

NATION BRANDING THROUGH
INVESTMENT PROMOTION

By

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This thesis is dedicated to Shakila, my cousin who lost her battle with cancer in 2017.

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Abstract: This study assessed the effect of the “Invest in Remarkable Indonesia” investment promotion television commercial on foreign investors’ general attitude toward the Indonesian people, the Indonesian government, and their intention to invest in Indonesia. The research also investigated whether country reputation act as a moderating variable in foreign investors intention to invest in Indonesia. The researcher applied the relatively new Model of Country Concept to the practice of nation branding, focusing on the investment integrant. The hypotheses posed were not supported. Results showed no significant shift in foreign investors’ attitude before and after viewing the television commercial. Meanwhile, not all country reputation variables moderated investors’ behavioral intention. The open-ended questions, however, provided valuable recommendations for Indonesia’s Investment Coordinating Board in implementing their investment promotion strategies.

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CHAPTER I

INTRODUCTION

The globalized world is characterized by a high interconnection of free transfer of goods, capital, and services from one country to another (Tan, 2002). The term globalization is often described by scholars as closely connected with competition (Anholt, 2007; Oral, Kettani, & Poulin, 1998; Means, 1988; Söllner, 2014). The rapid advance of globalization means that every country, every city and every region must compete with each other for its share of the world's consumers, tourists, investors, students, entrepreneurs, international sporting and cultural events, and for the attention and respect of the international media, of other governments, and the people of other countries (Anholt, 2007).

Indonesia, an archipelagic country with a population of 240 million people, is trying to make its name on the global market. The government of Indonesia is aware that deliberate efforts need to be implemented to amplify its competitive identity. Until the 20th century, Indonesia was regarded by many as an economic backwater, an arena of numerous entry points for small and large-scale opportunities for corruption, thus, making it a risky place to do business (Shenon, 1993; Server, 1996; Nasution, 2015). However, the government has conducted reforms in crucial key issues to improve Indonesia's investment climate and promote growth. Indonesia is now a leading emerging economy that has transformed itself from what *The Economist* reported as "so far so good" in 2009 ("Indonesia's economy and the election: so far so good," 2009) to recently

breaking the glass ceiling of becoming Southeast Asia's largest economy ("Indonesia country profile," 2016).

As a pivotal player in the global economy, building economic ties with developed nations is no doubt important for Indonesia. The U.S. is Indonesia's second-largest export destination (OEC, n.d.) and a major resource for investment. Vice versa, Indonesia's growing middle class, strong domestic demand, large and youthful population, and need for new infrastructure makes it an important potential market for U.S. products and investment (Bureau of East Asian and Pacific Affairs, 2017). The visit of Indonesia's President Joko "Jokowi" Widodo to the U.S. in 2015 (Kwok, 2015) and the visit of U.S. Vice President, Mike Pence to Indonesia in 2017 with a focus on trade and investment (Otto, 2017), signals the significant ties between both countries. As stated by Vice President Mike Pence during his visit, "*We will work with President Jokowi to reduce barriers to trade and investments and to create a truly level playing field where all our businesses have equal opportunity and market access*" (Rampton & Danubrata, 2017).

There is also a huge interest from European companies to export and invest in Indonesia, especially given the growth of the Indonesian market. European companies in Indonesia currently employ more than 1.1 million workers in the country (European Union External Action, 2017). Meanwhile, with its close neighbor Australia, Indonesia is currently negotiating an economic agreement called the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). IA-CEPA will create the framework for a new era of closer economic engagement between Australia and Indonesia and open new markets and opportunities for businesses, primary producers, service providers and investors (Department of Foreign Affairs & Trade, n.d.).

Building strong economic relations with oil-wealthy countries of the Gulf Cooperation Council (GCC) is also the current focus of the Indonesian government. President Jokowi's visit to the Gulf countries in 2015 (Rakhmat, 2016) and the reciprocal visit of several Gulf leaders in the

following years (Pandjaitan, 2017; Whiteside, 2017) shows the growing importance of partnership between the GCC countries and Indonesia. Additionally, Indonesia's Ministry of Foreign Affairs have initiated the Comprehensive Economic Partnership Agreement (CEPA) between Indonesia and GCC countries to remove trade and investment barriers (Ministry of Foreign Affairs Republic of Indonesia, 2017).

Despite its strong bilateral ties with developed countries, Indonesia still lags behind some of its Southeast Asian neighbors, such as Singapore and Malaysia, in attracting capital from foreign investors. The U.S. direct investment from 2015-2016 in Singapore and Malaysia reached U.S. \$ 509 billion and U.S. \$ 29 billion respectively (Jenniges & Stutzman, 2017). Meanwhile, according to BKPM, U.S. direct investment in the same period in Indonesia only reached U.S. \$ 2.05 billion (BKPM, 2016; BKPM, 2017). A similar picture can also be observed from European Union (EU) countries. The Singapore government reported that in 2016, it's FDI from EU countries reached U.S \$ 319.22 billion (Singstat, 2018). Meanwhile, EU countries FDI in Indonesia from the same year only reached U.S. \$ 2.6 billion (BKPM, 2016). To address this issue, the Indonesian Government understands the importance of using nation branding strategies to convey Indonesia's image as a favorable investment destination.

This thesis focuses on the effects of the Indonesian investment television commercial on foreign investors' general attitudes toward the Indonesian people, the Indonesian government, and intention to invest in Indonesia. It also examines whether the more positive country reputation of Indonesia will lead to more supportive intentions toward investing in Indonesia.

Background

The Indonesia Investment Coordinating Board (BKPM) is Indonesia's investment promotion agency (IPA) with a responsibility for boosting both domestic and foreign direct investment in Indonesia. Through the "Invest in Remarkable Indonesia" campaign, the BKPM

conducted various investment promotion activities to establish and promote awareness of Indonesia's investment opportunities among business communities throughout the world. BKPM organized the campaign through various outlets such as advertisements on international media, conducting investment forum and seminars, participating in exhibitions, as well as facilitating investment missions.

The television commercial (TVC) aired on international media outlets such as CNN and the BBC. The video starts with a businessman driving his car and stopping at a cliff somewhere in Indonesia. There he meets a paragliding pilot, and they fly together (describing the equal business partner) on an adventure across the land of Indonesia. While flying, the businessman can see the magnificent view of Indonesia, from beautiful paddy fields, farms, factories, ports, buildings and infrastructure (illustrating Indonesia as the land of opportunities), and the people (representing the talented human capital). They finally land on a field with a BKPM logo on it. At the end of the video, we can see various others paragliders in the sky with their parachutes of different countries (Australia, UK, U.S., Japan, South Korea, and Netherlands), depicting the top foreign investors in Indonesia.

With this voice-over, BKPM communicated the following image of Indonesia: "*Working with professional and equal business partners creates a stronger confidence. Ride across the land of opportunity, confidence, and harmony, with a strong and growing economy. A young and expanding middle class. Talented human capital and a huge market to achieve higher levels of success, with abundant opportunities. Invest in Remarkable Indonesia*" (TheBKPMVideo, 2015). The television commercial serves as the stimuli for this study.

Research Problem

In this globalized world, most investors don't have an adequate amount of time to learn about other countries; therefore, countries must enhance their image (Hakala, Lemmetyinen, &

Kantola, 2013) and develop a strategy for managing the world's perception of their nation (Anholt, 2013). Effective investment promotion requires, first and foremost, positive image building activities which are aimed at convincing the investor community that there exists, in a given country, a comparatively liberal and attractive environment for business operations (UNCTAD, 1997). Having a favorable image in the eyes of foreign investors is a primary quality that most governments seek to attract foreign direct investment (FDI). Especially for an emerging country like Indonesia, FDI is needed to boost the country's economy.

Nation branding, a profoundly new concept which was first coined in the late 1990s, is defined by scholars as the strategy of using branding techniques to deliver a symbolic meaning of the nation to its stakeholders (Sun, 2009), as well as to shape a country's reputation and country image (Fullerton & Kendrick, 2017a). According to Anholt (2005), countries are perceived around six areas of competence: people, tourism, exports, governance, investment and immigration, and culture. The strategies that are implemented, as stated by Szondi (2008), is manifested in consumers' investing in the country, buying the countries' products, or visiting a country and spending money there.

The increasing importance of nation branding has generated researchers' interest in studying its implementation on Indonesia's nation branding integrants. Sumaco and Richardson (2011) examined the perception of international tourists towards Indonesia through the "Visit Indonesia 2008" tourism campaign. Poyk and Pandjaitan (2016) did an exploratory study on how Indonesia presents itself in the "Wonderful Indonesia: Feeling Is Believing" 2012 campaign. Meanwhile, Handayani and Rashid (2016) examined the mediated effect of Indonesia's nation brand image on tourists' behavioral intention. However, all these studies focused only on tourism promotion. Less is known about Indonesia's nation branding from the investment promotion perspective. Thus, creating a literature gap, which the researcher is eager to address.

Apart from the literature gap on Indonesia's nation branding in investment, there appear to be very few studies that investigated FDI advertising in the context of nation branding. Kindra et al. (1998) conducted interviews with a panel of experts in the Southeast Asian (ASEAN) countries to examine the role of investment promotion in attracting FDI. Their findings suggest that a country's overall image is critical in attracting FDI, however, investment promotions are of limited influence (Kindra et al., 1998).

Metaxas (2010) proposed a conceptual model for effective FDI attractiveness in building a place brand equity (linking the 'place's assets and values' with the behavior and intention of potential investors to invest). A study by Papadopoulos et al. (2016) compared the literature on decision-making and location choice in FDI with studies in the nascent field of nation branding. These studies only rest on the decision-making and location advantages of the FDI.

Statement of Purpose

The purpose of this study is to investigate the effects of an Indonesian investment commercial on foreign investors' viewpoints about investing in Indonesia. The study will help determine the effects of the "Invest in Remarkable Indonesia" television commercial on two levels — foreign investors' intention to invest in Indonesia and their general attitude toward the Indonesian government and the Indonesian people. The study will also assess whether more favorable country reputation of Indonesia will lead to more supportive intentions of foreign investors' toward investing in Indonesia.

Method

Using pre/post-quasi experimental method, the researcher administered a questionnaire to measure the effectiveness of the investment promotion commercial on foreign investors. The respondents were recruited from the database of foreign investors provided by the Indonesia Investment Promotion Centers (IIPCs) in New York, Sydney, Abu Dhabi, and London. The

respondents represent corporations, which had previous contact with IIPCs through their investment promotion activities.

The TVC from BKPM “Invest in Remarkable Indonesia” campaign was used as a stimulus for this research. The ad was created in 2014 with a total budget of \$300,000 and aired in the year 2015-2016 in five international media outlets: CNN, BBC, Bloomberg, Channel News Asia, and ETN TV Taiwan (see the ad at this link: <https://www.youtube.com/watch?v=9NHAMDFSepA>).

Theoretical Framework

The Model of Country Concept illustrates the various factors or integrants that influence how global citizens shape their opinions about other countries, and how the aggregate of those concepts shapes a country’s reputation (Fullerton & Kendrick, 2017a). Fullerton and Kendrick’s (2017a) Model of Country Concept is used by the researcher to determine how investment promotion as a nation branding integrant, can influence international investor’s opinions about investing in Indonesia as well as towards the Indonesian people and the Indonesian government. The study will also assess whether country reputation moderates the effectiveness of the investment promotion. According to Fullerton and Kendrick (2017a), the model can be viewed from the perspective of an “agent”— who work on behalf of one country and attempt to shape perceptions about that country among citizens of other nations. Indonesia’s investment promotion agency, BKPM, is the agent in this study.

In a global market, a country with a good reputation is perceived as a reliable country to invest in, to do business with, to go on vacation, and to live in (Kindra et al., 1998; Yousaf & Li, 2015). In the Model of Country Concept, Fullerton and Kendrick (2017a) positioned country reputation as a more stable, long-term assessment likely to be rooted in history and politics. This position is in line with Passow et al. (2005) definition of country reputation as an aggregate image

of a country over a long period of time. The researcher will measure Indonesia's country reputation using Yang et al. (2008) Country Reputation Index (CRI), which consists of seven dimensions: *emotional appeal, physical appeal, financial appeal, leadership appeal, cultural appeal, global appeal, and political appeal.*

Importance of Study

The BKPM will benefit the most from this study. Wells and Wint (2000) described investment promotion as activities that disseminate information about, or attempt to create an image of the investment site. To deliver a favorable image about Indonesia, the BKPM needs to deliver the right message to the investors that it targets. Findings will also add to the literature on nation branding, especially to the relatively new Model of Country Concept.

The paper is structured as follows. First, the researcher will provide a historical background about Indonesia followed by an explanation of FDI and Indonesia's FDI promotion strategy. The next part is an overview of key concepts in nation branding and advertising, as well as a summary of previous studies on FDI advertising. The researcher will then apply the Model of Country Concept to the practice of nation branding, focusing on the investment integrant. The researcher will construe the methodology and research findings, and conclude with an assessment of implications, limitations of the study, and recommendations for future research.

CHAPTER II

REVIEW OF LITERATURE

The purpose of this literature review is for the reader to become familiar with known issues within Indonesia, which include its historical background and FDI, as well as theoretical background in nation branding and advertising. Previous studies will be explained and how it relates to the researcher's position.

Historical Background of Indonesia

Historically known as a closed economy with strong protection (Stern, 2003), Indonesia began to emerge as Asia's awakening giant in the mid-20th century. Prawiro (1998) described the global oil market collapse of 1986 as the trigger of Indonesia's transition to an 'outward looking paradigm.' The characteristics of the new approach adopted by the nation were as follows:

- Deregulation and debureaucratization;
- Export-led growth;
- The creation of a regulatory climate conducive to foreign investment; and
- Transfer of economic power from the government to the private sector.

