

STRATEGIC INVESTMENT PROMOTION PLAN

WHITEPAPER

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STUDY APPROACH & ACTIVITIES

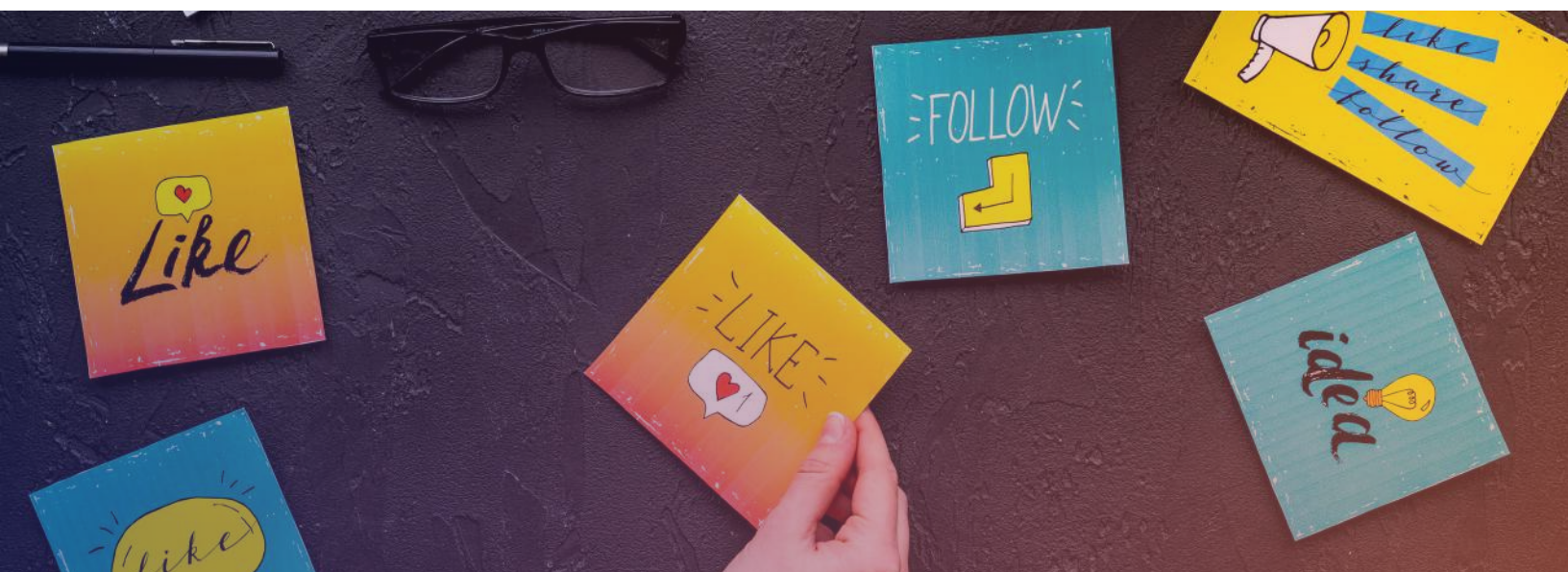
Global competition for foreign direct investment projects is at an all-time high. In response to this, ResearchFDI was hired by a client to assist in identifying and recruiting companies from various target markets and sectors.

Before beginning the outreach and lead generation process, ResearchFDI developed a strategic investment promotion plan for the client's region. This plan aimed to better inform and guide a successful prospecting and research phase, as well as provide the client with a set of valuable investment promotion tools and strategies for the long term.

Completed in 2020, the Strategic Investment Promotion Plan offers insights on how to effectively market the client's region to international investors.

Primary Activities:

- ▶ Conduct a regional assessment of the client region,
- ▶ Identify the target sectors and markets that best fit the client region's value proposition,
- ▶ Identify the target markets most likely to yield results as part of a targeted lead generation campaign to attract foreign investment,
- ▶ Analyze the strategies most effective in regional branding and investment promotion marketing,
- ▶ Deliver a tactical marketing plan outlining the recommended marketing activities and a proposed schedule for carrying these out.



REGIONAL ASSESMENT

ResearchFDI began by conducting a comprehensive regional assessment of the client's area. This process involved stakeholder interviews, benchmarking studies, and an analysis of the region's foreign direct investment (FDI) track record. The goal was to identify the core value proposition of the client's region, as well as gain a broader understanding of the client's country.

