

FROM TOURISM TO GLOBAL RECOGNITION: ELEVATING SABAHAN BRANDS THROUGH TOURIST INFLUX

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ABSTRACT

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This paper investigates the role of Sabah's tourism industry in promoting local brands on a global scale, particularly in the post-pandemic landscape where tourism is experiencing significant growth. Sabah, known for its natural beauty and diverse cultural heritage, has seen a notable rise in tourist arrivals, with over 2.5 million visitors recorded in 2023 and a projected 3 million for 2024. The tourism sector's contribution to Sabah's economy is substantial, not only in revenue generation but also in creating employment opportunities and fostering local entrepreneurship. The study focuses on the concept of tourism branding, highlighting how Sabah can leverage its indigenous culture, biodiversity, and eco-tourism offerings to build a strong and distinctive "Sabahan" brand. This brand identity can differentiate the region from other destinations while promoting sustainable tourism practices. Through an analysis of the economic impact of tourism on local businesses, branding strategies for local products, and the unique opportunities offered by Sabah's cultural and natural resources, the paper discusses how local businesses can overcome challenges and capitalize on tourism-driven growth. The study also explores the spillover effects of tourism across sectors such as agriculture, hospitality, and transportation, emphasizing the importance of an integrated approach to regional economic development. The paper concludes by offering recommendations for enhancing Sabah's global brand visibility, suggesting that a well-

executed tourism branding strategy could position Sabah as a premier destination for eco-conscious and culturally engaged travelers. The study underscores the potential of tourism as a driver of sustainable economic development and cultural preservation, creating a positive feedback loop between regional branding and tourist influx.

INTRODUCTION

Overview of Sabah's Tourism Industry

Sabah, located in the northern part of Borneo, is renowned for its domestic and international tourist arrivals. In 2023, the state welcomed approximately 2.5 million tourists, contributing RM4.6 billion in revenue. For 2024, Sabah is targeting 3 million tourists, reflecting growing confidence in the region as a premier destination for nature and adventure tourism (Malay Mail, 2024; Lee, 2024). Attractions such as the Sipadan diving spots, the cultural villages, and various ecotourism offerings highlight the unique blend of natural and cultural assets that draw global visitors (Konar et al., 2016; Dasan et al., 2022).

Importance of Tourism in Regional Economic Growth: Tourism plays a pivotal role in Sabah's economic development, contributing not only to revenue generation but also to employment and the expansion of local businesses (Azhari, et al., 2023). The influx of tourists, especially post-COVID-19, creates numerous opportunities for local entrepreneurship, including accommodation services, tour operations, and cultural crafts. With international visitors spending RM2.23 billion in the first four months of 2024 alone (Malay Mail, 2024), the sector remains a critical driver of economic growth, fostering sustainability and community development. The industry's spillover effects stimulate various sectors, including agriculture, hospitality, and transportation (Begum et al., 2014).

Concept of Branding in the Tourism Context:

Branding in tourism transcends mere marketing, as it involves creating a compelling identity that encapsulates the essence of a place. For Sabah, branding opportunities emerge from promoting its indigenous culture, biodiversity, and eco-conscious tourism experiences (Sukardani et al., 2019). Developing a distinctive "Sabahan" brand means capitalizing on the state's cultural heritage and natural beauty to create memorable tourist experiences. Authentic Sabahan products, such as handicrafts or local cuisine, become not just commodities but cultural artefacts that tourists take back, extending the reach of Sabah's identity internationally (Basbeth et al., 2018). By strategically branding Sabah's tourism offerings, the state can capitalize on its cultural heritage and natural wealth to attract a growing number of eco-conscious and culturally-curious travelers. (Sukardani et al., 2019) Developing a distinctive Sabahan brand identity can not only differentiate Sabah from competitors but also extend the reach of its unique identity internationally through the sharing of authentic local products and experiences (Sutanto et al., 2012; Isdarmanto et al., 2020).

