy is surpassed by others, the results for the 'FDI' dimension would most likely look different, as investors will focus on faster growing economies, where investments are cheaper. But especially technological innovation is one of Japan's biggest assets. The size of an economy alone is not the only reason why foreign investors are attracted. Hence, the 'FDI' dimension is not a weakness of Japan's nation brand, but a potential threat.

Overall, Japan's nation brand can be considered strong. Although Japan still has the image of being homogenous and conservative, the current ambitions of the Japanese Government are signalling change. The current campaigns are focusing on pop culture. One recent example are the mascots for the 2020 Summer Olympic Games and Paralympics hosted in Tokyo. The mascots are anime figures from the most popular anime worldwide. 2020 is generally an important year for Japan and its nation brand. It is no coincidence that the government set certain goals to be reached by that time. By 2020, annual inbound tourism should reach 40 billion tourists, inward FDI should be doubled to around USD 307 billion, and according to Abe, the constitution should be revised. All these goals indicate that Japan wants to convey a positive image to the visitors and viewers of the 2020 Summer Olympic Games and Paralympics. As the public's focus will be on Japan, it is the perfect occasion to present Japan's nation brand. The Olympic Games are a good opportunity for Japan to promote its nation brand and to present itself as a modern, open-minded and heterogeneous country. This opportunity can attract not only tourists, but also foreign talents and foreign investors. The future will show whether the Japanese citizens and the Japanese Government are able to use this opportunity for their own nation branding efforts or not. As Snow pointed out, nation brands are only as good as the people behind them (Snow, 2010).

Singapore

Although Singapore is not ranked as high as Japan in the Nation Brands Index, the country's nation brand is considered strong according to this Master's Thesis analysis. Compared to Japan, Singapore's performance is even better, as four out of five dimensions are rated high. Only 'Culture and Brand Ambassadors' is rated moderate. A summary of Singapore's results is pictured in Table XII.

Singapore	
Tourism	high
FDI	high
Export Promotion	high
Talent Attraction	high
Culture and Brand Ambassadors	moderate
Overall	high

Table XII: Singapore's Nation Brand

The most dominant sector is 'Talent Attraction'. There are two dimensions where all key success factors are rated high: 'FDI' and 'Talent Attraction'. Although the performance in the FDI dimension is strong, Singapore's core dominance is 'Talent Attraction'. This dimension is the country's main competitive advantage in terms of nation brands. Singapore's population is heterogeneous. Around two thirds of Singapore's population are foreigners. There are four main languages spoken and different religions strongly represented. This diversity attracts talents from abroad. Singapore is a small island and therefore relies on foreign investments, foreign talents, and foreign workforce. Living, working, and studying is comparatively easy for foreigners. Singapore's diversity is not only a uniqueness easy to use for promoting the country's nation brand, but one of the main reasons – together with the good economic environment – why people from abroad are attracted. Hence, 'Talent Attraction' is considered as the most dominant dimension.

Singapore's core strength is the 'FDI' dimension. As mentioned above, all key success factors of the 'FDI' dimension are rated high. The economic and political environment is stable, the workforce is well educated and skilled, and the administrative procedures are streamlined. Especially the economic environment attracts investors from abroad. Singapore is one of the main economic hubs in Asia. Its airport is one of the best airports in the world, it has a huge and busy port, and also its geographic location is favourable. Singapore is not only the strongest

economy in Southeast Asia, but the only industrialised one. The bureaucratic environment welcomes foreign companies. Singapore knows how to use this favourable environment to attract FDI.

The country's main weakness is the 'Culture and Brand Ambassador' dimension. Singapore's diversity is attractive and favourable in many aspects, but also decreases its recognition value. While Japan has a clearly unique Japanese culture, it seems like Singapore is struggling to find a unique Singaporean identity. Especially art is used for cultural diplomacy efforts. Artists serve as brand ambassadors, and cultural exchange is used to foster international cooperation. Although this is a good possibility to support young talents from Singapore, the art itself is nothing uniquely Singaporean.