After Indonesia gradually liberalized its financial sector in the 1990s, a substantial amount of foreign investment flowed into Indonesia, in which the average economic growth

rate amounted to around 7.5% between 1990 and 1996 (Bachtiar, 2003). Today, Indonesia enjoys relative peace and economic development and is increasingly compared to middle-income developing nations like Brazil and India. It is perhaps not surprising then that many analysts, encouraged by the improvements they observed in Indonesia's economic management and the results achieved in terms of rapid growth, structural change, and poverty alleviation, praised Indonesia as one of Asia's success stories.

Indonesia has many potentials to offer. The country is ranked among the world's five leading producers of copper and nickel and among the world's top ten producers of gold and natural gas (Kuo, 2015). It has a large domestic market that includes a growing and affluent middle class. According to McKinsey, an estimated 90 million Indonesians will have joined the consuming class by 2030 (Oberman et al., 2012). Its median population age has generally remained just above 22 years old since 2007, which typically perceived as a boon, especially in the context of acquiring a labor force for boosting Indonesia's growth potential and development ("Developing Indonesia's Youthful Population," 2013).

Indonesia is also well known as a tourist destination. Foreigners perceive Indonesia as a country with scenic natural beauty (Sumaco & Richardson, 2011; Rungsuwannarat et al., 2015). Its archipelagic landscape and rich culture offer abundant attractions, from beaches, diving spots, to temples and national parks.

As the world's fourth most populous country, Indonesia's population are spread out among thousands of islands in the Indian Ocean. The country's unique geography and turbulent history have made poverty reduction a challenge (English, 2016). According to the World Bank, while the poverty rate declined by an average of only 0.3 percentage points per year, more than 28 million Indonesians still live below the poverty line ("Overview," 2017). As of February 2016,

7 million people were unemployed in Indonesia, a reduce from 10.1 million in 2007 (International Labour Organization, 2016).

FDI rose in the developing countries during the period 2005-2010, where Indonesia for the first time entered the top-20 countries of FDI recipients (Eminović, 2013). One of the reasons that the Indonesian government strive to attract FDI is to create new jobs and reduce poverty in the country. Lipsey, Sjöholm, and Sun (2010) studied Indonesian manufacturing plant level data between 1975 and 2005 to analyze the effect of FDI on employment. Their findings seem to indicate a significant effect on FDI toward growth rate of employment in Indonesia. FDI is also considered a major contributor to infrastructure development (EconomyWatch, 2010, June 29). Insufficient infrastructure is a prime constraint to Indonesia's economic growth. Indonesia still lags behind its regional peers in terms of infrastructure and logistics (Tabor, 2015; Thamrin & Kadarudin, 2017). While infrastructure can act as an impediment to investment, it can also be regarded an attractive investment opportunity for investors to tap.

From an investment perspective, Indonesia still lacks behind some of its neighbors, such as Singapore and Malaysia, in attracting capital from developed nations such as the U.S. Much of this is attributed somewhat to the negative perception of Indonesia. More often than not, the stories that come out about Indonesia in international media are about national disasters (i.e., “10 years after the 2004 Tsunami, Indonesia still not disaster ready” (Belford, 2014), “Indonesia: Volcano Nation” (BBC News, 2015), terrorism (i.e. “Indonesia steps up pressure on Islamist militants” (Higgins, 2010), “Battling ISIS in Indonesia” (Jones, 2016)), human rights issues (i.e. “Nearly 550 modern-day slaves were rescued from Indonesia’s fish trade” (Phillip, 2015), “Indonesia’s Push to Execute Drug Convicts Underlines Flaws in Justice System” (Cochrane, 2016)), or corruption (i.e. “Countering Corruption in Indonesia” (The Editorial Board, 2014), “Indonesia Battles Over Corruption” (Otto, 2015)) .

The government has implemented various efforts to raise awareness of Indonesia as an attractive destination for tourism, trade, and investment. In the tourism sector, the Ministry of Tourism launched the ‘Wonderful Indonesia’ campaign in 2011. Its concept highlights Indonesia’s wonderful nature, cultures, people, food, and value for the money (Rungswannarat et al., 2015). Meanwhile, in the investment and trade field, the government coined the ‘Remarkable Indonesia’ campaign in 2010. The campaign is conducted separately by the Ministry of Trade and the BKPM. As stated in BKPM’s website, the following is the image of Indonesia that the ‘Invest in Remarkable Indonesia’ campaign would like to enforce:

Indonesia is your investment destination. Abundant natural resources, a young and technically trained workforce and a large and growing domestic market. Combined with an improving investment climate and a higher global profile are just a few of Indonesia’s salient strengths. With stability firmly planted after 17 years of vibrant democratic rule, Indonesia’s vast economic potential is primed for takeoff. Invest in Remarkable Indonesia (“Reasons to Invest in Indonesia,” n.d.).

The wording is followed by an explanation on Indonesia’s following strengths: sound economy, political stability, investment climate, natural resources, demographics, domestic market, and global influence.

An improvement in the investment climate is also a priority of the current government to create a more conducive environment for investors. Speaking to an audience of American executives on his 2015 trip to the U.S., President Jokowi uttered, “*Hasta la vista, baby*” to old restrictions that have kept Indonesia’s inaccessible to foreign firms and actors (Jenkins, 2016, February 17). Meanwhile, Thomas Lembong, the Chairman of BKPM told investors at a 2016 business forum in South Korea that improving investment climate underlines the serious efforts

by the government to reform systems. “This is of particular importance at a time when all countries are competing for FDI as the global economy remains sluggish,” he said (Nafi, 2016).

Foreign Direct Investment (FDI)

An official definition of FDI can be derived from the Organization for Economic Cooperation and Development (OECD), which explained that FDI reflects the objective of establishing a lasting interest by a resident enterprise in one economy (direct investor) in an enterprise (direct investment enterprise) that is resident in an economy other than that of the direct investor. The foreign direct investor is an entity in one economy that has acquired, either directly or indirectly, at least 10% of the voting power of a corporation (enterprise), or equivalent for an unincorporated enterprise, resident in another economy (OECD, 2009).

Emerging countries, which are in need of capital flows to developing their economy, rely on FDIs to support their economies and the welfare of their citizens. As stated by Eminović (2013), FDI promotes the diffusion of new technologies, expertise and managerial and marketing skills through direct linkages or spillovers to domestic firms. Moreover, the less developed a country is, the greater the expectations that are usually placed on FDI to alleviate its resource and skill constraints (Noorbakhsh, Paloni, & Youssef, 2001).

The growing globalization has elicited nations to compete to attract FDI, thus motivating governments to be more proactive in their promotion strategies and to strengthen their economies’ fundamentals (Oman, 1999; Fumagalli, 2002; Kumar, 2003). To implement those strategies, governments around the world established investment promotion agencies (IPAs). As pointed out by Lozada and Krtiz (2007), governments acknowledge that it is desirable to undertake investment promotion efforts via organized, official agencies.

Harvard Business School’s faculty, Louis T. Wells and Alvin G. Wint, has established well-known work of literature on investment promotion. Their research, which was supported by

The International Finance Corporation (IFC), explains that promotional techniques and structures are employed by countries in their competition to attract FDI. Wells and Wint (2000) define investment promotion as activities that disseminate information about or attempt to create an image of the investment site and provide investment services for prospective investors. They stated three different objectives of investment promotion techniques:

- To improve a country's image within the investment community as a favorable location for investment (image-building activities);
- To generate investment directly (investment-generating activities); and
- To provide services to prospective and current investors (investment-service activities).

As stated by Ajzen and Fishbein's (1980) Theory of Reasoned Action, intentions lead to action. According to the theory, one's behavioral intention (*BI*) is based on two determinants: attitude toward the behavior (*Ab*) and perception of social pressures to perform or not perform the behavior, referred to as the subjective norm (*SN*). Attitude toward the behavior (*Ab*) is a function of beliefs (*bi*) that performing the behavior has certain attributes and the evaluation of those beliefs (*ei*) (Belleau et al., 2007).

When applied to FDI, investors' behavioral intention to invest in a foreign country is determined by his attitude toward investing in a certain country and perception of social pressures to invest or not to invest in that country. The investor's attitude toward investing is a function of beliefs that investing in a certain country has some attributes (e.g., profit gaining) and the evaluation of those beliefs. Baniak, Cukrowski, and Herczynski (2005) determined some factors that influence investor's decision-making process, which includes:

- Macroeconomic conditions such as such as inflation, fiscal, and external deficits;

- Market size;
- Infrastructure (improvement in infrastructure may reduce production, transportation, or communication costs);
- FDI legal framework (increase in transparency and reduced possibility of corruption and, consequently, the cost of the investment as a whole); and
- Time requirements and complexity of bureaucratic procedures (extensive bureaucratic procedures lead to ineffective utilization of financial resources).

Meanwhile, the investor's subjective norm may be influenced by opinions from financial experts (Frijns, Koellen, & Lehnert, 2008) or investment advisory services (Francis & Soffer, 1997).

Ajzen and Fishbein (1980) also indicated that external factors such as past experience or personal characteristics and belief might influence behavioral intentions. These factors are also relevant to advertisements targeting investors. Investors' past experience such as a visit to the country, engaging with business partners from the country, attending an investment promotion event organized by an IPA, could influence his or her attitude toward the advertisement.

Indonesia's Investment Promotion

The Indonesia Investment Coordinating Board (BKPM) is the official IPA of the government of Indonesia. Given the Ministerial status in 2009 and reporting directly to the President of the Republic of Indonesia, this IPA's goal is not only to seek more domestic and foreign investment but also quality investments that improve social inequality and reduce unemployment ("About Us," n.d.).

On its organizational structure, there are six main departments in BKPM, which consists of investment services, investment promotion, investment cooperation, investment climate and

development, investment planning, and investment controlling and implementation. The Investment Promotion Department is responsible for generating investment promotion activities. Most of the investment promotion techniques that are conducted by the department are in tune with the following techniques described by Wells and Wint (2000):

- advertising;
- participating in investment exhibitions;
- conducting general investment missions from source country to host country or from the host country to source country;
- conducting general information seminars on investment opportunities;
- providing investment counseling services;
- conducting industry or sector-specific investment missions;
- conducting industry or sector-specific investment seminars.

Many countries while having a robust presence in other areas such as tourism have much left to be done in the case of FDI (Papadopoulos et al., 2016). This is probably the case of Indonesia. Wells and Wint (2000) stated that most agencies use image-building techniques to change the image of the country as a place to invest. According to the researchers, countries who do not have a negative image as an investment site and whose strengths are already well known by the global community will be in less need of image-building activities. Image building is what Indonesia's IPA is trying to establish.

In 2014, BKPM created a television commercial (TVC) for its "Invest in Remarkable Indonesia" campaign. The Indonesian company, PT. Global Tricitra Moderniti with a total budget around \$307,000 (4 million Indonesian Rupiah), produced the TVC. It was aired in the year 2015-

2016 in five international media outlets: CNN, BBC, Bloomberg, Channel News Asia, and ETN TV Taiwan. The reason for choosing those five international media outlets was to reach its target foreign investors across key regions: U.S., Europe, and East Asia (see ad at this link: <https://www.youtube.com/watch?v=9NHAMDFSepA>).

The video starts with a businessman driving his car and stopping at a cliff somewhere in Indonesia. There he meets a paragliding pilot, and they fly together (symbolizing the equal business partner) on an adventure across the land of Indonesia. While flying, the businessman can see the magnificent view of Indonesia, from beautiful rice paddy fields, farms, factories, ports, buildings and infrastructure (illustrating Indonesia as the land of opportunities), and the people (representing the talented human capital). They eventually land on a field with a BKPM logo on it. At the end of the video, viewers can see various other paragliders in the sky with their parachutes representing flags of different countries (Australia, UK, U.S., Japan, South Korea, and Netherlands), depicting the top foreign investors in Indonesia.

With this voice-over, BKPM communicated the following image of Indonesia:

“Working with professional and equal business partners creates a stronger confidence. Ride across the land of opportunity, confidence, and harmony, with a strong and growing economy. A young and expanding middle class. Talented human capital and a huge market to achieve higher levels of success, with abundant opportunities. Invest in Remarkable Indonesia” (TheBKPMVideo, 2015).

To better increase awareness of Indonesia as a land of investment opportunities, BKPM also established Indonesia Investment Promotion Centers (IIPCs) located in the major economically powerful cities: New York, Abu Dhabi, London, Tokyo, Taipei, Singapore, Seoul, and Sydney. These offices are under the supervision of BKPM’s Investment Promotion

Department with the primary task to promote and boost Foreign Direct Investment (FDI) to Indonesia.

The recent visits of current foreign leaders to Indonesia, signals a significant importance of developed nations in building economic ties with Indonesia. Saudi Arabia's King Salman recent visit to Indonesia, for example, resulted in a \$1 billion agreement in development finance for Indonesia and expanded cooperation in other areas (Associated Press, 2017). Meanwhile, a total of 11 commercial and investment deals were signed between Indonesian and U.S. companies during U.S. Vice President's visit to Indonesia (Indonesia-Investments, 2017).

The U.S. has been one of Indonesia's major business partners and has strong investment presence in the country. U.S. investment in Indonesia dates back to 1924 when geologists from Standard Oil of California (now Chevron) began operating in Sumatera (Paramadina Public Policy Institute, 2014). Energy investment has been one of the main interest of U.S. FDI in Indonesia. In 2011, both countries formed the 'U.S. - Indonesia Energy Dialogue' which reinforced several initiatives, including the USTDA geothermal power development training in six locations in Indonesia ("Fact Sheet: U.S. – Indonesia Trade & Investment Relationship," n.d.). Other sectors of interest include food and beverages industry, mining, consumer goods, pharmaceutical, and textile (BKPM, 2017).