RESEARCH OBJECTIVES

This paper explores how Sabah can harness the growing tourism sector to elevate local brands on a global scale. The first section delves into the unique cultural and natural resources that form the foundation of Sabahan branding. Following that, a conceptual analysis of tourist influx and its economic impact on local businesses is provided. Subsequent sections address branding strategies for local products and services, challenges faced by local businesses, and opportunities for further growth. Finally, the paper offers conclusions and recommendations for enhancing Sabahan's brand visibility globally. Through this lens, the study aims to highlight the symbiotic relationship between tourism and regional branding.

LITERATURE REVIEW

SABAH'S UNIQUE CULTURAL AND NATURAL RESOURCES

Indigenous Cultures and Handicrafts

Sabah is home to a rich tapestry of indigenous cultures, each with its own distinct traditions, crafts, and languages. The Kadazan-Dusun, Murut, and Bajau are among the prominent indigenous groups in the region, and their cultural heritage is often expressed through traditional handicrafts, such as beadwork, woven textiles, and bamboo crafts (Silah et al., 2021). These items are not just souvenirs for tourists but also serve as authentic representations of Sabahan culture and history. For instance, the intricate beaded accessories of the Rungus people, or the handwoven baskets of the Bajau, have gained recognition as iconic Sabahan crafts, often sold in local markets and showcased in cultural villages like Mari-Mari Cultural Village near Kota Kinabalu (Kindoyop et al., 2018). By preserving and promoting these crafts, Sabah's Indigenous artisans provide tourists with culturally meaningful products, further enhancing the region's brand as a center for cultural tourism. The preservation of these handicrafts is not without its challenges, as the factors of adaptation, environmental change, and modern technological transformation can pose threats to the traditional and heritage elements in their production (Kindoyop et al., 2018). As Sabah continues to develop and urbanize, the local government, cultural heritage managers, and the community itself must work together to ensure the sustainable transmission of these traditional crafts to future generations.

Biodiversity and Ecotourism Opportunities

Sabah, a state in the Malaysian portion of the island of Borneo, boasts an unparalleled wealth of biodiversity that serves as a pivotal driver for its thriving ecotourism industry. The region is home to globally recognized

biodiversity hotspots, hosting a diverse array of endangered species, including orangutans, pygmy elephants, and over 1,200 species of orchids. Sabah's emphasis on sustainable tourism has allowed visitors to immerse themselves in the natural beauty of the state while simultaneously promoting conservation efforts (Dasan et al., 2022). The state's rich biodiversity is exemplified by its extensive ecosystems, ranging from the lush rainforests of Danum Valley to the vibrant coral reefs of Sipadan Island. These diverse habitats are teeming with a vast array of flora and fauna, many of which are of global significance. Sabah's biodiversity is further highlighted by the presence of at least 14 major forest ecosystems, including tropical evergreen lowland rainforest, tropical upper montane rainforest, mangrove forest, and peat swamp forest, among others. (Chung et al., 2020). Ecotourism activities, such as jungle trekking in Kinabalu Park or diving in the waters of Sipadan, have become a major draw for eco-conscious travelers seeking immersive experiences in nature. By leveraging its unparalleled biodiversity, Sabah has positioned itself as a leading ecotourism destination, further strengthening its global brand identity. (Dasan et al., 2022; Chung et al., 2020).

Historical and Heritage Sites as Tourism Drivers

Sabah, a Malaysian state on the island of Borneo, is renowned for its rich natural and cultural assets that have made it a prime tourist destination in Southeast Asia. Beyond its biodiversity and indigenous traditions, historical and heritage sites play a pivotal role in driving tourism and promoting a deeper understanding of the region's past. Key landmarks, such as the Kundasang War Memorial, offer insight into Sabah's wartime history, commemorating the sacrifices of soldiers during World War II (Ismail et al., 2014). Additionally, heritage sites like the Gaya Street Sunday Market and the Atkinson Clock Tower in Kota Kinabalu highlight Sabah's colonial history and modern development (Dasan et

