What is a marketing strategy?

- Used to determine what are the targets of your promotional activity
- A multi-step process
- Make predictions and market a projected image of a location

The outcome of this exercise should be a **forward-looking strategy** (of approximately 3 years)
IPA Mission
Maximise net economic gain in your country from FDI and Exports

Marketing and Communications Objective
Bridge gap between how target group perceives your country now and how IPA and Government would like the country to be viewed in the future & realise the IPA’s mission

Design of Marketing Strategy
- SWOT analysis
- Image survey
- Competitive Positioning
- Key Messages/ USPs
- Define Targets (Geographical & Sectoral)

Lead Generation Strategy
- Decision makers within the defined geographical and sectoral target groups
- Multipliers & Influencers
- Media

Communications Strategy
- Advertising
- Direct Marketing
- Public Relations
- Promotional Events
- Networking
- The Internet

Targeting
- A large number of these activities overlap and are interdependent - as such these two departments need to co-ordinate their activity

For optimum results – the lead generation and communication efforts are based on the same geographical and sectoral targeting strategy
Principles of Location Marketing

- Consider your location as a product that needs to be sold to a customer.
- Note that your product offers a certain quality and a certain price. The buyer may be attracted to both or either one of these elements.
- There are competing products that the customer may be interested in – there are suppliers of other similar products in the market.
- The market is a dynamic one – demand, supply, quality and price vary over time.
- The investor makes the final choice where to locate and typically has a choice of options. The market is therefore demand driven.
- The demand needs therefore to be analysed – listen to what your investors are looking for.
Location Decision-making Process

1. Define Project Assumptions and Long List of Location Options
2. Analyse Long List of Locations & Identify Shortlist
3. Evaluate Shortlist Locations & Select Preferred Locations
4. Site Search & Negotiations
5. Implementation
IPA Reactive Marketing

How does an IPA react to a client’s demands throughout the decision making process?

Define Project Assumptions and Long List of Location Options

Analyse Long List of Locations & Identify Shortlist

Evaluate Shortlist Locations & Select Preferred Locations

Site Search & Negotiations

Information Supply on Key Issues

Detailed information Supply Organisation and Visit Support

Support in Negotiations

Aftercare Support

Source: IBM-PLI

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Reactive marketing is “Responding to investor enquiries”.

- In today’s global economy is it enough? How many potential investors know that your location exists?

Advantages:
- Enquiries are serious and from companies with a real interest for your location
- The potential for winning the project is realistic

Disadvantages:
- You will undoubtedly miss opportunities for your location from investors that have not pre-selected you, but for whom your location offers opportunities
- This activity alone does not contribute to a long term economic development strategy with a focus on stimulating inward investment in certain sectors

Source: IBM-PLI
Define Project Assumptions and Long List of Location Options

Analyse Long List of Locations & Identify Shortlist

Evaluate Shortlist Locations & Select Preferred Locations

Site Search & Negotiations

Implementation

Proactive Marketing & Lead Generation

Information Supply on Key Issues

Detailed information Supply Organisation and Visit Support

Support in Negotiations

Aftercare Support

IPA Proactive Marketing
Proactive Marketing

“Identifying Investment Prospects before they become enquiries”

Advantages:

- Proactive marketing strongly contributes to the national economic development strategy by stimulating investment in certain industries
- There are chances of winning the project by being the first IPA to contact the company
- In times of global competition it is essential to be ahead of the game

Disadvantages:

- Requires more and dedicated resources
- Requires greater sectoral and commercial understanding

Source: IBM-PLI
Designing the Marketing Strategy

Define Strategic Sectors

Key Economic Sectors
Existing Foreign Investor Base
National Economic Policy Priorities

Trends in Country & Region
Expansion Investments by Existing Investors
New Sector Opportunities

Competitive Positioning/ Benchmarking

Identify FDI Trends

Key Economic Sectors
Existing Foreign Investor Base
National Economic Policy Priorities

Expansion Investments by Existing Investors
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Define Strategic Sectors

Trends in Country & Region
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New Sector Opportunities

Competitive Positioning/ Benchmarking

Identify FDI Trends
Targeting: a must

→ *Frequent error: engage in pro-active promotion without targeting*

Targeting by sector, product and nationality

- To be defined before and refined after SWOT + Competitive Benchmarking
- Based on a clear understanding of comparative and competitive advantages
- A pre-requisite for success

Targeting is especially critical for small IPAs/countries with limited resources
Targeting: market cube

Market cube: more than 400 possibilities...