A recent report by the European Union (2017) mentioned that after Singapore, Indonesia is the second destination for EU investments in the ASEAN region, accounting for 13.1% of the total EU FDI stock in the ASEAN. European companies in Indonesia currently employ more than 1.1 million workers (European Union External Action, 2017). Both nations are also in the process of negotiating a Comprehensive Economic Partnership Agreement (CEPA). The agreement is expected to provide for a more stable, balanced and long-term framework to enhance trade and investment relations between the EU and Indonesia (European Union External Action, 2016).

Meanwhile, with its close neighbor Australia, Indonesia is currently negotiating an economic agreement called the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). IA-CEPA will create the framework for a new era of closer economic engagement between Australia and Indonesia and open new markets and opportunities for businesses, primary producers, service providers and investors (Department of Foreign Affairs & Trade, n.d.).

Middle Eastern countries wield significant financial power and have recently gravitated toward ASEAN, including Indonesia, for trade, tourism and investment (TTI) (Shihab, 2014). Additionally, the Indonesian Ministry of Foreign Affairs (2017) emphasized the need for expanding trade and investment cooperation with countries from the Gulf Cooperation Council (GCC).

The current U.S. FDI in Indonesia no longer tells such an impressive story when compared to previous years (AmCham Indonesia & the U.S. Chamber of Commerce, 2016). According to the BKPM data, U.S. FDI in Indonesia reached U.S. \$ 2.4 billion in 2013, which positioned U.S. as the third largest FDI in Indonesia (BKPM, 2014). However, in 2015, U.S. FDI plummeted to U.S. \$ 893 million and no longer sitting on the top five FDI countries in Indonesia (BKPM, 2016). There was a 30 percent rise in 2016, which reached U.S. \$ 1.16 billion, still, yet the amount is way below Singapore, Japan, China, Hong Kong, and the Netherlands (the 2016 top five FDI countries in Indonesia) (BKPM, 2017). Investment from E.U countries also experienced a decrease, from U.S. \$ 3.8 billion in 2014 to U.S. \$ 2.6 billion in 2016 (BKPM, 2017). Australian investment on the other hand is somewhat stagnant, staying at U.S. \$ 200 million from 2013 - 2016 (BKPM, 2017). As for the United Arab Emirates (UAE), FDI realization from the UAE hit a major decline from U.S. \$ 55.03 in 2016 to U.S. \$ 26.62 in 2017 (BKPM, 2018).

Country Reputation

A country's reputation can influence everything from foreign investment to whether or not people want to visit or live there (Galloway, 2016). Fullerton and Holtzhausen (2012) defined country reputation as the product of all the different forms of communication media, intercultural and educational exchanges, international NGO behavior and communication, and the behavior of the companies and their representatives who symbolize a country internationally.

Passow et al. (2005) developed the Fombrun-RI Country Reputation Index (CRI), a 20-item scale based on six dimensions: the appeal of the emotional, physical, financial, leadership, cultural and social aspects of the country. Using Passow et al. (2005) CRI, Yang et al. (2008) proposed a new CRI by adding the *political appeal* dimension. The dimensions are defined as follows:

1. *Emotional appeal*: How much the country is liked, admired, and respected;
2. *Physical appeal*: Perceptions of the country's infrastructure such as roads, housing, services, healthcare, and communications;
3. *Financial appeal*: Perceptions of the country's competitiveness, profitability, growth prospects, and risk of investment;
4. *Leadership appeal*: How well the country demonstrates a strong leadership and communicates an appealing vision of the country;
5. *Cultural appeal*: How well the country retains the values of distinct, appealing culture and a rich historical past;
6. *Global appeal*: Perceptions of the country as having high standards in its dealings with global community, good causes, and environmental policies;
7. *Political appeal*: Perceptions of the country's political status such as internal relationships, democracy, and stable political environments.

Yang et al. (2008) study explored South Korea's country reputation as viewed by Americans. Their findings showed that favorable country reputation resulted in stronger intentions to support the country (tourism and purchasing products). Similar findings were also discovered by Fullerton and Kendrick (2017b) in their Brand USA's Land of Dreams study. Fullerton and Kendrick's (2017b) factor analyzed the country reputation scale into three underlying dimensions: *leadership*, *investment*, and *culture*. Their research indicated that country reputation moderated the effectiveness of tourism ad for interest to travel to the U.S. Interestingly, both of their studies showed *cultural appeal* as the most favorable country reputation dimension.

Another interesting finding from Fullerton and Kendrick (2017b) was that respondents scored higher on attitude toward the U.S. people than the attitude toward the U.S. government. The researchers suggest that the foreign audience are likely to separate their views of the people from the government.

Dimitrova, Korschun, and Yotov (2017) empirically tested the relationship between country reputation and export volume using an economic model of international trade. They found that the overall effect of country reputation is significant; improving one's reputation in a target country by one place (in a ranking of 50 countries in the data set) leads to a two percent increase in exports to the target country. Although less is known about the relationship between country reputation and FDI, scholars have confirmed that there is a bidirectional relationship between export and FDI (export leads to FDI and FDI leads to export) (Lipsey & Weiss, 1981; Zhang & Felmingham, 2001; Jha, 2006). Therefore, country reputation might have the same significant impact toward FDI.

Nation Branding

The phrase “nation branding” has profoundly drawn attention to governments of countries across the world in the past decade. Branding is the process of designing, planning and communicating the name and identity, in order to build or manage the reputation (Anholt, 2007). Meanwhile, according to Fan (2008), one of the most influential definitions of a nation is provided by Joseph Stalin (1913): “a nation is a historically constituted, stable community of people, formed on the basis of common language, territory, economic life, and psychological makeup manifested in a common culture.”

The process of positioning a product or brand to entice a market is now being adopted by countries. Scholars began to identify that a nation could strategically apply the techniques of branding to attract trade, tourism and investment (Anholt, 2002; Kotler & Gertner, 2002; Papadopoulos & Heslop, 2002; De Chernatony, 2008; Dinnie, 2008). While a country’s reputation reflects how it is perceived, nation branding is the outcome of applying principles and strategies of branding to influencing how countries are perceived in the minds of the public (Jain & Winner, 2013).

There are various definitions of nation branding that exist in the literature. Dinnie (2008) defined the term as “the unique, multi-dimensional blend of elements that provide the nation with culturally grounded differentiation and relevance for all of its target audiences.” Sun (2009) equates it to “the procedure of designing, implementing, evaluating, and monitoring the marketing activities for delivering a symbolic meaning of the nation to its stakeholders.” Fullerton and Kendrick (2017a) describe nation branding as “the strategic act of shaping a country’s reputation and country image through the use of branding techniques” (p. 16). Nation branding can also be characterized as “the production of symbols, signs, territories, and spaces for

consumption which is manifested in consumers' investing in the country, buying the countries' products, or visiting a country and spending money there" (Szondi, 2008).

The growing number of governments engaging in branding techniques to build its nation's reputation reflects the importance of nation branding. Scholars have proposed that nation branding practices can translate into influencing people's decisions related to purchasing, investing, or traveling (Anholt, 2007; Fetscherin, 2010; Kotler & Gertner, 2002; Moilanen & Rainisto, 2009; and Szondi, 2008).

Anholt (2002) created the nation branding hexagon that consists of tourism, exports, governance, investment and immigration, culture and heritage, and people. Each of the points of the hexagon involves different aspects of the intellectual property patrimony of the nation, and together they add up to a single 'idea of the nation', which can drive performance in many areas of international trade, relations and cultural and social exchange (Anholt, 2005). Anholt (2005) also introduced the Nation Brand Index (NBI), which is the sum of people's perceptions of a country across the six areas of national competence (derived from the nation branding hexagon). Through his research, Anholt (2005) measured the power and appeal of America's brand image by surveying 10,000 consumers in 10 countries on their perceptions of America's cultural, political, commercial and human assets, investment potential, and tourist appeal.

Szondi (2007) pointed out several common challenges and mistakes in country branding that he found through research in Central and Eastern Europe. Among the findings are no clear distinctions between the different country brands, outdated messages and slogans, too much reliance on advertising, lack of evaluation, and short-term thinking rather than long-term. He observed the fact that many countries promote similar experiences with cliché catchphrases such as 'well-educated workforce' and 'young and dynamic population.' It is difficult to identify the

distinct features that would make the country unique in the minds of potential tourists, investors or buyers (Szondi, 2007).

Studies on Indonesia's nation branding

Very few studies investigated Indonesia's nation branding activities. In fact, the researcher could only find studies focusing on tourism. Sumaco and Richardson (2011) surveyed 342 foreign tourists who visit Indonesia in 2009 following the "Visit Indonesia 2008" tourism campaign. The findings point out that the level of awareness of the tourism campaign was low, with only 13.7% of the respondents claiming to have seen the campaign and of these, only a few claimed it had a significant impact on their decision to visit Indonesia (Sumaco & Richardson, 2011).

A study by Poyk and Pandjaitan (2016) on the "Wonderful Indonesia: Feeling is Believing" 2012 campaign, concluded that there is an inconsistency of what the Indonesian government wants to deliver in its nation branding campaign with what is represented in the advertisement. According to Poyk and Pandjaitan (2016), the advertisement discourse has not been able to make the audience imagine the strengths shown in the advertisement as pieces that hold together Indonesia as a nation. The quality 'wonderful' was, but the aim of attracting the audience is not achieved.

Another tourism study was conducted by Handayani and Rashid (2016) to examine the mediating effect of national brand image on the relationship between tourism and hospitality attributes (heritage, hospitality and services, and natural attractions) and behavioral intention. The researchers distributed 348 questionnaires at the departure halls of three Indonesian international airports. The outcome points out that tourism and hospitality attributes not only play an important role as the first industry to introduce a nation's profile and contribute to national brand image

formation for foreign tourists but also may influence behavioral intention (e.g., intention to revisit and/or intention to recommend) (Handayani & Rashid, 2016).

As previously explained, the research on Indonesian nation branding mainly rests on the tourism sector. There has been no work reported on FDI. Thus, creating a literature gap, which the researcher is eager to address. One of the reasons for the limitation might be due to the lack of studies on FDI advertising in relation to nation branding.

Advertising

The most obvious branding technique used by countries to create a favorable image in the minds of international audiences is advertising. Wells and Wint (2000) explained that there are five stages that corporations go through when making decisions regarding FDI: awareness, interest, evaluation, trial, and adoption. According to the researchers, during the awareness and the interest stages, the most effective information sources were impersonal sources such as advertising (Wells & Wint, 2000). A study by UNCTAD (2001) on 101 IPAs found that advertising in foreign business media as the second most expensive promotional activity after conducting investment mission, representing 11 percent of the IPAs' total budget.

Advertising is a function of persuasive communication. Advertising has the advantage of being a controlled message that is persuasive and engaging (Fullerton & Kendrick, 2017b). Moriarty et al. (2014) defined advertising as a paid mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future. Throughout the history of modern nations, persuasion has been used by national governments to influence domestic public opinion or international perceptions (Kaneva, 2014).

One of the earliest attempts to model the effect of advertising was the AIDA model, introduced by St. Elmo Lewis in 1890, and adopted by scholars as a basic framework to explain how persuasive communication (mainly advertising) worked (Wijaya, 2015). The acronym stands

for Attention (or Awareness), Interest, Desire, and Action. The reasoning behind this model is that communication should first attract the receiver's attention, then engage the receiver's interest, then create in the receiver a desire for the product or service, and then inspire action in the receiver (Hudson, Wang, & Gil, 2011).

With the possible exception of those of us who have a professional interest in the subject, most people do not actively seek out exposure to advertising (Messaris, 1997). The images, music, powerful words, and backgrounds are some aspects that grab the viewers' awareness of the advertisement. Getting the viewers awareness is regarded as a successful step in advertising. Wells and Wint (2000) provided an example of an advertising campaign conducted by Ireland's FDI promotion agency, IDA (Industrial Development Authority), in 1982-1986. The agency surveyed U.S. corporations after the ad had been running for three years. The result provides much evidence to the effect that senior decision makers in U.S. corporations saw the promotion in general, read IDA's advertisements, and remembered these advertisements. Although the ad did not directly affect the increase of U.S. investment in Ireland, it was effective in generating investor's awareness about Ireland (Wells & Wint, 2000).

Investors may be aware of the abundance of investment opportunities in a given country. However, they may not have seriously considered investing. Interest is the stage that attempts to motivate the viewers to learn more about the message. The level of interest in advertising messages can be heightened in individuals by appealing to the individual's needs or wants (Mann, 2011). Once interest has been aroused and desire to read, listen, see or experience the information in the advertisement is generated, ultimately action occurs (Mann, 2011), in this case, investing in the respected country. Wilson and Baack (2012) provided examples of *catchphrases* reflected in most FDI advertisement. For example, countries who emphasize their market attractiveness may include messages such as large and growing domestic market, adjacent to regional markets, availability of skilled labor, and presence of related firms (Wilson & Baack, 2012).

Wilson and Baack (2012) performed a content analysis of 145 FDI advertisements representing 31 countries that were placed in major U.S. business publications. Using Dunning's (1998) location advantages (*resource seeking, market seeking, efficiency seeking, and strategic asset seeking*) as the theoretical framework for the analysis, the researchers identified five factors represented in FDI advertisements: *knowledge resources, market attractiveness, economic governance, infrastructure, and natural resources*. In addition, the researchers also found that FDI advertising varies significantly by country's income classification. Low-income countries did not produce FDI advertising, whereas lower-middle-income countries used advertising to announce policy changes and offer incentives. Meanwhile, high-income-country advertising concentrates more strongly on extensive knowledge resources, networking opportunities, and agglomerative markets (Wilson & Baack, 2012).