al., 2022). These landmarks, often included in tourism circuits, provide visitors with opportunities to explore Sabah's cultural narratives while contributing to the preservation of its historical assets (Douglas & Douglas, 1999). The state's tourism strategy integrates natural beauty, indigenous culture, and historical landmarks, creating a multidimensional tourism product that appeals to a wide audience, from cultural enthusiasts to adventure seekers. This approach positions Sabah as a unique destination with significant global potential. However, managing cultural heritage tourism in Sabah presents challenges due to its diverse ethnic composition and the need to balance cultural preservation with tourism growth (Dasan et al., 2022; Azhari et al., 2023). Effective collaboration among stakeholders, including tourism managers, governments, and local communities, is essential to ensuring that the growth of this sector brings economic, social, and environmental benefits without compromising cultural values. Sabah's post-COVID recovery will further depend on its ability to leverage these assets, enhancing global recognition and positioning itself as a sustainable tourism destination in Southeast Asia.

METHODOLOGY

TOURIST INFLUX AND ITS ECONOMIC IMPACT ON LOCAL BRANDING

Statistical Overview of Post-COVID-19 Tourist Arrivals

Following the COVID-19 pandemic, Sabah's tourism industry has seen a significant recovery, with the state recording 2.5 million tourist arrivals in 2023, generating RM4.6 billion in revenue. The state is targeting 3 million arrivals by 2024, marking a positive trajectory in the tourism sector. Based on Table 1 below, within the first four months of 2024, over 1 million tourists visited Sabah, with 396,584 international visitors and 607,371 domestic

travelers. This resurgence reflects the rising demand for eco-tourism, cultural experiences, and adventure travel, positioning Sabah as one of the top destinations in Southeast Asia.

The impact of the COVID-19 pandemic on Malaysia's tourism industry has been well-documented. The industry recorded its highest revenues in 2018/19 before the pandemic, and the country has been working to improve its business climate and economic diversification. However, the pandemic has significantly interrupted these efforts, with international travel restrictions limiting tourism to the country (Hamid et al., 2021). Despite the challenges, the Malaysian government has taken action to contain the spread of the virus, and the tourism industry has shown signs of resilience. In the case of Sabah, the state has been proactive in reviving its tourism sector in the post-pandemic era. The recovery of demand in the industry would be very much dependent on the opening of country borders, which has been a concern for the industry (Kaliannan et al., 2022). More than 75% of overseas arrivals in Malaysia are contributed by ASEAN countries like Vietnam and Thailand, and the president of the Malaysian Association of Tour and Travel Agents has highlighted the insufficiency of domestic tourism in boosting the tourism ecosystem while urging the government to reopen its borders initially to essential business travels, followed by medical tourism, education, and leisure.

Analysis of Revenue Generated by Tourism (International vs Domestic)

Tourism plays an essential role in driving Sabah's economic growth, with international and domestic visitors contributing significantly to the state's revenue. International tourists, particularly from countries like China, South Korea, and Australia, have long been attracted to Sabah's unique biodiversity and cultural heritage, spending more on accommodations, tours, and local products compared to domestic tourists (Kadir & Karim, 2009). In early 2024, tourist spending generated RM2.23 billion for

the state's economy, underscoring tourism as a vital revenue stream and a key driver for local businesses (Malay Mail, 2024). International visitors are particularly drawn to Sabah's eco-friendly products, handicrafts, and experiences, which have further boosted the state's tourism revenue. Despite the overall positive growth trajectory over the last 30 years, the tourism sector experienced setbacks in 2003 due to the Severe Acute Respiratory Syndrome (SARS) outbreak and global geopolitical uncertainties (Kadir & Karim, 2009). Domestic tourists, though spending less per capita, contribute significantly to Sabah's economy through leisure travel, accommodations, and food services, thanks to their large numbers. Understanding the differing spending patterns of international and domestic tourists is critical for developing targeted strategies that can maximize the economic benefits of tourism in Sabah. Moreover, the industry's sustainability and resilience, particularly in the aftermath of disruptive events like the COVID-19 pandemic, depend on adopting sustainable and community-based ecotourism practices. These practices not only support the long-term prosperity of the local economy but also ensure the preservation of Sabah's natural and cultural heritage, positioning the state for future growth in the global tourism market (Dasan et al., 2022).