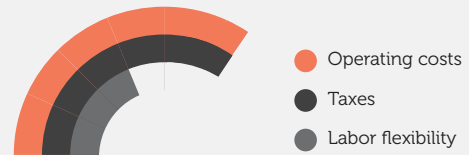
Stakeholder Interview and analysis

General Business Environment

Most represented values for business environment questions with positive sentiment



Most represented values for business environment questions with negative sentiment



Infrastructure and Accessibility

Most represented values for infrastructure and accessibility questions with positive sentiment

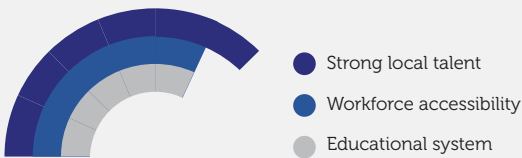


Most represented values for infrastructure and accessibility questions with negative sentiment

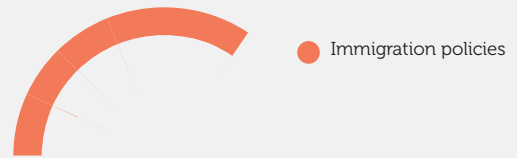


Labor Availability and Quality

Most represented values for labor availability and quality questions with positive sentiment



Most represented values for labor availability and quality questions with negative sentiment



Living Environment

Most represented values for living environment questions with positive sentiment



REGIONAL ASSESMENT

Quality Ranking and Benchmarking

The purpose of this section is to provide guidance for conducting a SWOT analysis and to later determine the final selection of sectors and sub-sectors for proactive investment promotion. Our team has ranked the client's region country using 1,120 quality data points from reputable online sources.

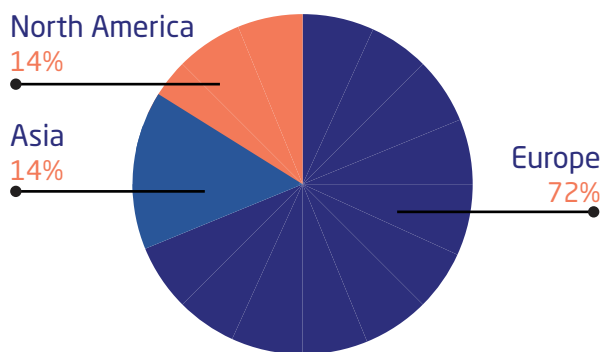
Based on the quality rankings and feedback provided during the stakeholder interviews process, ResearchFDI then compared the client region and country to its main competitors. This comparison helped to understand the current conditions, define the types of companies (sectors) to target, and position the client's region as a prime destination for potential investors.

The client's region and country as a whole, ranks #1 globally on 25 data points with the following breakdown amongst Tier 1 quality rankings:

- ① **Infrastructure and Accessibility (9)**
- ② **General Business Environment (8)**
- ③ **Industry Cluster (9)**
- ④ **Living Environment (4)**

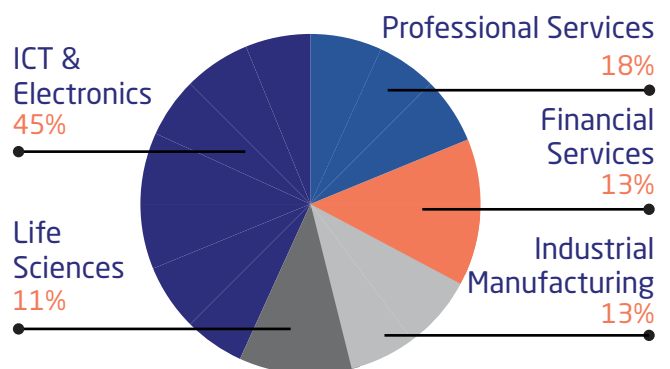
FDI track record

FDI projects into client region by location, 2009-2018



An analysis of the top countries of origin for FDI projects into the client region country from 2009 to 2018 reveals that European investors were the leading generators of FDI projects. In recent years investors from North America and Asia are also generating an increasing number of FDI projects.

FDI projects into client region by sector, 2017-2020



International investors created most projects in the ICT and electronics, professional services sectors ranked second, followed by financial services and industrial manufacturing. The highest sectoral jump was seen in the professional services sector, which experienced a 31% increase from 2017 to 2020.

SECTOR ASSESSMENT

Upon completing the regional assessment and identifying the core value proposition of the client's region, ResearchFDI proceeded to pinpoint the sectors, subsectors, and international markets to target. The selection of target sectors was based on the needs of the companies operating within these sectors and the region's value proposition. To determine the most promising target markets, an analysis of FDI flows, trade volume, and cluster density in international markets was conducted. This approach helped identify the markets most likely to yield positive results.

Sectors & Subsector Selection



High Technology Manufacturing

This refers to any production process which delivers a technology that is at the cutting edge, meaning the most advanced technology available, which is a key factor in enhancing growth and competitiveness in business.

SUBSECTORS IDENTIFIED: Robotics, Mobility Technologies, Industrial Internet of Things, Connectivity Solutions, High-Tech Machinery, and Advanced Electronics



Informations and Communications Technology

The client's country ranks among the world's top nations in information and communications technology, boasting extensive information networks that span the entire nation.

SUBSECTORS IDENTIFIED: Telecommunications, Wholesale Data Centers, Cloud Computing, and Retail Data Centers



Energy

Although the energy sector encompasses power generation, utility, and service provider companies, this analysis focuses solely on renewable energy and clean technologies. This is due to the client's country's prominent global position within these subsectors.

SUBSECTORS IDENTIFIED: Bioenergy, Wind Energy, Photovoltaics, Smart Grid, Green Chemistry, and Energy Storage.



Food Production

In the client's country, the food sector ranks as the fourth largest in terms of output and value added. It has an indirect impact on various sectors, including agriculture, transport, warehousing, business services, and industries such as packaging.