Scholars appear to have conflicting views on the effectiveness of FDI advertising. Some pointed out that it is ineffective. Kindra et al. (1998) interviewed a panel of experts that consisted of businessmen, academics, and bureaucrats to assess the role of investment promotion in ASEAN countries. The panel were asked to identify and rank, according to the degree of importance, factors that they believed influence the investment decisions of foreigners (Kindra et al., 1998). According to the findings, investment promotions were not of immediate importance. Meanwhile, Morisset and Andrews-Johnson (2004) indicated that spending on advertising does not seem to have a significant association with FDI. Their research suggests that expenditures on promotional material and public relations activities matter more significantly. Jordan (2014) analyzed the 'Brand Estonia' campaign that was aimed to attract direct investment. The campaign, which was commissioned by Enterprise Estonia, an Estonian government agency that promotes Estonian business interests internationally, did not produce the desired intention. The research found that the perception of Estonia became weaker the further the respondents are from the country (Jordan, 2014).

Others posit that investment promotion efforts are associated with investor's intention to invest and higher FDI inflows into the host country. Using a subsample of the single-page ads analyzed in the Wilson and Baack (2012) study, Wilson et al. (2014) found strong evidence, which indicates FDI-seeking advertisement as effective in changing managerial attitudes and behavioral intentions toward the advertising country. Specifically, the advertisements that presented strong arguments for market attractiveness or highlighted firm-strategic assets (Wilson et al., 2014).

Wells and Wint (2000) conducted a study to measure the effect of six independent variables: 1) effective demand (per capita GNP), 2) market growth (GNP growth rate), 3) balance of payment condition, 4) inflation, 5) political stability and 6) investment promotion of 50 countries on their FDI per capita value. The result shows that investment promotion variable made the third highest contribution (6.4 percent) on FDI per capita value. Harding and Javorick (2011) collected data on 124 countries to examine the effects of investment promotion on inflows of U.S. FDI. Their findings suggest that investment promotion works in developing countries but not for industrialized economies. Kalamova and Konrad (2010) using Anholt's Nation Brands Index (NBI) proposed that a nation's brand index has some independent effect for one of the key variables of a country's economic prosperity: inbound FDI. The authors indicated that the volume of FDI into a host country rises by 27 percent as its NBI increase by one point.

Meanwhile, the United Nations Conference on Trade and Development (UNCTAD) (1997) and Papadopoulos, Hamzaoui-Essoussi, and El Banna (2016) stated a more neutral stance. They mentioned that the effectiveness of the investment promotion varies considerably between countries (UNCTAD, 1997) and that FDI advertising is more effective in the earlier stages, whereas personal techniques such as visits and feasibility studies may be more effective for companies in later stages of the process (Papadopoulos, Hamzaoui-Essoussi, & El Banna, 2016).

Although there are many literatures in FDI advertising, very few studies examine FDI advertising in the context of nation branding. Using the concept of *place branding*, Metaxas (2010) proposed a conceptual model for FDI effective attractiveness. According to Metaxas (2010), FDI promotion would be successful when it functions according to the supply and demand of the competitive market. The supply side consist of government policies, characteristics and values of the host place, and the creation of image through promotion strategies. Meanwhile, the demand side consist of factors that are of investors' concern such as location criteria, local taxes, and competitive advantages of the area. The linkage between these characteristics and values will create a “place brand equity,” an attractive and competitive image of the country brand.

Kindra et al. (1998) study was focused heavily on marketing; however, their study presented an interesting result on the role of country image. Their findings suggest that the projection and maintenance of a positive pro-business image is a prerequisite of any investment promotion strategy (Kindra et al., 1998). The conclusions support Kotler et al. (1993) approach to an *effective image*, which must be “realistic, believable, simple to understand, attractive to investors and distinctive, with unique attributes that make the place stand out among other places.”

Papadopoulos et al. (2016) acknowledge the fact that scarcity exists in the field of FDI-related nation branding studies. According to the researchers, many of the existing studies only focus on individual aspects of marketing and not provide a holistic approach to nation branding (e.g., Wilson and Baack, 2012; Wells and Wint, 2000). Papadopoulos et al. (2016) reviewed two principal actors in FDI (investors and locations) and provided future directions for FDI nation branding:

1) Understanding investors

- Effective FDI promotion should vary between the awareness-focused (early parts of decision-making) versus incentives-focused (later part of decision-making).
- Market segmentation would be more effective than the largely undifferentiated approach that is reflected in most FDI promotions. Future research should examine FDI-related nation branding from a sector-specific as well as cross-sectoral perspective.
- FDI research typically focuses on the “hard” factors of an investment decision (e.g., comparative place advantages, interest rates, and trade barriers) rather than the “soft” factors (images and perceptions).

2) Place

- Intra-governmental coordination is needed to supply the proper “product” base for any nation branding initiatives.
- Future studies should examine various available investment promotional tools, not only individually but also comparatively.
- There exist several levels of places conducting investment promotion, from cities, provinces and other regions within the country to nations as a whole. Future research in nation branding is needed to study this cross-level competitiveness.

The researchers asserted that literature in FDI and nation branding is still in its infancy.

Although many different factors affect investor’s decision, we do not know which branding approaches work better in what context (Papadopoulos et al., 2016).

In the end, FDI advertising is not the ‘Holy Grail’ or ‘silver bullet’, which can provide a universal solution to a country’s image (Szondi, 2007; Fullerton & Kendrick, 2017b). IPA should

not rely on advertising alone. In addition to branding, a country needs to create a positive macroclimate to ensure appropriateness for its investment offering that will be palatable to investors (Szondi, 2007; Papadopoulos, 2016).

IPA's generally have little direct influence on other government agencies, which results in a “disconnect” between the “promotion” they are trying to do while having little or no say on the design of the “product” they promote (Papadopoulos et al., 2016). Other government agencies that are responsible for the development of each sector of business (e.g., fisheries, agriculture, oil and gas, tourism, infrastructure) should continuously enforce improvements to better the country’s investment climate.

Theoretical Framework

The Model of Country Concept

The Model of Country Concept illustrates the various factors or integrants that influence how global citizens shape their opinions about other countries (Fullerton and Kendrick, 2017a). The country concept is a hybrid creation that consists of a country’s longstanding reputation, as well as the potentially more malleable country image it occupies in the mind of a global citizen. According to Fullerton and Kendrick (2017a), the model can be viewed from the perspective of an “agent”— agents work on behalf (though not necessarily in an official capacity) of one country and attempt to shape perceptions about that country among citizens of other nations.

The strengths of the model are its ability to categorize and define the various integrants of nation branding and public diplomacy and to show their positions in relation to one another (Fullerton & Kendrick, 2017a). However, the authors also noted that some nation branding activities do not fit neatly into a single integrant on the model, but may encompass multiple integrants or reside at the intersections between integrants.

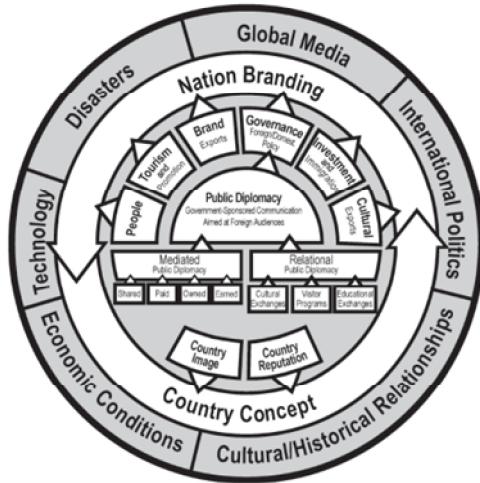


Figure 1. The Model of Country Concept. Adapted from “Shaping International Public Opinion: A Model for Nation Branding and Public Diplomacy,” by Fullerton, J. & Kendrick, A., 2017, New York, NY: Peter Lang Publishing. Adapted with permission.

As portrayed in the model, there are six integrants of nation branding, which according to Fullerton and Kendrick (2017a), derived from Anholt’s place-branding hexagon and are the mechanisms through which countries communicate with people in other nations. The six integrants are people, tourism/tourism promotion, brand exports, governance/foreign and domestic policy, investment and immigration, and cultural exports. Investment is the integrant that is particularly relevant to this study.

Papadopoulos et al. (2016) asserted that nation branding for FDI may create positive spillover effects for other target markets (e.g., from investors to tourists) while also opening the door for the reverse effect (e.g., greater exposure of investors to FDI promotion may help make them more amenable to promotion in tourism). The spillover effect could be addressed through the Model of Country Concept, analyzing how nation branding integrants influence each other.

In Fullerton and Kendrick’s (2017a) Model of Country Concept, public diplomacy holds a center stage, illustrated with its own micro-model, and divided into two areas: relational

(interpersonal) public diplomacy and mediated (by way of the mass media) public diplomacy. Relational public diplomacy describes the person-to-person activities sponsored by government entities, such as the Fulbright scholarship program (Fullerton & Kendrick, 2017a). Meanwhile, mediated public diplomacy is government sponsored communication that takes place via the media, including earned media, owned media, paid media, and shared media (Fullerton & Kendrick, 2017a). The “Invest in Remarkable Indonesia” television commercial is an example of mediated public diplomacy that takes place via paid media.

According to Fullerton and Kendrick (2017a), the formation of country concept is influenced by “global givens” that are external and beyond the control of the agent. Below the researcher will review Indonesia’s external environment:

1) Disasters

As the world's largest archipelago, Indonesia sits between the world's most active seismic region — the notorious Pacific Ring of Fire — and the world's second most active region — the Alpide belt (Israel, 2010). Being positioned between those conditions, make Indonesia vulnerable to natural disasters such as earthquakes, tsunamis, and volcano eruptions.

Exposure to natural disasters might weigh on Indonesia's economic potential (Thapa, 2017).

2) Global Media

What other countries are saying about the agent's country in their media may be one-sided, negative, false, or misleading in nature (Fullerton & Kendrick, 2017a). As mentioned earlier, the news that we often hear about Indonesia in the international media are related to natural disasters, terrorism, human rights, and corruption. However, the message framing of those news may cause a bias in the public's mind about Indonesia. Recently, positive news of Indonesia also circulated the international media outlets. An article about a heavy metal band in Indonesia that consists of three girls in hijabs, for example, appeared in various

international media outlets such as Reuters, The New York Times, NPR, and The Guardian. “In a way, this is great public relations for Indonesia, that Indonesia isn’t as radical and ‘scary’ as lots of people outside of Indonesia think,” said Rudolf Dethu, an Indonesian music columnist (Cochrane, 2017). Another, which also received international attention, was about Indonesia’s Minister of Fisheries, Susi Pudjiastuti, who is an avid fighter of illegal fishing. Last year, Pudjiastuti received the Leaders for a Living Planet Award at the U.S. Department of State’s *Our Ocean Conference* in Washington, D.C (Payne, 2016). She is also a recipient of this year’s Peter Benchley Ocean Awards in “Excellence in National Stewardship” (“Honorees,” n.d.). This may demonstrate to the international public that the government of Indonesia is serious in combating illegal activities in the country.

3) *International Politics*

Indonesia plays an active role in the United Nations, the World Bank, Asia-Pacific Economic Cooperation, and the G-20. Indonesia is the only ASEAN country to be a member of the G-20. The G-20 is an international forum that brings together the world's 20 leading industrialized and emerging economies. The group accounts for 85 percent of world GDP and two-thirds of its population (Mustafa, 2017). Members include the U.S., Germany, U.K., Russia, and China. Indonesia cooperates with the U.S. on issues of regional and global concern such as violent extremism, global peacekeeping operations, health pandemics, and climate change (Bureau of East Asian and Pacific Affairs, 2017). Australia and Indonesia has worked closely in addressing threat of terrorism through sharing of intelligence and counter-messaging strategies (Department of Foreign Affairs & Trade, n.d.).

4) *Cultural/Historical Relationship*

Indonesia enjoys a strong relationship in education with developed nations. As part of the US-Indonesia Comprehensive Partnership, there has been a 15 percent increase in the number of Indonesians studying in America and a 67 percent increase in the number of Americans

studying in Indonesia since 2010 (Neberai, 2015). Currently, approximately 9,000 Indonesians study in the United States and around 500 Americans study in Indonesia (“Education & Culture,” n.d.). People-to-people links are an important component of Australia and Indonesia bilateral relationship. The two countries have established engagement in culture, sports, and education through the Australia-Indonesia Institute, the Australia-Indonesia Centre, and the Australia-Indonesia Youth Association (Department of Foreign Affairs & Trade, n.d.). European countries also share strong cultural relationship with Indonesia. Many Indonesian students are enrolled in Universities across Europe through scholarship programs such as Erasmus Mundus (E.U), Chevening (U.K), StuNed (Netherlands), and DAAD (Germany).

5) Economic Conditions

Indonesia is one of the world’s fastest-growing emerging economies. Since 2000, economic growth has taken off in Indonesia. There has been impressive growth in gross domestic product (GDP), averaging over 5 percent in the period 2000–2016 (“Towards a More Equal Indonesia,” 2017). Indonesia’s Ease of Doing Business (EoDB) Index has climbed 15 places to 91 in 2016 from the previous rank of 106, according to the World Bank’s Doing Business 2017 report (Indonesia Services Dialogue Council, 2016). Stronger commodity prices, along with low-interest rates, and government monetary and economic reforms should help boost investment in the country (Thapa, 2017).

6) Technology

According to a report by McKinsey and Company, Indonesia’s social media usage is among the highest of any population in the world; Jakarta is widely considered the Twitter capital of the world. The industry is expected to grow by approximately 18 percent annually in the next five years, reaching a market volume of U.S. \$ 16.4 billion by the end of 2020 (Das et al., 2016).

However, despite the growing number of internet users, at 34 percent, overall Internet penetration in Indonesia is very low —only half that of ASEAN neighbor Malaysia (Das et al., 2016). Recognizing the opportunities and challenges presented by information and technology, President Obama and President Jokowi in 2015 committed to continuing developing cooperation in many areas of science, technology and innovation, including the development of the information and technology sector in Indonesia (The White House, Office of the Press Secretary, 2015). International businesses have also shown their support of advancing technology cooperation with Indonesia. In 2014, Facebook CEO, Mark Zuckerberg, met with President Jokowi in Jakarta to discuss the Facebook-led project Internet.org. "We are trying to get free basic services and affordable access to the two-thirds of (the world's) people who aren't on the Internet," said Zuckerberg (Associated Press, 2014).