The Connection Between Tourist Spending and Brand Growth

As the tourist influx into the Malaysian state of Sabah continues to rise, local brands have found themselves presented with a unique opportunity to capitalize on the growing demand for products and services that reflect the region's rich cultural heritage and natural wonders (Tan et al., 2002; Dasan et al., 2022). Tourists, particularly those from abroad, have demonstrated a strong affinity for Sabahan goods such as textiles, woven baskets, and eco-friendly offerings, viewing them as authentic souvenirs and cultural artifacts that allow them to connect with the local identity (Azhar et al., 2022). This connection between

tourism and brand growth has enabled Sabahan businesses to expand their reach beyond domestic borders, differentiating themselves on the global stage through a focus on authenticity and sustainability.

Malaysia's tourism industry has long been a significant contributor to the country's economic growth, accounting for 5.9% of GDP in 2018 (Azhar et al., 2022). The state of Sabah, in particular, has emerged as a prime destination for both international and domestic tourists, drawn to its diverse physiographic range and array of aquatic and terrestrial habitats. The "Visit Truly Asia Malaysia 2020" initiative, which aimed to attract 30 million tourists and generate \$100 billion in tourism revenue by 2020, further underscores the importance of this sector to the nation's development (Azhar et al., 2022). However, the COVID-19 pandemic has had a devastating impact on Sabah's tourism industry, with the number of international and local visitors steadily declining since 2016 (Dasan et al., 2022). Despite these challenges, the connection between tourist spending and brand growth remains a compelling opportunity for Sabahan businesses. Eco-conscious travelers, in particular, have driven demand for sustainable tourism products and services, such as locally-sourced organic food, zero-waste packaging, and nature-based experiences. This shift in consumer preferences has allowed local artisans and entrepreneurs to cater to the growing market for authentic, sustainable goods, further enhancing the global appeal of Sabahan brands.

Case Studies of Successful Local Brands (Handicrafts, Eco-friendly Products, etc.)

The vibrant tourism industry in Sabah, Malaysia has provided a fertile ground for the growth of local brands that cater to the evolving preferences of both domestic and international visitors. Several Sabahan businesses have capitalized on this opportunity by developing brands that highlight cultural authenticity, local craftsmanship, and environmental

sustainability, key factors that resonate with today's conscientious travelers. One successful example is Tamu Rungus in Kudat, which offers traditional beadwork and woven products crafted by indigenous artisans. By emphasizing the cultural heritage and local artistry behind their products, the brand has attracted a diverse customer base, including both international and domestic tourists (Jalis et al., 2014). This strategic positioning not only boosts sales but also increases global recognition for indigenous arts and crafts.

Another thriving local brand is Handy Harvest, which specializes in producing eco-friendly and sustainable products, such as biodegradable packaging and organic skincare items sourced from local materials. The brand's appeal to environmentally conscious tourists has propelled its growth, as it taps into the global demand for sustainable, ethical products (Ayub et al., 2023). Additionally, Mari Mari Cultural Village provides a unique cultural experience where tourists engage with indigenous traditions and crafts. This immersive approach promotes cultural preservation while also increasing the demand for locally made handicrafts and products, enhancing the village's brand visibility. (Azhar et al., 2022; Ayub et al., 2023; Jalis et al., 2014; Ishak et al., 2023). The economic impact of tourism in Sabah extends beyond the immediate revenue generated by visitor spending. It fosters the growth of local brands by creating demand for culturally authentic and environmentally sustainable products (Ayub et al., 2023; Jaafar, 2012; Azhar et al., 2022). With strategic branding efforts that capitalize on these trends, Sabahan businesses are well-positioned to achieve global recognition and economic growth.