Besides art, food is used for cultural diplomacy efforts. There are typical Singaporean cuisine dishes like chicken rice, kaya toast, laksa, or nasi lemak. These dishes are as related to Singapore as sushi is to Japan, but currently the recognition value is not as high. Hence, 'Food Diplomacy', which is part of the 'Culture and Brand Ambassador' dimension, is Singapore's main opportunity. Food is gaining popularity all over the world. Terms like 'foodie' and 'food porn' are used more frequently. With its unique dishes, Singapore could use this trend to foster its image as a country with a unique food culture. Due to Singapore's cultural diversity, the range of food is wide. Restaurants from various cuisines from all over the world are found in Singapore, which makes it highly attractive for food lovers.

The biggest threat is the 'Talent Attraction' dimension. Currently, it is the most dominant sector. Singapore's diversity is attracting people from all over the world to live, work, and study in this heterogeneous country. The open and welcoming image is favourable in terms of 'Talent Attraction', but there are downsides too. While foreigners are happy about the quality of higher education, the good chances of career progression, and the favourable residency criteria for non-citizens, Singapore citizens are not. As mentioned in section 4.5, the citizens are afraid that foreigners will take their jobs. When the citizens start to develop antipathy towards foreigners, the currently open and welcoming image of Singapore might change. The main purpose of a strong nation brand is to attract foreigners and to form an image that favours the reputation of a country; but it is crucial that this image is not built on disadvantaging its own citizens. The government needs to find a balance between attracting foreigners and satisfying the needs and minimizing the anxiety of its own citizens.

Overall, Singapore's nation brand can be considered strong. It is different from Japan's nation brand. The economic environment and the diversity of the city are the two most outstanding image factors. Compared to Japan, Singapore is a young and vibrant city with much

potential. The analysis shows that the Government of Singapore has just started to foster its nation brand during the last years. If Singapore starts to focus on cultural aspects, its nation brand will most likely become even stronger.

4.7.1. Critical Review on the Findings and the Framework

After the results conducted by applying the analytical framework have been discussed, some final remarks on the framework itself are given. Dinnie's 'Internal Analysis Model of Nation Brands' was used and some adjustments according to Anholt's Nation Brand Hexagon were made.

While analysing the dimensions and their key success factors separately, it seemed difficult to derive their significance for a country's nation brand. But after all dimensions were analysed, this first impression changed. Dinnie's Internal Analysis Model is clearly designed to analyse nation brands. The dimensions are related to each other. A stable political and economic environment (FDI) is important to attract tourists (Tourism), investors (Export promotion), and foreign talents (Talent attraction), and culture (Cultural and Brand Ambassadors) is a strong tool to foster a nation's image. Separately, the key success factors might tell little about a country's nation brand, but when the findings of all dimensions are combined, a certain picture of a country's nation brand is formed. It would therefore make little sense to analyse only one dimension to draw conclusions, as analysing the key success factors on their own is fruitless. It is important to use the model as a whole.

The five dimensions and their key success factors encompass many aspects of a country's nation brand. In this Master's Thesis, each key success factor was analysed briefly. This is enough to draw first conclusions, but the superficial information is not sufficient for a substantial analysis. While it was fairly easy to rate the key success factors, it was occasionally difficult to draw meaningful conclusions. More information is needed and deeper research needs to be conducted. As this would exceed the scope of the study, the analytical part of this paper only scratches the surface of the information available. This limited amount of information was nevertheless enough to draw first conclusions, to conduct an analysis, to achieve the main objectives and to answer the research question; still, deeper research is imperative to unleash the full potential of nation brands.

Further, this model encompasses many aspects of a country's nation brand, but not all aspects are represented. For example, history is only represented to a minor extent, even though it is not only important for culture. The answer whether the economic, political, and diplomatic relations between two countries is friendly or hostile is often answered by looking at their

histories. Further, current developments, crises, and scandals are only observable to a certain extent. Events such as Fukushima can clearly influence the international image of a country. This is shown by the fact that the number of tourists visiting Japan dropped significantly during the years following the catastrophe of Fukushima. The way countries deal with challenges like this and how these challenges affect a country's image is barely considered in this framework. Another aspect missing is digitalisation in general. During the research for the case study, terms like digital diplomacy, e-governance, Digital Country Index²⁴, or digital governance often came up. Although social media was added to the framework in order to include some contemporary trends, it is of utmost importance to address digitalisation in greater detail. We are a digital society and digitalisation has to be considered when it comes to nation brands. This idea is supported by scholars like Argonczyk and Budnitsky, who analysed the correlation between nation branding and internet governance (2017) or Ayalew, who discussed the role of digital diplomacy for image building and nation branding (2017).