Researchers have utilized Fullerton and Kendrick's (2017a) Model of Country Concept to explore nation branding integrants and how they influence country concept. Zatepilina-Monacell, Yang, and Wang (2017) conducted an online survey of 374 U.S. college students to investigate factors shaping China's reputation and young people's decision-making in choosing China as a destination for study abroad. The findings suggest that knowledge of China and attitude toward studying in China are significant influences on shaping China's country reputation among college students. China's educational exchange also demonstrates an effective public diplomacy and nation branding strategy.

Meanwhile, Liu, Murphy, and Li (2017) did an empirical study involving an Australian wine brand that sought export opportunities in China. The research findings strongly support the notion that specific country image has a positive effect on consumer attitudes toward a foreign brand from that country. In addition, consumer ethnocentrism and product knowledge attenuate the positive effect of country image on Chinese consumers' attitudes toward foreign wine brands (Liu, Murphy, & Li, 2017).

Hasnat and Steyn (2017) did an exploratory study on the “Beautiful Bangladesh” tourism campaign to analyze the relationship between mediated public diplomacy and tourism advertising through the bleed-over effect. The study signaled that international tourists are starting to view the country differently as the number of inbound tourists increase. This phenomenon puts pressure on local business to improve their product quality, which is reflected in the country’s booming ready-made garment industry and the “Made in Bangladesh” brand. However, from the exploratory research, the authors could not identify whether foreigners have changed their perception of Bangladesh as a country and whether the mediated public diplomacy campaign succeeded in branding the country.

The studies that the researcher explained above were related to the nation branding integrant of cultural, brand export, and tourism. The Model of Country Concept has not been tested yet on an FDI study (investment integrant). Therefore, this study will add to the literature on nation branding via the Model of Country Concept.

Research Hypotheses and Questions

This study further examined the relatively new Model of Country Concept to find out whether country reputation moderates the effects of investment advertising of a country as well as attitude toward its government, people, and intention to invest.

The researcher proposes the following hypotheses and research questions:

Hypothesis 1 (H1): The television commercial “Invest in Remarkable Indonesia” will positively affect foreign investors’ attitude toward the Indonesian government.

Hypothesis 2 (H2): The television commercial “Invest in Remarkable Indonesia” will positively affect foreign investors’ attitude toward the Indonesian people.

Hypothesis 3 (H3): More favorable country reputation of Indonesia will lead to more supportive intentions of foreign investors' toward investing in Indonesia.

Research Question 1 (RQ1): What is Indonesia's country reputation among foreign investors?

Research Question 2 (RQ2): What were foreign investors' first impressions about the "Invest in Remarkable Indonesia" television commercial?

Research Question 3 (RQ3): What did foreign investors like/dislike about the "Invest in Remarkable Indonesia" television commercial?

Research Question 4 (RQ4): What were foreign investors' thoughts on the main message of the "Invest in Remarkable Indonesia" television commercial?

Research Question 5 (RQ5): Does country reputation moderate the effectiveness of the television commercial on foreign investors' intention in investing in Indonesia?

Research Question 6 (RQ6): Which promotion techniques would be most effective for the Indonesian Government to attract foreign investors?

CHAPTER III

METHOD

This section outlines how the research was conducted. Pre/post quasi-experimental method was chosen to test the research hypotheses and answer the research questions. Additionally, this method is more practical due to location constraints.

Study Design and Participants

The researcher administered a questionnaire to measure the effectiveness of the investment promotion commercial toward foreign investors. The respondents were recruited from the database of investors provided by the Indonesia Investment Promotion Centers (IIPCs) in New York, Abu Dhabi, Sydney, and London. The respondents represented corporations, which had previous contact with IIPC through their investment promotion activities.

The research was conducted between December through February 2018, in accordance with the guidelines set forth by Oklahoma State University's Institutional Review Board, including implied consent, anonymity, and voluntary participation.

Research Procedure

The questionnaire was administered online via Survey Monkey platform, containing 50 questions. The researcher distributed the questionnaire by sending personal invitations via e-mail with a link to the survey (see appendix).

As stated by Crow et al. (2006), gathering data online involving direct interaction with individuals, clearly falls within the scope of human subject research standards and requires informed consent. By clicking and entering the survey, the investors gave their consent to participate in the study. All data collected were used for academic research purpose only. All participants had the right to withdraw from the study at any time without penalty.

To protect the confidentiality of participants, identifying information were kept to a minimum and only included: company location, the sector of business (e.g., construction, manufacturing, mining, real estate), and whether or not the respondent is a key decision maker.

Research design variables and instruments

The research design is a pre-post quasi-experiment. Respondents' attitudes toward Indonesian government, Indonesian people, and interest to invest in Indonesia were measured before (pre) and after (post) viewing the 60-second television commercial.

Attitude toward the Indonesian government and the Indonesian people, were measured on a four-point Likert scale from very favorable (4) to very unfavorable (1) adapted from the Pew Global Attitudes Survey (Pew Research Center, 2017):

1. *How favorable or unfavorable do you feel about the people of Indonesia?*
2. *How favorable or unfavorable do you feel about the government of Indonesia?*

Interest in investing in Indonesia was measured on a four-item seven-point Likert scale from strongly agree (7) to strongly disagree (1) using the following items:

1. *I would love to invest in Indonesia.*
2. *Indonesia is an interesting investment destination.*
3. *I would like more information about Indonesia as an investment destination.*

4. *I would recommend Indonesia to be placed on my company's list of locations to evaluate for international expansion.*

Country reputation was measured using Yang et al. (2008) Country Reputation Index (CRI), which consists of seven dimensions: *emotional appeal*, *physical appeal*, *financial appeal*, *leadership appeal*, *cultural appeal*, *global appeal*, and *political appeal*. Considering the importance of the *financial appeal* to investors, the researcher added a new item to the *financial appeal*, derived from Wheeler and Mody (1992) research on the factors influencing U.S. FDI. The researchers stated infrastructure development, stable international relations, rapid industrial growth, and an expanding domestic market as four main factors that influence U.S. investors' FDI decision-making in a developing country. Because the three other items were already included in Yang et al. (2008) study, expanding domestic market were added as the new item for financial appeal.

The following items were measured on a seven-point Likert scale from strongly agree (7) to strongly disagree (1): (a) *emotional appeal*: I trust Indonesia (CR1); I respect Indonesia (CR2); (b) *physical appeal*: Indonesia is a beautiful place (CR3); has a good infrastructure (CR4); (c) *financial appeal*: Indonesia is an inviting place to do business (CR5); Indonesia has a well-developed industrial sector (CR6); Indonesia has an expanding domestic market (CR7); Indonesia maintains a stable economic environment (CR8); (d) *leadership appeal*: Indonesia has charismatic leaders (CR9); Indonesian leaders communicate an appealing vision of the country (CR10); (e) *cultural appeal*: Indonesia has a rich historical past (CR11); Indonesia has distinct culture (CR12); Indonesia has an appealing culture (CR13); *global appeal*: Indonesia is a responsible member of the global community (CR14); Indonesia supports good causes (CR15); (g) *political appeal*: Indonesia maintains good international relationships (CR16); Indonesia is a democratic country (CR17); Indonesia maintains a stable political environment (CR18).

The 60-second television commercial (TVC) that was used as the stimulus in this study is known as the Indonesian investment promotion advertisement “Invest in Remarkable Indonesia.” The video starts with a businessman driving his car and stopping at a cliff somewhere in Indonesia. There he meets a paragliding pilot, and they fly together (describing the equal business partner) on an adventure across the land of Indonesia. While flying, the businessman can see the magnificent view of Indonesia, from beautiful paddy fields, farms, factories, ports, buildings and infrastructure (describing Indonesia as the land of opportunities), and the people (representing the talented human capital). They finally land on a field with a BKPM logo on it. At the end of the video, we can see various others paragliders in the sky with their parachutes of different countries (Australia, U.K., U.S., Japan, South Korea, and the Netherlands), depicting the top foreign investors in Indonesia. With this voice-over:

“Working with professional and equal business partners creates a stronger confidence. Ride across the land of opportunity, confidence, and harmony, with a strong and growing economy. A young and expanding middle class. Talented human capital and a huge market to achieve higher levels of success, with abundant opportunities. Invest in Remarkable Indonesia” (TheBKPMVideo, 2015).

The commercial is the independent variable and was not manipulated from its original form for this research. To ensure that respondents could view and hear the entire commercial, immediately following the commercial a multiple-choice question was asked. The filter question is, “*In the final scene of the commercial, where did the paraglider land?*” with the correct answer being on a grass field. Respondents who answered the question wrong were automatically exited from the survey. The respondents were also asked whether they can view and hear the ad and whether they have previously seen the ad.

To gain a better understanding of respondents' reaction to the commercial, five open-ended questions were asked immediately after viewing the commercial:

1. *What were the first thoughts or words that came to mind when you viewed the commercial?*
2. *In your own words, what is the main message this commercial is trying to communicate? What point are they trying to get across?*
3. *Please write words to describe how the commercial makes you feel.*
4. *What, if anything, do you like about this commercial?*
5. *What, if anything, do you dislike about this commercial?*

To answer the research question about which investment promotion technique would be the most effective, the researcher asked the following multiple choice question:

1. *From the list below, what do you think is the most effective way for learning about Indonesian investment opportunities?*
 - *Business Forum*
 - *Exhibition*
 - *E-Newsletter*
 - *Business Conference*
 - *One-on-One Meeting*
 - *Advertisement*

After answering the open-ended questions, the questionnaire then repeated the initial questions about respondents' interest in investing in Indonesia and attitudes toward the Indonesian people and the government. The final questions gathered respondents' demographic information.

Data collection and analysis

Data were collected by the researcher from each respondent and were calculated and correlated with other responses. After collecting the data, the data file was downloaded into SPSS for analysis. The results of the post-test were compared to the pre-test. Paired samples *t*-tests were used to determine the change in attitudes before and after seeing the commercial.

CHAPTER IV

ANALYSIS OF DATA

This study was designed to measure the effectiveness of Indonesia's investment promotion commercial on its target audience, the foreign investors. The researcher obtained a list of e-mails from the Indonesia Investment Promotion Center in New York, Abu Dhabi, London, and Sydney. A total of 439 e-mails were sent from December 2017 - February 2018. More than 100 e-mails bounced back or were undelivered.

The questionnaire asked about respondents' view on FDI and whether or not they have conducted FDI and currently looking for new FDI destinations. It also captured respondents' prior visit to Indonesia and their knowledge about Indonesia. The researcher adopted the Pew Global Attitudes Survey (Pew Research Center, 2017) to measure respondents' attitudes toward the Indonesian people and the Indonesian government, using a four-point from *very favorable* (4) to *very unfavorable* (1). Interest in investing in Indonesia was measured on a four-item seven-point Likert scale from *strongly agree* (7) to *strongly disagree* (1).

After viewing the 60-second "Invest in Remarkable Indonesia" commercial, participants were given open-ended questions that explored their impression of the commercial. The questionnaire then repeated the initial questions about respondents' interest in Indonesia as an investment destination and attitudes toward the Indonesian people and the government. Final questions gathered respondents' demographic information.

Thirty-one respondents participated in the survey. Ten respondents answered the filter question incorrectly and were eliminated from the survey. After those participants had been filtered out, the total was 21 participants who completed the entire survey. 86% of the participants identified themselves as key decision-makers in their company, and 14% were not key decision makers. Fifteen participants (71.43%) identified their company located in the U.S, two (9.52%) in Australia, one (4.76%) in the U.K, one (4.76%) in Taiwan, one (4.76%) in Turkey, and one participant (4.76%) identified their company locations in Europe, Vietnam, China, and Oman. The U.S. respondents represented states from California (33.33%), New York (27.78%), District of Columbia (11.11%), Texas (5.56%), and Arizona (5.56%).

The business sector of the respondents' companies consisted of agriculture, forestry, and fishing (9.52%), finance and insurance (9.52%), manufacturing (9.52%), information and technology (4.76%), construction (4.76%), retail trade (4.76%), and transportation and warehousing (4.76%). Meanwhile, 52.38% of the respondents identified their company sectors as others, which consisted of government, energy, oil and gas, cross-border corporate advisor, consulting, trade association, industry manufacturer council, aerospace, and variety.

The majority of respondents appeared to have traveled to Indonesia. When responding to the statement "*I have traveled to Indonesia,*" 71.4% of the respondents strongly agreed, followed by 19% who strongly disagreed. Despite having experience traveling to Indonesia, not many believe they have adequate knowledge about Indonesia. 47.6% of the respondents strongly agreed that they had a lot of knowledge about Indonesia; followed by 23.8% who moderately agreed and 14.3% strongly disagreed.

When asked about three words that came to the respondents' mind when thinking about Indonesia, friendliness (25.81%) and large population (16.13%) dominated the respondents'

answers. Meanwhile, Moslem, islands, emerging or growing economy, and prospective or potential country, were also noted among the top responses with a share of 12.90% respectively.

The majority of the respondents (64.5%) strongly agreed that FDI is an important international market entry strategy. 19.4% respondents moderately agreed, 9.68% slightly agreed, and 6.45% neither agreed nor disagreed with the statement. When asked whether their companies have conducted FDI, 71% of the respondents answered yes, and 29.03% said their company never conducted FDI. Of the respondents who have conducted FDI, the countries they have invested were in Singapore, Indonesia, India, Thailand, Philippines, Malaysia, Brunei, Myanmar, Timor Leste, Taiwan, Vietnam, New Zealand, Thailand, USA, Ghana, Oman, United Kingdom, France, Germany, United Arab Emirates (Dubai, UAE), Mexico, China, Canada, Colombia, Japan, Chile, Spain, Sweden, Russia, Peru, Venezuela, Gibraltar, Hong Kong, Australia, and Guatemala. 54.84% of the respondents stated that their company was currently looking for new FDI destinations and 45.16% were not looking for new FDI destinations.