FINDINGS

BRANDING STRATEGIES FOR LOCAL SABAHAN PRODUCTS AND SERVICES

Authenticity in Cultural Branding

Authenticity is a key driver of success for Sabahan businesses seeking to build strong and distinct brand identities (Putra & Pratama, 2022; Aziz et al., 2019). By tapping into the rich cultural heritage of the region, local brands can create offerings that resonate deeply with consumers and foster emotional connections. Cultural authenticity, manifested through indigenous craftsmanship, traditions, and values, allows Sabahan brands to differentiate themselves from mass-produced commodities. Handcrafted Rungus beadwork and traditional Bajau textiles, for instance, carry profound stories of the people and their history that tourists find uniquely genuine and valuable (Becker et al., 2018). Highlighting the origin and significance of these cultural products can foster a sense of place and community, which strengthens brand loyalty and encourages repeat tourism as visitors seek to support local enterprises while gaining a deeper understanding of Sabahan heritage. Successful cultural branding strategies in Sabah must go beyond merely aesthetics or efficiency but rather focus on retelling the compelling narratives behind the products. This approach can inspire a sense of pride within local communities, further reinforcing the preservation and revitalization of traditional arts and crafts (Bandyopadhyay & Ray, 2020). Ultimately, a branding approach that deeply engages with Sabahan culture can create a competitive advantage for local businesses, driving sustainable growth through enhanced consumer engagement and loyalty (Isdarmanto et al., 2020; Basbeth et al., 2018).

Eco-Friendly and Sustainable Branding Approaches

In recent years, the global demand for sustainable and eco-friendly products has surged, particularly among international tourists who prioritize environmental responsibility. Local Sabahan brands can capitalize on this emerging trend by adopting sustainable practices in their production, packaging, and sourcing processes (Abdullah et al., 2021; Prabawani & Hadi, 2022). For example, eco-conscious businesses like Handy Harvest have found success by producing organic, locally-sourced skincare products and biodegradable packaging, which appeals to eco-conscious consumers (Ibrahim et al., 2021). Sabah's rich biodiversity also enables local brands to offer natural, sustainable products, such as herbal teas or organic handicrafts made from renewable resources. By emphasizing these eco-friendly practices, Sabahan brands can align themselves with global sustainability movements, attracting environmentally conscious consumers and enhancing the state's reputation as an eco-tourism destination. This approach not only bolsters sales but also reinforces the image of Sabah as a region that prioritizes both cultural and environmental preservation (Abdullah et al., 2021).

As noted in a study on batik packaging design, "good packaging, environmentally friendly, is a form of responsibility and can provide added value to the local industry" (Abdullah et al., 2021). Similarly, research on Malaysian consumer attitudes indicates that while consumers have a high knowledge of green products, they may not always prioritize purchasing them (Ibrahim et al., 2021). To address this challenge, the Malaysian government has launched marketing campaigns to raise public awareness of the importance of green practices. For Sabahan agro-entrepreneurs, leveraging digital marketing strategies can be a powerful way to increase brand visibility, attract potential

customers, and build a loyal community. As the government continues to encourage sustainable agricultural practices and value-added agro-processing, local brands that adopt eco-friendly approaches can capitalize on emerging consumer preferences and solidify Sabah's reputation as an environmentally conscious destination.

