KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

INSTITUTE OF DISTANCE LEARNING

: MARKETING A COUNTRY: PROMOTION AS A STRATEGIC MARKETING TOOL FOR ATTRACTING FOREIGN DIRECT INVESTMENT-EVIDENCE FROM GHANA INVESTMENT PROMOTION CENTER (GIPC)

by

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DECLARATION

I, Kingsford Kwaku Jagre, hereby declare that, except for refences in respect of other people's research, which have been duly acknowledged, this thesis is the outcome of my own research under taken at the Kwame Nkrumah University of Science and Technology (KNUST) under the supervision of Dr. Joseph Owusu. I , hence declare that this research work has neither in part nor in full, been presented to any other institution for an academic award.

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ABSTRACT

This study aim to investigate the role Ghana Investment Promotion Center (GIPC) plays in marketing Ghana through the deployment of promotion as a marketing tool in attracting Foreign Direct Investment. This study seeks to achieve three objectives including, 1. to identify the main promotional tools for marketing Ghana as a nation, 2. to identify the promotional mix that encourages foreign direct investments, 3. to examine the effect of promotional tools on foreign direct investments for marketing Ghana as a nation. The source of data was gathered from the employees of Ghana Investment Promotion Center (GIPC). The data analysis was done using the SPSS (v 20). The data was subjected to statistical analysis by performing descriptive statistics, graphs, correlation, and regression approaches. The finding of the study stated that promotion tools had a positive effect on FDI in the Ghana Investment Promotion Center (GIPC). The outcome is consistent with the findings of Wilson, and Baack, (2012), Abamu, (2019), Devadze, (2021) which had positive association between promotion tools and FDI. The positive effect of promotion tools on foreign direct investment in the Ghana Investment Promotion Center (GIPC) was achieved due to policies and procedures adopted by the GIPC in dealing with their investors, customers and employees.

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DEDICATION

I dedicate my dissertation work to . A special feeling of gratitude to my loving parents, William and Louise Johnson whose words of encouragement and push for tenacity ring in my ears. My sisters Katie, Linda and Rhonda have never left my side and are very special.

I dedicate this thesis to God Almighty, my Maker and my source of hope. Throughout the program and the writing of this thesis, He has been the source of my strength and support. throughout the difficulties with the thesis. I also dedicate this work to my family and many friends especially to my beautiful wife Naomi Ngot, my daughters Michaila, Cassandra and Wilhelmina Jagre for their unwavering support, encouragements and patience through this process. You have been my source of joy and inspiration.

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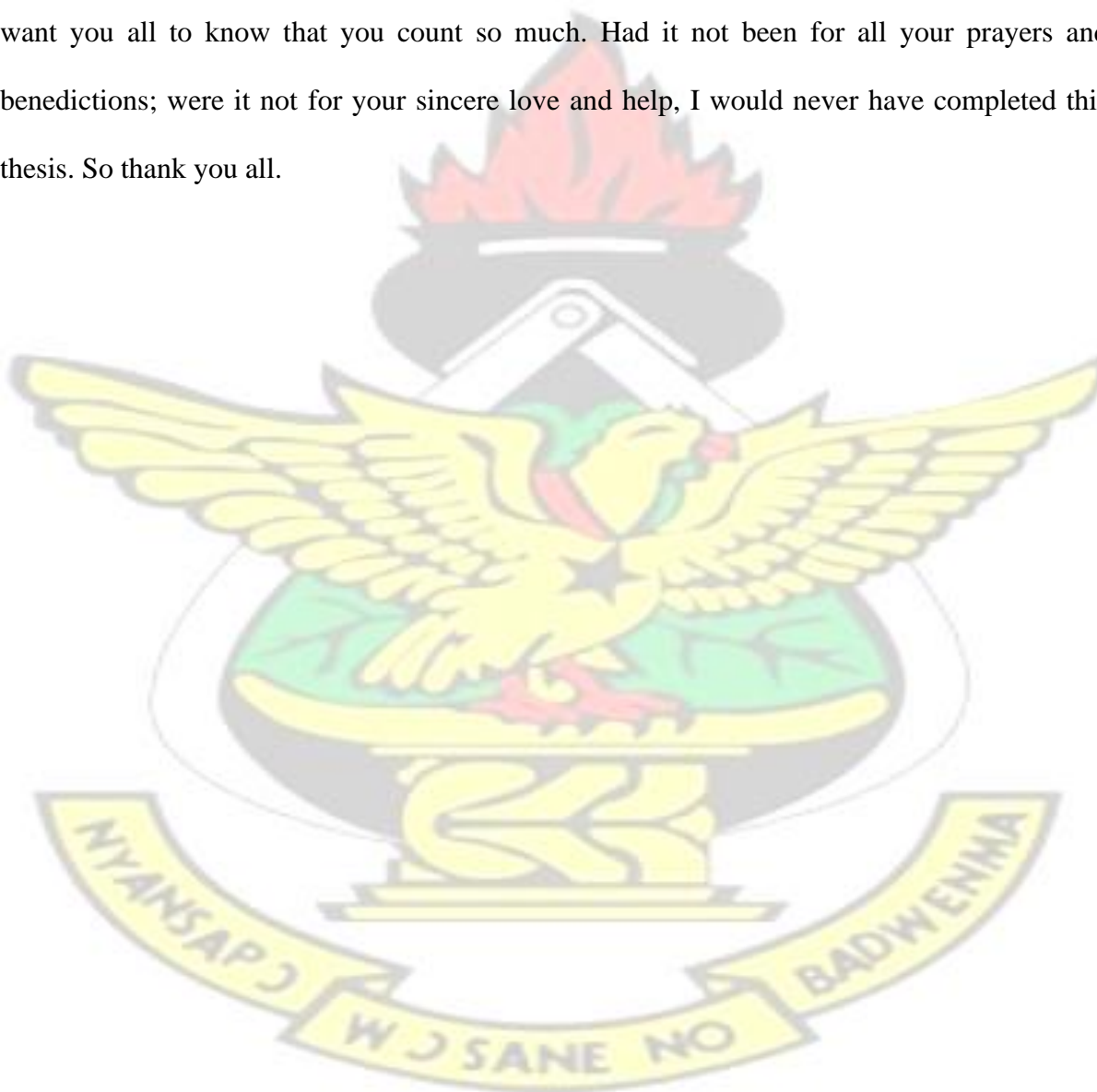
CHAPTER ONE