The original framework rated all key success factors from 1-10. Still, it is not advised to use the original scale. The chance that the results become unprecise, as it is difficult to determine the score of each category, is high. In order to decrease this chance of subjectivity and to make a direct comparison for two or more countries easier, the scale was adjusted to high, moderate, or low. Nevertheless, after finishing the analysis, this adjustment needs to be reconsidered. As the results show, Japan's and Singapore's nation brands both are rated high. The countries perform well, but in different ways and to a different extent. These differences are not reflected by using the high-moderate-low scale. Further, as the total amount of results is uneven, the result 'moderate' is neither good nor bad, resulting in a less meaningful conclusion. I would therefore suggest using a scale from 1-6. As the possible amount of results is doubled, results are more precise. But still, the number of total results is lower as in the original framework. Hence, it is easier to determine a score and the chance of being unprecise is lower. Further, as the total number of results is even, there is automatically always a tendency towards a good or bad performance and the analysis is automatically more meaningful.

Another obstacle was the number of key success factors. As many aspects of economy, politics, society, and culture are represented, it was challenging to conduct an up-to-date analysis of the key success factors. After finishing the first draft, some information – especially

²⁴ The Digital Country Index, measuring a country's digital presence, encompasses five dimensions: export, investment, tourism, talent, and prominence. These dimensions are similar to the dimensions used for this Master's Thesis. For more detailed information please refer to the website: <https://www.digitalcountryindex.com/methodology>

regarding politics and economics – was already outdated again. The more topics are included in a framework, the higher is the chance that some information is no longer up-to-date.

Last but not least, the results presented in section 4.7 indicate that Singapore's nation brand is stronger than Japan's. On the Nation Brands Index, Japan is rated clearly above Singapore. Further, as the State of the Art (section 2.1) has shown, Japan is often used as an example of a strong and well-positioned nation brand. Singapore's nation brand is only rarely part of research conducted regarding nation brands. Hence, the findings do not fit the prevailing assumption that Japan's nation brand is stronger. There are two possible explanations for this. The first explanation refers to marketing. Though Singapore has better assets and provides a more suitable environment for building a strong nation brand, Japan is better in selling its image and in working with the assets and the environment they have. The second possible explanation is related to the reasons mentioned in the introduction of this paper for why nation branding is practiced. According to Anholt, there are three reasons why countries are working on their nation brands. They either want to keep their current positive image, want to change a bad image, or want to create an image, as they are barely noticed by the rest of the world. Assuming that Japan belongs to the first category and Singapore to the last, it is of little surprise that the findings do not fit the prevailing assumption that Japan's nation brand is stronger. The Nation Brands Index and the already published materials about nation brands are built on current images. If Singapore is currently working on creating an image, it will take some time until the efforts yield fruit.

After using this model, I can recommend it insofar that the five dimensions are clearly connected to a country's image and therefore its nation brand. Further, the dimensions are built on one another. While many aspects of nation brands are encompassed, some are still missing. New dimension's or key success factors should to be added. Additionally, I would recommend using this model only if the scope of the research is big enough to go into more detail, as this is essential for more accurate analysis. After considering these new findings, I would recommend adapting the framework as shown in Table XIII. This suggestion for a new framework to analyse nation brands concludes the case study and the analytical part of this Master's Thesis.

Nation-brand internal analysis - Tourism						
Key Success Factor	Nation-brand capability					
Safety	1	2	3	4	5	6
Accessibility and Infrastructure	1	2	3	4	5	6
Value of Money and Customer Service Level	1	2	3	4	5	6
Tourist Promotion	1	2	3	4	5	6

Nation-brand internal analysis - FDI						
Key Success Factor	Nation-brand capability					
Stable Economic Environment (from investors point of view)	1	2	3	4	5	6
Stable Political Environment (from investors point of view)	1	2	3	4	5	6
Streamlined Administrative Procedures	1	2	3	4	5	6
Skilled Workforce	1	2	3	4	5	6

Nation-brand internal analysis - Export Promotion						
Key Success Factor	Nation-brand capability					
High Quality Brands and Effective COO Positioning	1	2	3	4	5	6
Strategic Development of Target Markets	1	2	3	4	5	6
Innovation	1	2	3	4	5	6