SUBSECTORS IDENTIFIED: Organic Foods, Free-Form Foods, Health and Beauty Products, and Packaging

SECTOR ASSESSMENT

Target Market Selection

Successful investment promotion requires clear strategic direction as it relates to target markets. To conduct effective lead generation and marketing campaigns, the analysis that underpins selection of those markets typically requires a two-pronged approach which involves regional linkages and target sector density and size. Below are the findings of ResearchFDI’s analysis into the client region’s target market selection, shown by location and market division.

European countries have traditionally been a significant source of foreign direct investment inflows for the client’s region country.

Although both secondary and tertiary markets are dominated by European countries, the primary target markets also encompass specific North American and Asian nations.



MARKETING STRATEGIES

To provide well-informed recommendations for the tactical marketing plan, ResearchFDI examined the most effective strategies in place branding and investment promotion marketing. This analysis included both marketing theory and practical tools for promoting regions.

Investor Perceptions

For successful location promotion, it’s crucial to have an internationally recognized brand that resonates with investors.

The client’s country boasts a strong brand, often associated with thriving equality, democracy, free education, liberalism, and progressive environmental policies. Although not a major financial center, the client’s region has improved its ranking by six positions, reaching 68th place in the 2018 Global Financial Centers Index.

Given its solid reputation, the client region’s marketing efforts should target potential investors who appreciate its high-quality attributes.

Brand-Building Objectives

A regional brand is a location’s promise to deliver a specific set of features, benefits, advantages, services and experiences consistently to businesses that expand there.

Branding decisions consist of the following:

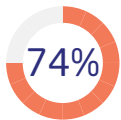
- 1 **Brand positioning:**
Attributes, benefits, beliefs and values
- 2 **Brand name:**
Selection and protection
- 3 **Brand sponsorship:**
Co-branding as part of a country-level investment
- 4 **Brand development:**
Sectoral brand extensions and penetration to value-added supply chain

MARKETING STRATEGIES

Integrated Marketing Mix

In investment promotion, an integrated marketing mix involves combining various communication methods and interactive experiences to engage a specific audience of investors. Essentially, it entails utilizing multichannel approaches to increase awareness and generate leads. An analysis of the most effective investment attraction techniques, based on investor responses, revealed the following best practices:

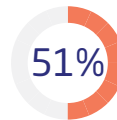
Internet/Website



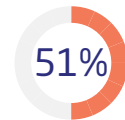
Planned Visits



Media Relations



Special Events



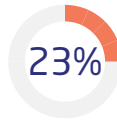
Trade Shows



Advertising



Direct Mail



Telemarketing



Based on the analysis of the best practices, ResearchFDI provided the client with a combination of the techniques listed above to serve as the client region's marketing mix.

TACTICAL MARKETING PLAN

Annual Plan Proposition

In this final section, ResearchFDI presents recommendations for events, marketing strategies, and activities that the client can utilize to attract international investors. A timeline of activities is also included.

Marketing Plan

The plan provides an example of the types of activities that can be planned on an annual basis for the client region along with recommendations regarding marketing materials.

Trade Show Recommendations

A list of recommended trade shows taking into account the proposed target sectors as well as the target region recommendations for the client region to attend was provided.

Multiplier Strategy

Based on the importance of site selectors in the decision-making process a multiplier strategy was provided to target site selectors and corporate real estate professionals

Regional Tours

Recommendations regarding the benefits of the client region hosting site selection consultants in the region were provided alongside details regarding how to accomplish this.

CONCLUSION & RESULTS

ResearchFDI's Strategic Investment Promotion Plan was completed with the aim of providing the client region with the tools to better compete with its competitors on the international stage and attract foreign investors to their region. Through the various sections of this report ResearchFDI successfully in provided a detail plan to inform and guide a successful prospecting and research phase and to provide the client region with a set of investment promotion tools and strategies that have tangible long-term value.

Based on analysis of interviews with local stakeholders and benchmarking data, the identification of the target sectors and markets that best fit the client region's value proposition, an analysis of the target markets and a practical examination of marketing strategies, ResearchFDI built a tactical marketing plan that was specific to the client region that can be used to guide investment promotion efforts in the coming years

Key results:

- ▶ Well-structured understanding of the client region through a regional assessment that discerned a series of regional strengths that can be used to promote the region internationally,
- ▶ A detailed analysis of both the target sectors and the target markets (countries) most likely to yield results as part of a targeted lead generation campaign,
- ▶ Provided the client region with a toolbox of information and strategies with which to compete with greater ease in the global arena.

ResearchFDI is a specialized market research firm that works with economic development organizations and regional promotion agencies to identify and capture direct investment opportunities. Whether your goal is to learn more about existing trends, promote your region's strength or secure new corporate investment,

ResearchFDI has the solution for you.

GET IN TOUCH

Discover more about our services, and stay informed on the latest economic development and investment attraction news by getting in touch with us today!



1980 Sherbrook St. W., Suite 888.
Montreal, QC, Canada H3H 1E8



(514) 488 3168



info@researchfdi.com



<http://www.researchfdi.com>



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