Positioning Local Products for Global Audiences

Sabahan brands face the challenge of competing in the global marketplace, where consumers increasingly demand uniqueness, quality, and ethical production. To effectively position their products, local brands must leverage the distinctiveness of Sabahan offerings, highlighting their cultural narratives and artisanal craftsmanship (Feminingtyas & Mayangsari, 2020). By emphasizing these unique qualities, Sabahan brands can appeal to a wider international audience, including collectors, eco-conscious consumers, and those interested in ethical consumption (Bandyopadhyay & Ray, 2020; Wolok, 2021). One strategy for Sabahan brands is to market handcrafted items, such as textiles or jewelry, not merely as souvenirs but as premium, artisanal products with a strong cultural story (Putra & Pratama, 2022). This positioning can create a perception of exclusivity, elevating Sabahan products beyond mere tourism trinkets to globally recognized cultural artifacts. Furthermore, local brands should consider obtaining certifications such as Fair Trade or Organic, which can further appeal to global consumers seeking ethically produced goods (Feminingtyas & Mayangsari, 2020). Leveraging the distinctiveness of Sabahan products is crucial, as studies have shown that local brands can benefit from a high level of awareness and close relationships with consumers in their home markets. However, to succeed globally, these brands must also emphasize the ethnic-national identity of their offerings, presenting it as an asset rather than a liability. Positioning Sabahan products as premium, artisanal, and ethically produced can

help create a favorable brand image among international stakeholders.

Role of Digital Marketing and Influencers in Boosting Brand Awareness

As the digital landscape continues to evolve, the role of digital marketing and influencers has become increasingly vital for Sabahan businesses seeking to expand their reach beyond local markets. (Shahid & Qureshi, 2022) Through targeted social media campaigns and strategic collaborations with influencers, local brands can effectively showcase their products, share cultural stories, and build a strong online presence that resonates with global audiences (Shahid & Qureshi, 2022). Digital marketing platforms such as Instagram, TikTok, and YouTube provide Sabahan businesses with powerful channels to promote their authentic offerings and experiences. By leveraging these channels, companies can effectively reach and engage with niche markets, creating a ripple effect of brand awareness and generating interest in Sabahan products and services (Hassan et al., 2021).

The involvement of influencers, particularly those focused on areas like travel, sustainability, and culture, can significantly amplify the impact of these digital marketing efforts. Influencers possess the ability to provide a personalized touch, sharing real-time experiences and insights about Sabahan offerings with their followers, which can ultimately drive increased sales and recognition for local brands. For example, a travel influencer showcasing a visit to a local artisan's workshop in Sabah not only highlights the authenticity of the product but also positions it as a must-have experience for tourists visiting the region (Ayub et al., 2023). This digital visibility can be a game-changer for Sabahan brands, allowing them to engage directly with a global audience and build a strong online reputation. As consumer behavior continues to evolve, with a greater emphasis on personalized experiences and recommendations, the power of digital

marketing and influencer collaborations becomes increasingly crucial for Sabahan businesses. By embracing these strategies, local brands can effectively elevate their presence, reach new markets, and position themselves as authentic and desirable options for consumers around the world (Ayub et al., 2023).

The growing importance of digital marketing and influencers in the Sabahan business landscape is evident from the research conducted in this field. Studies have highlighted the effectiveness of digital marketing strategies in promoting Sabahan agro-entrepreneurs and the significant impact of influencer marketing on young adult buying behavior in Malaysia (Ayob et al., 2023). As the digital landscape continues to evolve, Sabahan businesses must stay at the forefront of these emerging trends to ensure their long-term success and global competitiveness (Omar et al., 2020; Ayob et al., 2023; Ayub et al., 2023; Hassan et al., 2021).

CHALLENGES AND OPPORTUNITIES IN ELEVATING SABAHAN BRANDS

Infrastructure and Accessibility Issues

One of the primary obstacles to promoting Sabahan brands is the region's inadequate infrastructure, particularly in remote areas where culturally significant products are produced (Abidin et al., 2013). Many of Sabah's indigenous communities, who are central to the authenticity of local brands, reside in rural locations with limited access to transportation, markets, and digital platforms (Haro et al., 2020). This lack of accessibility makes it arduous for artisans and entrepreneurs to expand their businesses and reach broader markets, both domestically and internationally. Insufficient transport infrastructure also affects tourism, as potential customers face difficulties in accessing remote locations where these cultural products are created and sold. To ensure the sustainable growth of Sabahan brands, it is crucial to improve road networks,

transportation systems, and internet access, thereby connecting local producers to the global market.