Most of the respondents (81%) never saw the Indonesian investment commercial. Only 19% of the respondents had seen the ad. All of the respondents could see or view the commercial (100%), and 95.24% of the respondents could hear the commercial. One respondent (4.76%) reported not being able to hear the commercial.

Attitude toward investing in Indonesia before and after exposure to the commercial was measured by four items using a seven-point Likert scale with 1 being “Strongly Disagree,” and 7 being “Strongly Agree.” These five items had high internal correlations (Pre-alpha = .86; Post alpha = .94) and therefore were separated into two invest interest variables (one pre- and one post).

Country Reputation was measured by 18 items using a seven-point Likert scale with 1 being “Strongly Disagree,” and 7 being “Strongly Agree.” These 18 items had high internal

correlations (alpha = .90) and therefore were combined into Country Reputation variable. Country Reputation measurement consists of seven dimensions that were based on Yang et al. (2008) Country Reputation Index. The researcher also created variables for each of the Country Reputation dimensions: *emotional appeal, physical appeal, financial appeal, leadership appeal, cultural appeal, global appeal, and political appeal.*

1. Hypothesis 1 (H1): The television commercial “Invest in Remarkable Indonesia” will positively affect foreign investors’ attitude toward the Indonesian government.

Two questions, one before viewing the commercial and one after viewing the commercial, were used to measure investors’ attitude toward the Indonesian government: *How favorable or unfavorable do you feel about the government of Indonesia?*

As shown on Table 1, the paired sample *t*-test confirmed that there was no shift in people’s attitude toward the government of Indonesia before ($M = 2.95$) and after ($M = 2.95$) viewing the investment commercial. Thus, hypothesis 1 was not supported.

Table 1

How favorable or unfavorable do you feel about the government of Indonesia?

	<i>n</i>	<i>M</i>	<i>SD</i>	<i>t</i>	Sig.
Pre	21	2.95	.670	.001	1.00
Post	21	2.95	.670		

* $p < .05$; ** $p < .01$

2. Hypothesis 2 (H2): The television commercial “Invest in Remarkable Indonesia” will positively affect foreign investors’ attitude toward the Indonesian people.

Two questions, one before viewing the commercial and one after viewing the commercial, were used to measure investors’ attitude toward the Indonesian government: *How favorable or unfavorable do you feel about the people of Indonesia?*

As shown on Table 2, the paired sample *t*-test confirmed that the mean of pre-exposure ($M = 3.52$) was slightly higher than post-exposure to the commercial ($M = 3.43$). However, the test indicated the difference in mean were not statistically significant. Therefore, the hypothesis was rejected.

Table 2

How favorable or unfavorable do you feel about the people of Indonesia?

	<i>n</i>	<i>M</i>	<i>SD</i>	<i>t</i>	Sig.
Pre	21	3.52	.680	.623	.540
Post	21	3.43	.598		

* $p < .05$; ** $p < .01$

3. Hypothesis 3 (H3): Country reputation positively correlates with investors’ intentions toward investing in Indonesia.

As indicated in Table 3, most of the country reputation variables had significant (*, **) correlations with investors’ intention to invest, except for *physical appeal*. Therefore, hypothesis 3 was partially supported.

Table 3*Pearson Correlation and Descriptive Statistics*

Variables	Invest 1 (DV)	Emotional	Physical	Financial	Leadership	Cultural	Global	Political
Invest1 (DV)	.67**	.12	.47*	.53**	.59**	.53**	.58**	
Emotional		.29	.56**	.66**	.57**	.68**	.64**	
Physical			.53**	.32	.05	.44**	.37	
Financial				.60**	.48*	.49**	.52**	
Leadership					.39*	.77**	.70**	
Cultural						.25	.80**	
Global							.76**	
<i>M</i>	5.40	5.95	4.86	5.08	5.09	6.60	5.30	5.60
<i>SD</i>	1.15	1.00	.84	.88	1.14	.61	1.29	1.03

* $p < .05$; ** $p < .01$

4. Research Question 1 (RQ1): What is Indonesia's country reputation among foreign investors?

Findings for the sample-as-a-whole showed that the mean score of country reputation questions was 5.61 with SD of .67 on a seven-point Likert scale (the point 4 indicating neutral and point 7 as strongly agree). This finding suggests that country reputation of Indonesia, perceived by foreign investors, was overall positive or leaning toward a favorable reputation.

Table 4*Descriptive Statistics for Country Reputation*

	<i>M</i>	<i>SD</i>
CR	5.61	.67

Table 5*Descriptive Statistics for Country Reputation by Dimensions*

	<i>M</i>	<i>SD</i>
Factor 1: Emotional (alpha = .820)	5.95	1.00
I trust Indonesia as a country	5.57	1.17
I respect Indonesia as a country	6.32	.98
Factor 2: Physical (alpha = -.489)	4.86	.84
Indonesia is a beautiful place	6.46	.84
Indonesia has a good infrastructure	3.25	1.67
Factor 3: Financial (alpha = .655)	5.08	.88
Indonesia is an inviting place to do business	4.25	1.55
Indonesia has a well-developed industrial sector	4.39	1.42
Indonesia has an expanding domestic market	6.25	.93
Indonesia maintains a stable economic environment	5.43	1.03
Factor 4: Leadership (alpha = .879)	5.09	1.14
Indonesia has charismatic leaders	5.11	1.14
Indonesian leaders communicate an appealing vision of the country	5.07	1.29
Factor 5: Cultural (alpha = .691)	6.59	.61
Indonesia has a rich historical past	6.32	1.06
Indonesia has distinct culture	6.64	.73
Indonesia an appealing culture	6.69	.62
Factor 6: Global (alpha = .927)	5.30	1.30
Indonesia is a responsible member of the global community	5.43	1.34
Indonesia supports good causes	5.18	1.33
Factor 7: Political (alpha = .921)	5.60	1.03
Indonesia maintains good international relationships	5.64	1.03
Indonesia is a democratic country	5.64	1.13
Indonesia maintains a stable political environment	5.50	1.17

As indicated in Table 5, the respondents most favorably perceived the dimension of *cultural* ($M = 6.59$, $SD = .61$) followed by *emotional* ($M = 5.95$, $SD = 1$) and *political* ($M = 5.60$, $SD = 1.03$). The internal correlations for the individual underlying dimensions were not as strong as for the scale-as-a-whole. Particularly for the physical dimension (alpha = -.489) where the two items were weakly correlated. Most respondents agreed that Indonesia is a beautiful place, but did not agree that it had good infrastructure.

5. Research Question 2 (RQ2): What were the foreign investors' first impressions about the "Invest in Remarkable Indonesia" television commercial?

After viewing the commercial, the respondents were asked, "*What were the first thoughts or words that came to mind when you viewed the commercial?*" and "*Please write words to describe how the commercial makes you feel. Be descriptive about feelings you have when you see this commercial.*" Using a qualitative approach, the researcher performed a textual analysis by reading each open-ended statement. Similar descriptive words were combined and categorized into three categories: positive, negative, and neutral.

A similar amount of respondents made positive and negative comments about their first thoughts on the commercial. Almost half (47.6%) of the respondents commented positively by stating that the message was clear and done professionally, portraying Indonesia as a friendly and remarkable place to invest, a vibrant economy, a place with nice scenery, and provided win-win deals. The other respondents (42.9%) said that the commercial was being poorly executed, undistinctive from other countries and unrealistic in portraying Indonesia. Meanwhile, 4.76% of the respondents made neutral comments about the ad, saying that he/she wanted it to be longer. Only one respondent (4.76%) did not want to comment on the question.

When asked how the commercial made them feel, most of the respondents registered positive feelings about the commercial (47.6%). Of the respondents who registered positive

feelings, 14.3% felt enthusiastic or curious to learn more about Indonesia and 9.52% respondents felt happy after seeing the commercial. Two respondents (9.52%) felt proud to see Indonesia's attractive glimpse, and one respondent (4.76%) felt the energy coming from the commercial because of the paragliders who were of two nationalities (Indonesian and foreigner).

The number of respondents who had negative feelings toward the commercial (38.1%) were also high. Of the respondents who registered negative feelings, 23.81% felt that the commercial was unauthentic and very generic to that of other investment commercials. 14.3% respondents felt unsure after seeing the commercial. They felt that the commercial missed the mark and did not communicate what investors would get by investing in Indonesia. Meanwhile, 9.5% of the respondents had no feeling toward the commercial and 4.76% provided no answer to the question.

6. Research Question 3 (RQ3): What did foreign investors like/dislike about the “Invest in Remarkable Indonesia” television commercial?

To gain a better understanding on respondents' thoughts about the commercial, the researcher used a qualitative approach by asking two open-ended questions: “*What, if anything, do you like about this commercial?*” and “*What, if anything, do you dislike about this commercial?*”

A textual analysis was performed by reading each open-ended statement. The researcher identified similar descriptive words and combined them into a one-word category. When asked what they liked about the commercial, 43% of the respondents mentioned the scenery or view and 9.52% said the simplicity and relaxed atmosphere as the most appealing. The rest of the respondents (47.8%) indicated that the commercial was peaceful, upbeat, showed happiness, done professionally, and achieved the target.

When asked what they disliked about the commercial, the majority of the respondents (47.6%) disliked how the storyboard of the commercial was structured. The comments they made of the content were as follows:

- “*Structure, content, and storyboard did nothing to encourage me to invest*”;
- “*It’s a bit unclear how handgliding dovetails into the message*”;
- “*It seemed to miss the point unless it was promoting tourism*”;
- “*Makes me feel like Indonesia is a Western country with one person in a Sheikh outfit*”;
- “*Not differentiating from other countries*”;
- “*Should have had someone from the government to speak directly to investors willing to partner. What economic benefits and political protections will the government support?*”;
- “*It needs to be more down to earth*”;
- “*It took so much time to conclude a deal.*”

Meanwhile, 23.81% of the respondents stated “nothing” or “did not dislike anything,” 14.3% thought that the commercial was not portraying the real Indonesia, and the other 14.3% provided no comments.

7. Research Question 4 (RQ4): What were foreign investors’ thoughts on the main message of the “Invest in Remarkable Indonesia” television commercial?

The respondents were asked, “*In your own words, what is the main message this commercial is trying to communicate? What point are they trying to get across?*” Similar to RQ2, the researcher also used a qualitative approach by conducting a textual analysis.

The majority of the respondents (71.43%) identified the main message as creating awareness of Indonesia as a welcoming and attractive place to invest by portraying the untapped opportunities (workforce, resources, and infrastructure). Other respondents (14.3%) described the main message as an invitation to investors. Some respondents (9.5%) thought that the message was similar to that of other “Invest in” commercials and that it did not portray the real Indonesia (“Disneyfication” of Indonesia). One respondent (4.76%) said that the main message was about enhancing relationship among people.

8. Research Question 5 (RQ5): Does country reputation moderate the effectiveness of the television commercial on foreign investors’ intention in investing in Indonesia?

A *t*-test was re-run to determine whether a statistically significant difference exists between investors’ intention to invest in Indonesia before and after viewing the commercial based on the country reputation variable. In the low country reputation category (Table 6), the mean of pre-exposure to the investment commercial ($M = 4.80$) was slightly higher than post-exposure to the commercial ($M = 4.50$). Interestingly, in the high country reputation category (Table 7), the mean of post-exposure ($M = 6.00$) was slightly higher than pre-exposure to the commercial ($M = 5.97$). However, both of the difference in low and high country reputation categories were not significant. Therefore, country reputation did not moderate the effectiveness of the investment commercial on foreign investors’ intention to invest.

Table 6

T-Test Comparing Pre-exposure and Post-exposure in Low Country Reputation Category

	<i>n</i>	<i>M</i>	<i>SD</i>	<i>t</i>	Sig.
Pre	8	4.80	1.19	1.02	.33
Post	8	4.50	1.77		

* $p < .05$; ** $p < .01$

Table 7*T-Test Comparing Pre-exposure and Post-exposure in High Country Reputation Category*

	<i>n</i>	<i>M</i>	<i>SD</i>	<i>t</i>	Sig.
Pre	13	5.97	.881	-.180	.862
Post	13	6.00	.824		

* $p < .05$; ** $p < .01$

9. Research Question 6 (RQ6): Which promotion techniques would be most effective for the Indonesian Government to attract foreign investors?

The respondents were asked, “*From the list below, what do you think is the most effective way for learning about Indonesian investment opportunities?*” As shown in Table 8, 47.6% of the respondents identified one-on-one meeting as the most effective source of learning about Indonesian investment opportunities. 28.6% of the respondents choose *business forum*, followed by *business conference* with 9.5%. *Exhibitions, advertisements, and others* were each identified by 4.8% of the respondents. One respondent who identified other resources mentioned “go there” as his or her answer.

Table 8*Descriptive Statistics for Promotion Techniques*

	<i>n</i>	<i>Valid Percent</i>
Business Forum	6	28.6
Exhibition	1	4.8
E-Newsletter	-	-
Business Conference	2	9.5
One-on-One Meeting	10	47.6
Advertisement	1	4.8
Other	1	4.8
Total	21	100

CHAPTER V

CONCLUSION

Summary of the Study

This study set out to further assess the effect of Indonesia's investment promotion television commercial on foreign investors' general attitude toward Indonesia and their intention to invest in Indonesia. The research also investigated whether country reputation acts as a moderating variable in foreign investors' intention to invest in Indonesia.