Even within a single sector of industry a further segmentation can be made. For example:

- What are the most promising subsegments in the biotechnology sector (human, veterinary, agri)?
- What type of logistics companies do best match with our product (express firms, pan-European services providers, warehousers)?
SWOT analysis

Take strategic sectors defined in your strategy

Conduct a SWOT analysis for these target sectors

- SWOT is forward-looking when a mere analysis of FDI trends is only considering the present
- Create a matrice of factors influencing investment – labour costs, natural resources etc.
- Unique Selling Points (Strengths) / Required Improvements (Weaknesses)
- Identify opportunities and threats – key trends and developments, external political/social/economic factors

How to conduct a SWOT?

- Work group / sounding board with industrialists, politicians, media, existing investors, academia
Benchmarks

**Undertake a benchmarking exercise with competing locations**

- placing your SWOT in a global/regional context
- Remember that after this benchmarking phase you may well review your SWOT analysis with regard to your neighbours!

**Why is Benchmarking Important? It allows you to:**

- capitalise on your strengths in your promotional activity
- Highlights the weaknesses that need improving in your country
- This is as much an audit of competing locations as of your own

**The results can also be used to:**

- Help Government set priorities for Promotion Strategy
- Enable the development of tools to support targeting
Benchmarking: cost-quality matrix

Key challenge: take the corporate view and gain the best possible position (= vis-à-vis competition) in the cost-quality assessment as made by the investor

Total costs in million U.S.$ for first 5 years (all operating costs +/- investment incentives)
Positionning = cube + cost-quality matrix

What has your location to offer for a promising target group? Are you location A, B, C, D, E or F?

Buck Consultants International

January 2006
Designing the Marketing Strategy

Refine target industries and donor countries as per the SWOT analysis and Benchmarking results

Define the scope of the marketing activity:
- Greenfield/brownfield expansion
- Joint Venture
- Merger/Acquisition
- Privatisation

Set targets (cube): be the big fish in a little pond
- Sectors/sub sectors or Business activities
- For ex: good economic climate and availability of human resources, but poor air and land infrastructure = target more service-base activity
Creating Messages

How can you turn your competitive advantages into compelling sales messages? Your location is a product that you need to « sell »

- match investors’ expectations with the location’s advantages (he/she is the customer!)
- reflect the « Unique Selling Proposition » that sets your location apart, as highly attractive (determined by a SWOT analysis)
- be accurate and truthful
- be consistent in order to be effective (reflected in full range of promotional activities)
- A clever approach can be achieved in showing an understanding of the market to which you are selling and their domestic concerns and preoccupations
Creating Messages

Competitive Strength: Plentiful cheap energy…

Benefit to Investor: Production costs will be lower and production more reliable

MESSAGE: “Your production costs will be lower and your production more reliable here due to our cheap and plentiful energy.”
Creating Messages

Focusing Messages on sectoral advantages

- A standard approach is to develop an argument of advantages and benefits spanning out of your identified USP.
- Based on comparative advantages with other locations.
- Policies to develop « poles de compétitivité » are another example of this approach.

Using a « development package » approach

- Some locations may be unable to define a USP. This approach is based more on a combination of factors and the cumulative benefits.
- Presented individually, none of the elements would be sufficiently persuasive.
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Lead Generation Strategy
- Market analysis
- In-market consultants
- Overseas Offices
- Client meetings
- Trade fairs etc.

Communications Strategy
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Group Exercise
Part 1 – The SWOT Analysis

Split into two groups:

Morocco:

Egypt:

Define the **Strengths, Weaknesses, the Opportunities** and **Threats** for each chosen country with regard to the **Agrifood** sector.

You have **20 mins** to complete this activity. Choose a spokesperson to report back.
Group Exercise
Part 1 – The SWOT Analysis

Some ideas of things for you to consider (amongst others):

- Labour market
- Utilities
- Raw Materials
- Transport Infrastructure
- Telecoms/ IT Infrastructure
- Customs Regulations
- Trade Agreements
- Domestic & Regional Markets
- General Business Climate
- Political and Social Climate
- Existing Activity in this Sector
- Tax Framework
- Investment Incentives
- Privatisation Programmes
- R&D
- Land purchase/rental
- Export Agreements
- General Services
Group Exercise
Part 2 – Competitive Benchmarking

Each group is to present their SWOT analysis to allow for a comparison between the offers of Egypt and Morocco.

The time allocated to this activity is 30 minutes.
Group Exercise
Part 3 – Creating Messages

Take the « **Strengths** » and « **Opportunities** » from Part 1 of the exercise and using the **Competitive Benchmarking** from Part 2 develop the marketing messages for the Agrifood Sector for your represented country.

You have **15 minutes** to discuss this in your individual groups. We will then discuss the results in an open discussion.
Participant Training Exercise

Tasks:

- Present the last exercise and its results
- Use the presentation from this morning to show that you have understood the subject

The trainer and the rest of the group will give you feedback on your presentation style and your ability to convey the subject matter.
Thank you

Credits:
L.Gibbons, ANIMA + update by P. Henry, ANIMA
IBM - PLI
Bucks Consultants Internationals