Nation-brand internal analysis - Talent Attraction						
Key Success Factor	Nation-brand capability					
Favourable Residency Criteria (for visa, passport, etc.)	1	2	3	4	5	6
Opportunity for Career Progression	1	2	3	4	5	6
Reputation for Higher Education	1	2	3	4	5	6

Nation-brand internal analysis – Culture						
Key Success Factor	Nation-brand capability					
Cultural Diplomacy	1	2	3	4	5	6
National Symbols	1	2	3	4	5	6
Brand and Cultural Ambassadors	1	2	3	4	5	6

Nation-brand internal analysis - Digitalisation						
Key Success Factor	Nation-brand capability					
E-Governance	1	2	3	4	5	6
E-Diplomacy (including social media)	1	2	3	4	5	6
Digital Country Index	1	2	3	4	5	6

Table XIII: Internal Analysis Model of Nation Brands – newly adjusted version

5. Conclusion

In the introduction of this paper three main objectives were stated. Firstly, to evaluate the current image Japan and Singapore have. Secondly, to conduct a SWOT analysis to examine the core components of this prevailing image. And thirdly, to draw conclusions about the competitiveness of Japan's and Singapore's nation brands. For this purpose, Keith Dinnie's 'Internal Analysis Model of Nation Brands' has been adjusted. The framework was ultimately composed of five dimensions: 'Tourism', 'FDI', 'Export Promotion', 'Talent Attraction', and 'Culture and Brand Ambassadors'. Each dimension was further subdivided into three or four key success factors. After all key success factors of a dimension were examined, an overall dimension analysis was conducted. Finally, after all dimensions were analysed, all findings were put together to evaluate each nation brand's core strengths, weaknesses, opportunities, and threats. At this stage, the first and second objective were accomplished. The analysis in sections 4.7 and 4.7.1 showed that Japan's prevailing image is strong and mainly built on cultural components. The sections also showed that Singapore's current image is not as intense. The country's assets for promoting their nation brand are strong, but at this point, these assets are not used as effectively as possible.

The SWOT analysis in section 4.7 showed that the core strength of Japan's nation brand is the 'Culture and Brand Ambassador' dimension, as the country offers a diverse culture with a high recognition value. The 'Talent Attraction' dimension is considered both a weakness and an opportunity. Japan, faced with problems related to an aging population, is in need of foreign talents. Currently, the immigration process for foreigners is difficult, but the government with its nation brand efforts tries to bring change. Singapore's strength in terms of nation brands is the 'FDI' dimension, as the country is clearly attractive for inward investment. Unfortunately, the country is lacking cultural components which are uniquely Singaporean. Singapore has a heterogeneous population, which attracts foreign students and workers. Nevertheless, Singaporeans are becoming more sceptical towards foreigners, making the 'Talent Attraction' dimension the biggest threat.

But this paper is not only about Japan's and Singapore's nation brands, it is also about their competitive position. In the conclusion of this Master's Thesis, the main research question is answered to accomplish the third main objective.

What is the current competitive position of Japan's and Singapore's nation brands?

The analysis has shown that both countries possess a strong nation brand, but their competitive position is very different. At the beginning of this paper it was mentioned that a country's soft power lies in its resources of culture, value, and politics. Further, a nation brand consists of an economic, a political, and a cultural brand. Japan's strongest dimension is 'Culture and Brand Ambassadors', while Singapore's strongest dimension is 'FDI'. This indicates that Japan's nation brand is a cultural and Singapore's is an economic one. Japan is focusing on culture whereas Singapore is using its economic environment to attract foreigners. Japan has a rather homogenous society while Singapore's society is very heterogeneous. Japan has a long history and a strong prevailing international image, but Singapore is a rather young country with only little international attention in terms of image. Although the circumstances and the resources of Japan and Singapore are vastly different, both countries perform very well according to the findings.

Japan is rich in traditional and in popular culture. Traditional culture is often used to attract tourists. Visiting shrines and temples, attending a tea ceremony, visiting a *kabuki* or *noh* performance, or riding in the shinkansen bullet train to discover the landscapes of the islands of Japan, there are many things to see and do in Japan. Nevertheless, although Japan has traditional culture and is proud of it, modern culture is used to promote the country's nation brand. Anime and manga, cosplay, Japanese fashion, and Japanese food are the main content of nation branding efforts taken by the Japanese Government. The government is clearly using the uniqueness of Japanese culture to create an image of a young, vibrant, modern, fascinating, and colourful nation, with strong ties to specific virtues and traditions. Although Japan's economy, which is the 3rd largest in the world, is strong, the government is focusing on cultural aspects. The recognition value of Japanese culture is high, therefore it has a competitive advantage over other countries.