The government has made efforts to encourage the adoption of sustainable and eco-friendly agricultural practices and the development of value-added agro-processing industries. However, agro-entrepreneurs in Sabah often encounter challenges in accessing markets beyond their local areas. Similarly, handicraft producers in Sarawak face obstacles in marketing and promoting their products due to limited social media presence, government negligence, lack of training, and insufficient financial support (Tingi & Tugang, 2021). To address these issues, the government and other stakeholders must work together to create an enabling environment that supports skills development, access to financing, and the promotion of local products through various channels.

Balancing Commercialization and Authenticity

As Sabahan brands gain popularity, they face the delicate challenge of balancing commercialization and cultural authenticity (Zainudin et al., 2018). The risk of diluting the cultural significance of products in favor of mass production to meet growing demand is ever-present, which can erode the unique identity of the products and make them appear as generic commodities rather than authentic cultural artefacts (Chang et al., 2008). Local artisans and business owners must navigate this balance carefully, ensuring that they preserve the integrity and heritage of their products while also expanding their market reach (Napoli et al., 2016).

Successful Sabahan brands will be those that manage to maintain the cultural depth of their offerings while adopting business practices that allow for growth and scalability. This requires a deep understanding of the cultural elements that define their products and a commitment to preserving those

elements, even as they seek to reach a wider audience (Huang & Anderson, 2019). Strategies such as telling the story of the unique cultural backgrounds of traditional arts and crafts and connecting them with new generations of consumers can help create a sense of authenticity and cultural relevance that resonates with customers. At the same time, brands must find ways to update their products for modern use without compromising their cultural significance. This may involve incorporating new design elements or functionality while still maintaining the core cultural identity of the product.

The growing competition in the Malaysian modest fashion industry, which includes Sabahan brands, has also highlighted the need for these businesses to create a strong brand personality that differentiates them from their competitors. Establishing a distinct brand personality not only helps to create a competitive advantage, but it can also strengthen the connection between the brand and its cultural roots (Zainudin et al., 2018). Ultimately, the ability to balance commercialization and cultural authenticity will be a key factor in the long-term success of Sabahan brands. As they navigate this delicate balance, they must remain steadfast in their commitment to preserving the unique cultural heritage that defines their products, while also adapting to the evolving needs of the market (Zainudin et al., 2018).

Competition from International Brands

Sabahan brands face significant challenges in competing with well-established international brands, particularly in the tourism and lifestyle sectors (Tan et al., 2002; Wong, 2017). These global brands often have greater resources for marketing, distribution, and production, allowing them to offer products at lower prices and with higher visibility compared to smaller, local businesses. For instance, international souvenir producers can frequently provide cheaper, mass-produced items that tourists

may find more accessible than handmade local crafts (Rahman & Omar, 2021). However, Sabahan brands can overcome this challenge by emphasizing their uniqueness, cultural authenticity, and sustainable production practices, which are increasingly valued by eco-conscious and culturally aware consumers.

The growing competition in the Malaysian modest fashion industry has proven to be a significant challenge for local businesses to remain relevant in the market (Zainudin et al., 2018). To stay competitive, it is vital for Sabahan brands to create differentiation through strategies such as establishing a strong brand personality. This can help them create a competitive advantage and appeal to consumers seeking more unique and culturally relevant offerings. The rise of the Muslim consumer market has also created opportunities for Sabahan brands that can cater to the demand for sharia-compliant products, including in the fashion and lifestyle sectors (Feminingtyas & Mayangsari, 2020; Zainudin et al., 2018). Additionally, the emphasis on cause-related marketing and addressing social, cultural, or environmental issues can be a favorable strategy for local brands in Indonesia, and may also be applicable to Sabahan brands (Feminingtyas & Mayangsari, 2020). The growth of the Indonesian cosmetic industry has opened up market opportunities for halal cosmetic products, with local brands taking advantage of this niche market. Similarly, Sabahan brands can leverage the increasing demand for halal and ethically-produced goods, particularly among eco-conscious and culturally aware consumers.