INTRODUCTION

1.0 Background of the Study

In order to identify the distinctions between developed and emerging countries, academics have been attempting to asses ideas and hypotheses in research and marketing tactics throughout the past few decades. Some of these initiatives have enhanced our comparative knowledge of various marketplaces. Nevertheless, they offer a constrained viewpoint with few theoretical contributions and little application to other social and economic contexts. Such endeavors cloud our comprehension of, for instance, the nature of growing markets and the important approaches which their market structures and economic conditions presents a unique perspectives. The authors of economic and management theories and concepts are influenced by the operating environments that are mostly advanced economies. Replication of these markets, without good context, offers something in relation to the important contributions made by growing markets to the world's economy (Sheth, 2011). The contribution this study will make is in empirically testing how promotional tools can be used as strategy to attract foreign investment in an emerging economy (Ghana). This perspective will expand the theoretical barriers of the economics discipline and offers significant managerial and practical benefits to the leaders and practitioners in both developed and developing economies. The study argues that, when specific market constraints are given, the impact of the foreign direct investment may not always be the same for all contexts. The current state of the economy can be enhanced through the promotion of numerous tourist sectors and other natural reserves to attract FDI.

FDI has the potency to benefit the host country and the multinational corporation seeking to invest. To the host nation, Foreign Direct Investment generates other financial resources via investment and payment of taxes. FDI also generates employment and spill overs such as transfer of expertise, technology and corporate governance practices. The investor or the multinational corporation on the other hand gain access to the fledgling market, peculiar resources, labour and chance to exploit the merits trade policies (Crescenzi, Cataldo & Giua, 2021: Bohle & Regan, 2021). The 2013 UNCTAD's World Investment Report showed that developing countries have received a greater percentage of investment, with inflows into emerging economies accounting for 52 percent in the year 2012. The top three recipient countries of these investments were Brazil, India, and China (Mujtaba & Jena, 2021).

Nonetheless, the previous studies differentiate among classical, dependency and middle path theory concerning the relationship between Foreign Direct Investment and development of economies of these theories. Dependency theory builds on the fact of Marxist foundation which views globalized through exploiting cheap labor, expand capitalism and exchange of extractive resources for superannuated technology from developed countries. It holds parameters that the proceeds of FDI should not be distributed equitably; the investor gets the lion share over the host nation. The investor exploits the less developed nation and repatriates the benefits to their home country (Dimitrova, Rogmans & Triki, 2020). In contrast, the classical theory holds that the host country can benefits more through several mechanisms; via improvement in balance of payment problems, growth of foreign exchange technology, expansion of tax realized from exporting FDI, integrating an economy into the outside market, interchange of excellent working conditions and managerial skills, greater employment opportunities, financial developments and greater productivity (Ado, 2020). Essentially, the middle path theory as the name connotes, is a cautious theory that seeks to merge the dependency theory and the classical theory. The dependency theory to an extent is

too negative to a developing country and classical theory also points out somewhat determinants that may have inherent overreliance on demand and supply. In such instance, the middle path theory purportedly promulgates the need for government intervention and openness in attracting investment into the domestic economy via adopting policies that mitigate negative effects of Foreign Direct Investment (Adegboye, Osabohien, Olokoyo, Mathew & Adwdiran, 2020).