To do this, the researcher put forth the following hypotheses and research questions:

1. Hypothesis 1 (H1): The television commercial "Invest in Remarkable Indonesia" will positively affect foreign investors' attitude toward the Indonesian government.
2. Hypothesis 2 (H2): The television commercial "Invest in Remarkable Indonesia" will positively affect foreign investors' attitude toward the Indonesian people.
3. Hypothesis 3 (H3): More favorable country reputation of Indonesia will lead to more supportive intentions of foreign investors' toward investing in Indonesia.
4. Research Question 1 (RQ1): What is Indonesia's country reputation among foreign investors?

5. Research Question 2 (RQ2): What were foreign investors' first impressions about the "Invest in Remarkable Indonesia" television commercial?
6. Research Question 3 (RQ3): What did foreign investors like/dislike about the "Invest in Remarkable Indonesia" television commercial?
7. Research Question 4 (RQ4): What were foreign investors' thoughts on the main message of the "Invest in Remarkable Indonesia" television commercial?
8. Research Question 5 (RQ5): Does country reputation moderate the effectiveness of the television commercial on foreign investors' intention in investing in Indonesia?
9. Research Question 6 (RQ6): Which promotion techniques would be most effective for the Indonesian Government to attract foreign investors?

The analysis was guided by Fullerton and Kendrick's (2017a) Model of Country Concept. Indonesia's country reputation was measured using Yang et al. (2008) Country Reputation Index (CRI), which consists of seven dimensions: *emotional appeal, physical appeal, financial appeal, leadership appeal, cultural appeal, global appeal, and political appeal.*

The researcher administered an online questionnaire via Survey Monkey platform, containing 50 questions. The questionnaire was distributed by sending personal invitations via e-mail with a link to the survey (see appendix). The sample represented foreign investors that had previous contact with the Indonesia Investment Promotion Centers (IIPCs) in New York, Abu Dhabi, London, and Sydney. A total of 21 participants completed the entire survey.

Results of the paired sample *t*-test performed in hypothesis 1 and 2 showed no significant difference in foreign investors' attitude toward the Indonesian government and Indonesian people before and after viewing the investment promotion commercial. Country reputation also did not appear to moderate foreign investors' attitude toward investing in Indonesia. Paired sample *t*-test

analysis showed no statistically significant difference between investors' intention to invest in Indonesia before and after viewing the commercial, either in the high or low country reputation group. These findings were inconsistent with studies done by Yang et al. (2008) as well as Fullerton and Kendrick (2017b) which showed country reputation having a positive influence on supportive intentions toward a country (tourism and in purchasing products). It also contradicts with Wilson et al. (2014) study, which pointed out that FDI advertising can be effective in changing people's attitudes.

Indonesia's country reputation perceived by foreign investors was overall positive or leaning toward a favorable reputation. *Cultural appeal* was the dimension that respondents perceived most favorably. Interestingly, it was also the same in Yang et al. (2008) and Fullerton and Kendrick (2017b) study. Previous studies have reported that foreigners perceived Indonesian culture as rich, peaceful (Pipitone, 2017) and interesting (Rungswannarat et al., 2015).

Physical appeal scored the lowest of the seven country reputation dimensions, followed by *financial appeal*. *Physical appeal* was the only country reputation dimension that was not correlated with investors' intention toward investing in Indonesia. The inter-item correlation between the questions that measure *physical appeal* ("Indonesia is a beautiful place" and "Indonesia has a good infrastructure") was also negative ($\alpha = -.489$). Previous studies did indicate that foreigners perceived Indonesia as a country with scenic natural beauty (Sumaco & Richardson, 2011; Rungswannarat et al., 2015). However, infrastructure is still considered as the country's weakness (Tabor, 2015; Thamrin & Kadarudin, 2017).

It was interesting to see that foreign investors evaluated *financial appeal* as one of the least favorable dimensions, given that *financial appeal* is the focus area of investment promotion. Respondents scored the lowest on the item "*Indonesia is an inviting place to do business.*" This means that foreign investors still perceive Indonesia as unattractive to investment.

Overall, foreign investors have a higher opinion of the Indonesian people than that of the Indonesian government. A similar result was also presented in Fullerton and Kendrick's (2017a) study in which Australian people scored the U.S people only slightly higher than the U.S government after viewing the Brand USA's Land of Dreams tourism commercial.

When asked about their first thoughts on the commercial, a similar amount of positive and negative comments were generated. Almost half (47.6%) of the respondents commented positively by stating that the message was clear and done professionally, portraying Indonesia as a friendly and remarkable place to invest, a vibrant economy, a place with nice scenery, and provided win-win deals. The other respondents (42.9%) said that the commercial was being poorly executed, undistinctive from other countries and unrealistic in portraying Indonesia.

Park and Lessig (1977) posited that prior knowledge about a product or brand is expected to influence ad processing. Stammerjohan et al. (2005) also added that consumers would be less affected by new information if he or she were already familiar with the brand. This factor occurred to be relevant in advertisement targeting investors. A comment made by one of the respondents, for example, said that the commercial was deceiving. The respondent stated, "*I've never seen an overpass (in Indonesia) where traffic is flowing so freely, except at 5 a.m.*" The respondent's past experience of visiting Indonesia has shown to influence his or her attitude toward the commercial.

When asked how the commercial made them feel, 47.6% of the respondents registered positive feelings toward the commercial and 38.1% registered negative feelings. *Unauthentic, unsure, and missed the mark* were some of the words that the respondents associated negatively about the commercial. Meanwhile, *happy, enthusiastic, and curious* were the words that respondents associated positively with the commercial.

When asked what they liked and disliked about the commercial, 43% of the respondents said they liked the scenery or view and 47.6% disliked how the storyboard of the commercial was structured.

When asked what they thought of the main message of the commercial, the majority of respondents identified awareness (66.7%) followed by invitation (14.3%). These findings support the main message that the BKPM intended to communicate to foreign investors through the “Invest in Remarkable Indonesia” commercial.

The majority of the respondents (71.43%) identified the main message as creating awareness of Indonesia as a welcoming and attractive place to invest by portraying the untapped opportunities (workforce, resources, and infrastructure). Other respondents (14.3%) described the main message as an invitation to investors. Some respondents (9.5%) thought that the message was similar to that of other “Invest in” commercials and that it did not portray the real Indonesia. Meanwhile, one respondent (4.76%) said that the main message was about enhancing relationship among people.

Morisset and Andrews-Johnson (2004) indicated that spending on advertising did not seem to have a significant association with FDI. Their research suggested that expenditures on promotional material and public relations activities matter more significantly. Kindra et al. (1998) also stated that investment promotion activities have not been a determinant factor in FDI generation. Similar findings were found in the current study. The majority (47.6%) of respondents identified one-on-one meeting as the most effective source of learning about Indonesian investment opportunities, followed by business forum (28.6%) and business conference (9.5%).

Implications of the Findings

The findings of this study could enrich prior literature on nation branding. As explained previously, research on Indonesia's nation branding mainly rests on tourism promotion and less is known about its investment promotion. The current study helps shed light on this literature gap.

The nature of this study provides implications for the Indonesian government, in this case, the Indonesia Investment Coordinating Board (BKPM). The respondents' comments on the open-ended questions could contribute as valuable inputs for the BKPM in running their FDI promotions. Although the majority of respondents understood the main message of the commercial as creating awareness and invitation to investors, many disliked how the commercial was structured.

Based on the findings, many of the respondents felt unsure about what the Indonesian government was trying to come across with the commercial. Some felt that it was very generic to that of other "Invest in" commercials. Szondi (2007) pointed out that one of the most common mistakes in country branding is the lack of clear distinction among different country brands. Many similarities were found in these types of promotions targeting foreign audience. Thus, making it difficult to identify the distinct features that would make the country unique in the minds of potential tourists, investors, or buyers (Szondi, 2007). As mentioned by some of the respondents, the commercial "*seemed to miss the point, unless it was promoting tourism*" and "*needs to be more down to earth.*" BKPM should also avoid creating a "*touristy*" type of commercial that put too much focus on showing beautiful scenery.

Kotler et al. (1993) described a country's image must be "realistic, believable, simple to understand, attractive to investors and distinctive, with unique attributes that make the place stand out among other places." It would be fruitful for BKPM to create an ad that centers on Indonesia's distinct features, instead of the *strong economy, talented human capital*, and

abundant opportunities that are inherent in most countries. Another important aspect is to highlight the hard factors of FDI such as investment policies, tax incentives, and other economic gains from investing in Indonesia. This list of advantages is usually mentioned during one-on-one meetings or business forum events, but appear to be ignored in the television commercial.

FDI advertising is believed to be unsuccessful if not followed by improvements in the investment climate. According to Morisset and Andrews-Johnson (2004), investment promotion appeared to be most useful in a country with good investment climate. Szondi (2007) and Papadopoulos (2016) also emphasized that in addition to branding, a country needs to create a positive macroclimate to ensure appropriateness for its investment offering that will be palatable to investors. The low scores on the *financial appeal* of the country reputation dimension underscore the fact that Indonesia's investment climate is still considered weak by foreign investors. Conversely, the Indonesian government must continue to prioritize improvements in all areas that pertain to creating a sound investment climate. Advertising alone will not work, as it is not the 'Holy Grail' or 'silver bullet', which can provide a universal solution to a country's image (Szondi, 2007; Fullerton & Kendrick, 2017b).

Limitations

The first and probably most notable limitation for implementing this research was the small sample size that may have prevented the researcher in gaining reliable statistical analysis. A type II error or beta error is thought to be the consequence of this limitation. Type II error occurred when a researcher did not reject the null hypothesis when s/he should have done so (Sanders, 2015). As explained previously, the researcher found no effect on the current study. However, an effect was present in similar studies, so it likely existed in this study. However, due to the small sample size, the statistical analysis did not prove significant.

Additionally, an independent factor analysis would have been conducted should there be a larger sample size. This analysis might have resulted in dropping some items from the Country Reputation scale, which in the end could produce better internal reliability for the Country Reputation dimensions. According to Tabachnick and Fidell (1996), a sample size of 150 is required for a good solution in factor analysis.

The small sample size was caused by a difficulty in getting investors to answer the survey. One potential limitation is the reliability of data provided by the IIPCs. The researcher found many outdated e-mails from the IIPC database. More than 100 e-mails were undeliverable or bounced back. This may have happened because some of the people on the list no longer work for those companies.

Another explanation is perhaps due to investor's reluctance in answering a survey about foreign direct investment. Although the researcher explained to the respondents that the research was for an academic purpose and that all information collected would be anonymous, some investors appear to be hesitant for some reasons. One respondent, for example, expressed his unwillingness to participate due to the sensibility of the industry that he was working for. Another respondent said that his company already invested in Indonesia and therefore believed that his answers to the survey would become very biased.

One of the drawbacks of an online approach is that if the survey is too long, respondents might be tempted to exit the site mid-way through the survey (Luther & Meadows, 2015). The 50 questions in the current study might be considered too long for some respondents.

The second limitation was that the sample was limited to investors who had previous contact with the Indonesia Investment Promotion Center (IIPC) in New York, Sydney, Abu Dhabi, and London. Thus, the result cannot be generalized to the entire population of foreign investors.

A further important limitation of this study is related to the quantitative nature of the research. Time and budget constraints limited the researcher's approach to only using an online survey method. Since the respondents' were not observed while taking the survey, the researcher could not assure whether the survey had the respondents' full attention. The ten respondents who were disqualified from the survey may indicate that they were not paying attention to the commercial. According to Luther and Meadows (2015), to overcome the limitations associated with surveys, it is advisable to combine surveys with other methods such as interviews. By conducting a qualitative study through interviews, the researcher might be able to gather more detailed responses from the investors.

Future Research

A sample of foreign investors who had previous contact with IIPCs in selected countries was used for the pre/post quasi-experiment. Future research may consider foreign investors from other countries that account for significant source of FDI shares, such as Japan, China, and South Korea. With larger and more diverse sample size, it would also be interesting to compare the dimensions of Indonesia's country reputation among each country.

Since the main idea of an FDI commercial creating awareness and inviting investors to do business, it is therefore important to consider focusing on foreign investors that have not yet conducted business in Indonesia to be invited as respondents for future research.

A factor analysis test should be conducted in future research to determine a more parsimonious approach to measuring country reputation. Additionally, researchers could use different items that are more inter-correlated to measure each of the country reputation dimensions.

To advance the literature on Indonesia's nation branding, future studies could expand the public diplomacy concept in the Model of Country Concept to include other forms of mediated

public diplomacy (*owned, earned, and shared*) as well as relational public diplomacy. It will be interesting to explore these promotional tools comparatively rather than individually and assess whether these activities create a bleed-over effect in influencing foreign investors to invest in Indonesia.

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APPENDICES

Oklahoma State University Institutional Review Board

Date: Wednesday, December 13, 2017
IRB Application No: GC1717
Proposal Title: Nation branding through investment promotion

Reviewed and
Processed as:

Status Recommended by Reviewer(s): Approved Protocol Expires: 12/12/2020

Principal
Investigator(s):

Vidya Ayuningtias Jami Armstrong Fullerton
Stillwater, OK 74078 OSU-Tulsa 700 N. Greenwood
Tulsa, OK 74106

The IRB application referenced above has been approved. It is the judgment of the reviewers that the rights and welfare of individuals who may be asked to participate in this study will be respected, and that the research will be conducted in a manner consistent with the IRB requirements as outlined in section 45 CFR 46.

- The final versions of any printed recruitment, consent and assent documents bearing the IRB approval stamp are attached to this letter. These are the versions that must be used during the study.

As Principal Investigator, it is your responsibility to do the following:

1. Conduct this study exactly as it has been approved. Any modifications to the research protocol must be submitted with the appropriate signatures for IRB approval. Protocol modifications requiring approval may include changes to the title, PI advisor, funding status or sponsor, subject population composition or size, recruitment, inclusion/exclusion criteria, research site, research procedures and consent/assent process or forms.
 2. Submit a request for continuation if the study extends beyond the approval period. This continuation must receive IRB review and approval before the research can continue.
 3. Report any adverse events to the IRB Chair promptly. Adverse events are those which are unanticipated and impact the subjects during the course of the research; and
 4. Notify the IRB office in writing when your research project is complete.