Singapore on the other hand is focusing on a very different aspect of nation brands. The government is using the country's economic position to attract foreigners. As Singapore is open towards foreigners and foreign businesses, many international companies are located in Singapore. It is easy to make business and to invest in Singapore. This is one of the main competitive advantages of the country. But the biggest advantage is Singapore's diversity. In Singapore, four official languages are spoken, different religions are represented, and the foreign-citizen ratio is high. While Japan is using its 'Japaneseness', it is difficult to determine what 'Singaporean' really is. But the government is using this diversity: Singapore is a place where everyone has equal chances and opportunities. And this is the country's main competitive advantage.

Nation brands include many aspects of economics, politics, society, and culture. This is underlined by the number of key success factors used in the framework of this paper. When this many aspects are part of a nation brand, changes often happen fast and unexpectedly. It is important to be aware of unique strengths, weaknesses, opportunities, and threats to react to these changes accordingly. Hence, the findings of this paper are of relevance as they help to determine the current position of Japan's and Singapore's nation brands. The findings of this analysis showed the competitive advantages and highlighted the core strengths on which the countries can rely upon in times of change. But, they also stressed possible threats and the sectors which are potential weak points; this is especially important during difficult times.

Both countries have strong and competitive nation brands. Japan and Singapore are using their nation brands in different ways, but with great success. It is difficult to say whether Japan's or Singapore's nation brand is stronger, but Japan's nation brand is more frequently represented in research papers, newspapers, and books, and the current prevailing image is stronger. Nevertheless, Singapore is a younger country and only starting to build an international image. If Singapore starts to take more nation branding efforts, the country clearly has the potential to surpass not only Japan, but many other nations.

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9. Abbreviations

ASEAN	Association of Southeast Asian Nations
CFE	Committee on the Future Economy
COO	Country of Origin
CSISG	Customer Satisfaction Index of Singapore
DJP	Democratic Party of Japan
EDB.....	Singapore Economic Development Board
EPAs	Economic Partnership Agreements
FCF	Fair Consideration Framework
FDI	Foreign Direct Investment
FTAAP	Free Trade Area of the Asia Pacific
GDP	Gross Domestic Product
GfK	Growth from Knowledge
GII.....	Global Innovation Index
HDI	Human Development Index
IES.....	International Enterprise Singapore
JETRO.....	Japan External Trade Organization
JNTO.....	Japan National Tourism Organization
JTA.....	Japan Tourism Agency
LDP	Liberal Democratic Party
LTA.....	Land Transport Authority
MCCY	Ministry of Culture, Community and Youth Singapore
MEXT	Ministry of Education, Culture, Sports, Science and Technology Japan
MFA	Ministry of Foreign Affairs Singapore
MIC	Ministry of Internal Affairs and Communications Japan
MLIT	Ministry of Land, Infrastructure and Tourism Japan
MOFA	Ministry of Foreign Affairs Japan
MOM	Ministry of Manpower Singapore
MTI	Ministry of Trade and Industry Singapore
NAC	National Arts Council
OECD.....	Organization of Economic Co-operation and Development
OECD.....	Observatory of Economic Complexity
PAP	People's Action Party
PSI.....	Pollution Standards Index
STB	Singapore Tourism Board
STPB	Singapore Tourism Promotion Board

SWOT	Strengths, Weaknesses, Opportunities, Threats
THE	Times Higher Education
TPP	Trans-Pacific Partnership
US	United States
USD	United States Dollar
WEF	World Economic Forum
WTTC	World Travel & Tourism Council
WTO	World Trade Organization

10. Appendix

10.1. Exchange Rates

Exchange Rates to US Dollar (1 st November 2017)	
	United States Dollar
Japanese Yen (JPY)	0.0088
Singapore Dollar (SGD)	0.7355