Opportunities for Growth through Policy Support and Collaboration

Despite the challenges faced by local businesses in Sabah, Malaysia, there are significant opportunities for growth through strategic policy support and collaborative initiatives (Lucas & Verry, 1999). The Sabah state government has been actively promoting a range of programs aimed at boosting

the tourism industry and supporting local enterprises (OECD Reviews of Innovation Policy: Malaysia 2016, 2016; Abdullah et al., 2022). One promising avenue is the implementation of policies focused on sustainable tourism and cultural preservation. These measures can create a favorable environment for local brands to thrive, as they align with the growing global demand for authentic and eco-friendly products. Collaboration between local businesses, government agencies, and tourism operators can further strengthen the visibility and marketability of Sabahan products. Joint ventures with hotels, tour operators, and online marketplaces can provide local brands with platforms to showcase their offerings to a global audience (Azhar et al., 2022). Additionally, the government's focus on developing digital platforms can bridge the gap between local producers and international markets, offering Sabahan businesses the opportunity to sell their products directly to consumers worldwide. These collaborative initiatives and policy-driven strategies have the potential to unlock Sabah's growth potential, empowering local entrepreneurs and positioning the state as a premier destination for sustainable tourism and authentic, locally sourced products (Noorashid & Chin, 2021; Liew-Tsonis & Cheuk, 2012; Henderson, 2008).

While the tourism industry in Malaysia has experienced significant growth over the past two decades, contributing to economic development, investment, and employment, the rapid expansion has not always been accompanied by effective planning and management measures to ensure long-term sustainability (Liew-Tsonis & Cheuk, 2012). The government's pro-tourism policy has prioritized the industry's development, but concerns over uncontrolled growth and the lack of implementation of legal measures to address these issues have been raised. The COVID-19 pandemic has also had a devastating impact on the hospitality and tourism sectors, underscoring the need for resilient and adaptable strategies to ensure

the industry's recovery and long-term viability (Azhar et al., 2022). In conclusion, while there are infrastructural and competitive challenges in elevating Sabahan brands, there are also significant opportunities for growth through policy support, cultural preservation, and strategic collaborations that emphasize the unique value of Sabahan products. With the right balance of authenticity and commercialization, Sabahan brands can thrive in the global market.

CONCLUSION AND FUTURE DIRECTIONS

In conclusion, Sabah's post-pandemic tourism resurgence presents a significant opportunity for the development and growth of local branding, particularly through eco-tourism, cultural tourism, and sustainability-focused initiatives. The state's recovery, evidenced by the impressive influx of 2.5 million tourists in 2023, signals a promising future for local Sabahan brands. However, challenges related to infrastructure, maintaining authenticity, and competing with international brands must be carefully navigated to ensure sustainable growth.

To achieve long-term success, Sabahan brands need to strike a balance between cultural authenticity and modern business practices such as digital marketing and eco-friendly production. By embracing their indigenous heritage and adopting sustainable practices, these brands can create unique market positions that appeal to both local and international eco-conscious consumers. Additionally, government and private-sector collaboration will be crucial in providing market access, enhancing brand visibility, and positioning Sabah as a destination known for responsible and culturally rich tourism.

With sustained investment and strategic efforts, Sabah has the potential to emerge as a global brand hub, building on its rich cultural and natural assets. By showcasing eco-friendly

products and artisanal crafts, the state can set an example for other regions and establish itself as a leader in authentic, sustainable tourism. As a result, Sabah can contribute to global trends in cultural preservation and environmental responsibility while driving its economic growth and global recognition.

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