Please note that approved protocols are subject to monitoring by the IRB and that the IRB office has the authority to inspect research records associated with this protocol at any time. If you have questions about the IRB procedures or need any assistance from the Board, please contact Dawnett Watkins 219 Scott Hall (phone: 405-744-5700, dawnett.watkins@okstate.edu).

Sincerely,


Hugh Crethar, Chair
Institutional Review Board

Dear Mr. / Mrs. _____

I hope this email finds you well. My name is Vidya Ayuningtias. I am a graduate student at Oklahoma State University. I am writing this e-mail to invite you to participate in a survey that I am conducting for my research, *Nation Branding through Investment Promotion*, under the supervision of Dr. Jami Armstrong Fullerton from the School of Media and Strategic Communications.

The purpose of this research is to ask you about your perceptions of Indonesia in general and as an investment destination. The survey should take around 13 minutes to complete.

All information will be anonymous as no names or identification numbers will be recorded in the survey. All results will be reported as aggregated data and no individual responses will be reported. There are no known risks associated with this project.

If you have any questions about the research, please feel free to contact me at vidya.ayuningtias@okstate.edu, or my advisor at jami.fullerton@okstate.edu. If you have any questions about your rights as a research participant, you may contact the Oklahoma State University Institutional Review Board (IRB), at 219 Scott Hall, Stillwater, OK 74078, phone: 405.744.3377 and e-mail: irb@okstate.edu.

Your participation in this research is appreciated and completely voluntary. You may choose not to participate at any time without any penalty. The completion of this survey implies your consent to participate. If you would like to continue, please click on the following URL, or copy/paste into a browser:

<https://www.surveymonkey.com/r/8RPR6T5>

Thank you for your time.

Sincerely,

Vidya Ayuningtias

Graduate Student
School of Media and Strategic Communications
206 Paul Miller Building
Oklahoma State University
Stillwater, OK 74078
e-mail: vidya.ayuningtias@okstate.edu



Indonesian Foreign Direct Investment Study

FDI Survey Introduction

Thank you for participating in this study sponsored by Oklahoma State University on the topic of foreign direct investment. All responses will be reported as aggregated data and no individual answers will be reported. All data collected will be used for research purposes only. The survey takes about 13 minutes to complete. It includes a one-minute investment commercial that you will watch and give your opinions about. There are no known risks associated with this project that are greater than those ordinarily encountered in daily life. By clicking the Continue button below, you are consenting to your voluntary participation in this survey.

If you have questions any about your rights as a research participant, you may contact Oklahoma State University Institutional Review Board (IRB) at irb@okstate.edu or 405.744.3377. If you have any questions about the study, please contact the researcher, Vidya Ayuningtias at vidya.ayuningtias@okstate.edu, or her advisor, Dr. Jami Armstrong Fullerton, at jami.fullerton@okstate.edu.

Indonesian Foreign Direct Investment Study

* 1. Foreign Direct Investment (FDI) is an important international market entry strategy.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree Nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 2. Has your company conducted FDI? If yes, please name the countries that your company has invested in.

Yes

No

Explain:

* 3. Is your company currently looking for new FDI destinations?

Yes

No

Indonesian Foreign Direct Investment Study

The following questions are about the the country of Indonesia. Please try to answer the questions to the best of your ability, even if you have never been to Indonesia or know little about it.

* 4. How favorable or unfavorable do you feel about the **government** of Indonesia?

Very Favorable Somewhat Favorable Somewhat Unfavorable Very Unfavorable

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-----------------------	-----------------------	-----------------------	-----------------------

* 5. How favorable or unfavorable do you feel about the people of Indonesia?

Very Favorable Somewhat Favorable Somewhat Unfavorable Very Unfavorable

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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Indonesian Foreign Direct Investment Study

* 6. When you think of Indonesia, what three words come to mind first?

First Word:

Second Word:

Third Word:

Indonesian Foreign Direct Investment Study

* 7. I have traveled to Indonesia.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree or Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 8. I have a lot of knowledge about Indonesia.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 9. I would love to invest in Indonesia.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 10. Indonesia is an interesting investment destination.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 11. I would like more information about Indonesia as an investment destination

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 12. I would recommend Indonesia to be placed on my company's list of locations to evaluate for international expansion.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indonesian Foreign Direct Investment Study

* 13. Indonesia is a beautiful place.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 14. Indonesia has a good infrastructure.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 15. Indonesia is an inviting place to do business.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 16. Indonesia has a well-developed industrial sector.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 17. Indonesia has an expanding domestic market.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 18. Indonesia maintains a stable economic environment.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indonesian Foreign Direct Investment Study

* 19. Indonesia has charismatic leaders.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 20. Indonesian leaders communicate an appealing vision of the country.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 21. Indonesia has a rich historical past.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 22. Indonesia has distinct culture .

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

23. Indonesia has an appealing culture.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indonesian Foreign Direct Investment Study

* 24. Indonesia is a responsible member of the global community.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 25. Indonesia supports good causes.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 26. Indonesia maintains good international relationships.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 27. Indonesia is a democratic country.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 28. Indonesia maintains a stable political environment.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indonesian Foreign Direct Investment Study

* 29. I trust Indonesia as a country.

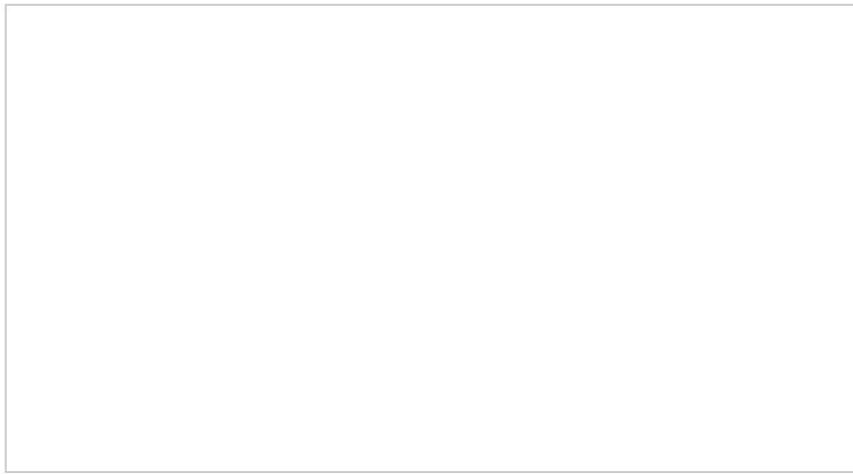
Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 30. I respect Indonesia as a country.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indonesian Foreign Direct Investment Study

INSTRUCTIONS: Now you are going to view an Indonesian investment commercial. First, be sure the SOUND on your computer is turned on and loud enough for you to hear. To begin, press the ARROW button in the bottom left corner of the video to start the commercial. It may take a few seconds to begin. Please take care to view the commercial from beginning to end. After viewing the commercial, scroll down and hit the CONTINUE button to continue the survey. Please only view this commercial one time and then hit CONTINUE.



* 31. In the final scene of the commercial, where did the paraglider land?

- On the beach
- On a grass field
- On the road
- On the roof of a building

Indonesian Foreign Direct Investment Study

* 32. Were you able to see/view the commercial?

Yes

No

* 33. Were you able to hear the commercial?

- Yes
- No

Indonesian Foreign Direct Investment Study

* 34. Have you previously seen the commercial?

Yes

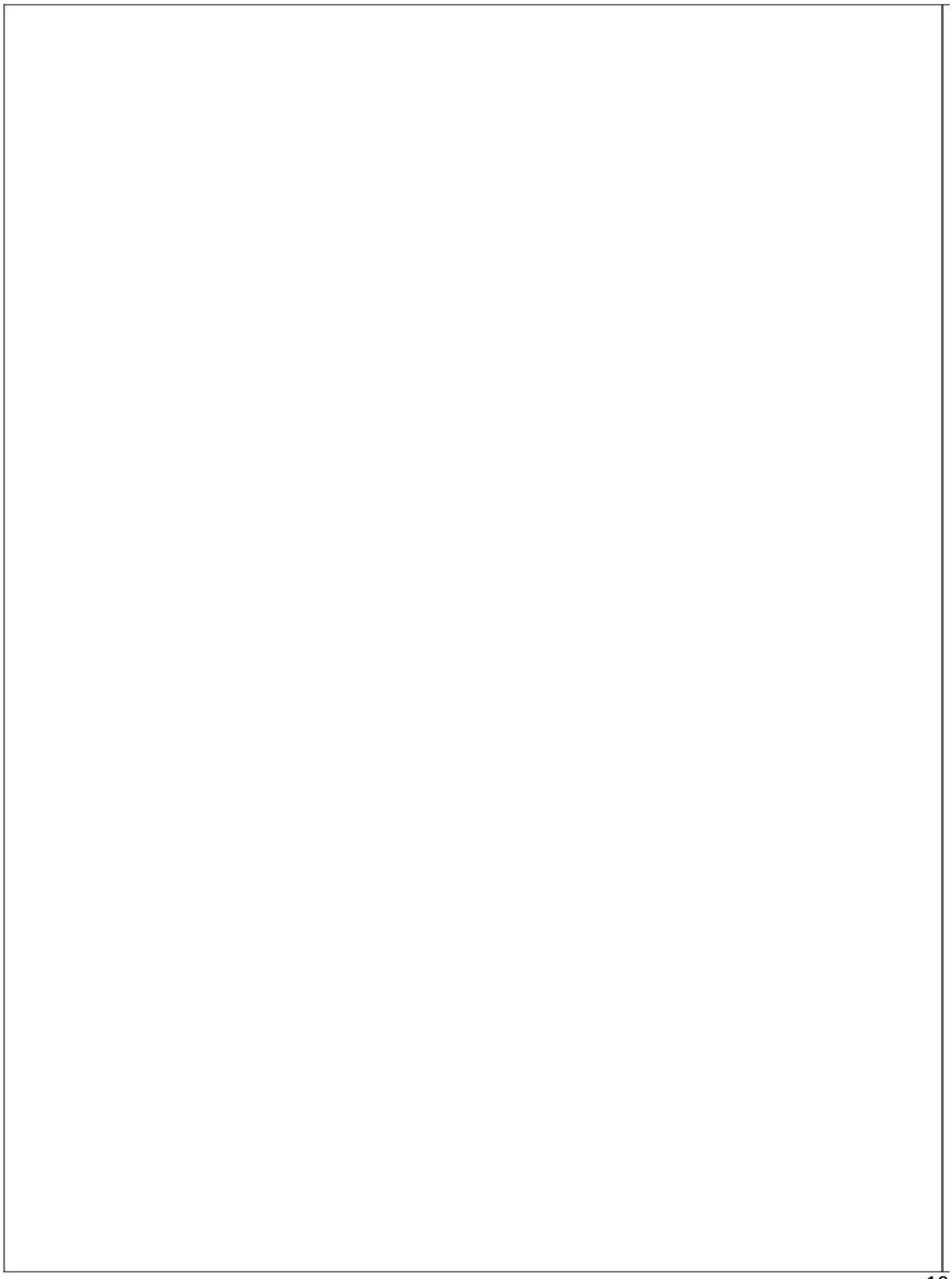
No

Indonesian Foreign Direct Investment Study

* 35. What were the first thoughts or words that came to mind when you viewed the commercial?

* 36. In your own words, what is the main message this commercial is trying to communicate? What point are they trying to get across?

* 37. Below, please write words to describe how the commercial makes you feel. Be descriptive about feelings you have when you see this commercial.



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* 38. What, if anything, do you like about this commercial?

* 39. What, if anything, do you dislike about this commercial?

Indonesian Foreign Direct Investment Study

* 40. After seeing the commercial, how favorable or unfavorable do you feel about the**government** of Indonesia?

Very Favorable Somewhat Favorable Somewhat Unfavorable Very Unfavorable

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-----------------------	-----------------------	-----------------------	-----------------------

* 41. After seeing the commercial, how favorable or unfavorable do you feel about the people of Indonesia?

Very Favorable Somewhat Favorable Somewhat Unfavorable Very Unfavorable

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-----------------------	-----------------------	-----------------------	-----------------------

Indonesian Foreign Direct Investment Study

Now that you have seen the commercial, please answer the questions about Indonesia again.

* 42. I would love to invest in Indonesia.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 43. Indonesia is an interesting investment destination.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 44. I would like more information about Indonesia as an investment destination

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 45. I would recommend Indonesia to be placed on my company's list of locations to evaluate for international expansion.

Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Disagree	Moderately Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indonesian Foreign Direct Investment Study

* 46. From the list below, what do you think is the most effective way for learning about Indonesian investment opportunities?

Indonesian Foreign Direct Investment Study

You are almost finished. Please provide some demographic information about yourself below.

* 47. Are you a key decision maker in your company's investment decisions?

Yes

No

If no, who might we contact?

48. In which country or U.S. state is your company located?

Other (please specify)

* 49. What is the business sector of your company?

* 50. What is the size of your company?

VITA

Vidya Ayuningtias

Candidate for the Degree of

Master of Science

Thesis: NATION BRANDING THROUGH INVESTMENT PROMOTION

Major Field: Mass Communications

Biographical:

Education:

Completed the requirements for the Master of Science in Mass Communications at Oklahoma State University, Stillwater, Oklahoma in May, 2018.

Completed the requirements for the Bachelor of Communications in Public Relations at Padjadjaran University, Bandung, West Java, Indonesia in 2008.

Experience:

Indonesia Investment Coordinating Board (BKPM) (2009 – now)

Professional Memberships:

President of the Fulbright Students and Scholars Association (FSSA) at Oklahoma State University (2017 – 2018)