Source: <https://www.majorexchangerates.com>

10.2. Abstract (English)

In times of globalisation, international relations are becoming more and more important every day, while at the same time global competition is getting stronger. A good international reputation can help foster international relations and stay competitive in the international realm. Ever since the end of WWII, countries have minimized their reliance on their hard powers – mainly military capabilities – but have started to put emphasis on their soft power. According to Joseph Nye, who coined the term soft power, a country's soft power lies in its resources of culture, politics, and values. One way to use these resources and to build a strong international image is a country's nation brand. By using an adapted version of Keith Dinnie's 'Internal Analysis Model of Nation Brands', this Master's Thesis aims at analysing the competitive position of two Asian countries, namely Japan and Singapore. The model is composed of five dimensions: Tourism, FDI, Export Promotion, Talent Attraction and Culture and Brand Ambassadors. Each dimension is subdivided into three or four key success factors. The framework is designed to answer the following research question: What is the current competitive position of Japan's and Singapore's nation brands?

The findings show that both Japan and Singapore have strong nation brands. While Japan is mainly using its cultural resources, Singapore is focusing on its economic resources. Japan has a multifaceted culture. Both traditional and modern cultural aspects are used to present the country as strong in tradition and heritage while simultaneously depicting it as modern and vibrant. Singapore is a very heterogeneous nation, as almost two thirds of the citizens are foreigners, with four different official languages, and many different religions represented. This diversity is the reason for a low international recognition value in terms of culture, but is thus simultaneously favouring FDI and foreign talent attraction. Further, the findings indicate that Japan's current nation brand is internationally stronger represented than Singapore's nation brand, but Singapore has generally very favourable circumstances for practicing nation branding and is most likely to gain a stronger international reputation soon.

10.3. Abstract (German)

In Zeiten der Globalisierung gewinnen internationale Beziehungen täglich an Bedeutung und gleichzeitig wird der globale Wettbewerb immer härter. Ein guter internationaler Ruf fördert internationale Beziehungen und kann dabei helfen im internationalen Rahmen wettbewerbstauglich zu bleiben. Seit Ende des Zweiten Weltkrieges minimieren Staaten ihr Vertrauen in Hard Power – hauptsächlich militärische Stärke – und haben ihr Augenmerk auf Soft Power gelegt. Laut Joseph Nye, der den Begriff Soft Power geprägt hat, liegt die Soft Power eines Staates in seinen politischen und kulturellen Ressourcen sowie in seinen Werten. Eine Möglichkeit diese Ressourcen zu nutzen und einen starken internationalen Ruf aufzubauen ist die „nationale Marke“, der nation brand eines Landes. Eine adaptierte Version von Keith Dinnies 'Internal Analysis Model of Nation Brands' wird verwendet, um die Wettbewerbsfähigkeit von zwei Asiatischen Ländern zu analysieren: Japan und Singapur. Dieses Model ist in fünf unterschiedliche Bereiche unterteilt: Tourismus, Ausländische Direktinvestitionen, Exportförderung, Anziehung von Talenten und Kultur und Markenbotschafter. Das Model ist darauf ausgelegt, folgende Forschungsfrage zu beantworten: Was ist die momentane Wettbewerbsposition von Japans und Singapurs nation brand?

Die Ergebnisse zeigen, dass sowohl Japan als auch Singapur eine starke nation brand besitzen. Japan nutzt hauptsächlich kulturelle Ressourcen, während sich Singapur auf wirtschaftliche Ressourcen konzentriert. Japan hat eine facettenreiche Kultur. Sowohl traditionelle als auch moderne Kulturgüter werden verwendet, um Japan als ein traditionsbewusstes Land zu präsentieren, das gleichzeitig auch modern und lebendig ist. Singapur ist ein heterogenes Land, dessen Einwohner fast zu zwei Drittel aus Ausländern besteht, in dem vier offizielle Sprachen gesprochen werden und unterschiedliche Religionen vertreten sind. Diese Diversität ist ein Grund dafür, warum Singapur international einen geringen Widererkennungswert hat, vor allem im Bereich Kultur. Dafür wirkt diese Diversität anziehend auf ausländische Direktinvestoren und ausländische Talente.

Weiter deuten die Ergebnisse darauf hin, dass Japans nation brand momentan etwas stärker international vertreten ist als Singapurs, aber dass Singapur generell ein sehr gutes Umfeld besitzt, um seine nation brand künftig weiterhin zu fördern, damit sie noch stärker wird.