The use of marketing tools to increas foreign investment is a known approach by some countries to boost foreign direct investment. However, ascertaining the right mix of techniques and institutions to execute the promotional packages is the key to a successful nation marketing programs geared toward inciting multinationals and business moguls to invest in the country in question. Toward determining the way in which government selects the structure to conduct investment promotion activities, it becomes somewhat daunting to opt for a public organization, private institution or public-private partnership to cater for the management of certain non-traditional government activities (Wilson, 2020). Most especially, since marketing a country is touted as a government policy and its activities financed by her, investment promotion perhaps consists of major characteristics of tasks typically performed by the government. Only fringe duties of investment promotion may be allocated to the private sector. The fact that national investment promotional activities generate social profits that are heftier than private profits laid the onus to government to finance and appoint bodies deem fit to market the nation. Essentially, government may only risk financing an investment promotion program to a private entity, as they may merely be profiteers or under-develop and miss the target of the public promotional programme. This research seeks to assess the role that the GIPC plays in marketing Ghana through the deployment of promotion as a marketing tool in attracting foreign direct investment (Poliakova, Riddie & Cummings, 2020).

1.1 Problem Statement

The worldwide economic downturn following the CORONA VIRUS pandemic coupled with measures utilized by African governments to control the spread of the COVID-19 have led to a grievous reduction in foreign direct investments and severe economic declines. Report from the World Investment Report relating to the global FDI recorded that there was near collapse of FDI in the year 2020, as a 35% decrease was experienced. Nonetheless, this effect was really felt by advanced countries who encountered a 58 per cent fall in FDI. In contrast, the decline on the part of developing nations were measured at -8% merely due to inflows to Asia (Adarov & Hunya, 2020). Africa on the other hand recorded a 16 % reduction in Foreign Direct Investment. The doubt and uncertainty the impact of COVID-19 has left has more than discouraged the FDI outlook in Africa. These recent developments throw most African governments into greater hesitations as these types of investments are vital for productive capacity, infrastructure development and laying the foundation for economic recovery (Ahmed & Sarkodie, 2021: Osnago, Rocha & Ruta 2019). As a rebound in FDI remain dicey, commodity prices keep fluctuating, tourism promotion becoming a skepticism in the advent of the back and forth with withdrawing pandemic-induced restrictions and ensuring vaccinations; it challenges the Ghanaian government to devise measures to regain the robust economic image that was once built to attract more investments. This is why the present study seeks to examine how promotional tools can be used as a strategic tool to attract foreign direct investment in emerging economy using Ghanaian experience.

1.2 General Objective

Overarching aim of this work is to examine the role that Ghana Investment Promotion Center (GIPC) plays in marketing Ghana through the deployment of promotion as a marketing tool in attracting Foreign Direct Investment.

1.3 Specific Objectives

These objectives are:

i. To identify the main promotional tools for marketing Ghana as a nation.

i. To identify the promotional mix that encourages foreign direct investments.

ii. To examine the effect of promotional tools on foreign direct investments for marketing Ghana as a nation.

1.4 Research Questions

i. What are the main promotional tools for marketing Ghana as a nation?

ii. What are the promotional mixes that boost foreign direct investments inflows into the Ghanaian economy?

iii. What is the effect of promotional tools on foreign direct investments for marketing Ghana as a nation?

1.5 Study's Scope

This thesis focuses on marketing Ghana via different promotional tools. The Ghana Investment Promotion Centre is going to be used as a case study for this research. Interviews will be conducted to collect data.

1.6 Significance of the Study

Foreign Direct Investment has been a major panacea to Ghana's economy, programmes and policies. Majority of recent government projects have come as private FDI and government-private foreign direct investments. The emergence of the pandemic has stalled a lot of programmes, policies and projects. This study hence is envisaged to provide findings that will aid in reviving measures to readjust toward after-pandemic foreign direct investments. The

research is perceived to provide valuable information to government and policy makers on promotional mixes that restore faith in the potency of the Ghanaian economy in the face of foreign investors, extend the knowledge on the measures to market a country and the foreign direct investment literature and, alert domestic partners on how to take advantage of factors to consider in going into business with foreign investors.

1.7 Organization of the Study

The research work will be demarcated into five main chapters. Chapter one will form the main foundation by looking at introduction of the work, the statement of problem, the objectives, and questions, scope and significance of the research findings. Chapter two will then concentrate on the literature reviews on marketing a country, promotional tools, and foreign direct investments. The third section of the study will comprise of the method and the methodology going to be adopted in carrying out the research. The chapter four then discusses the data analysis and results of the research whereas the chapter five will look at the summary, conclusion, and the recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section of the work concentrates on the review of related to literature and scholarly works relevant to the topic being understudied. It consists of the conceptual reviews, theoretical reviews and contextual reviews on marketing promotion and foreign direct investment.

2.1 Conceptual Review

2.1.1 Promotion

Promotion as stipulated by Parker, Williams and Bero (2018) is basically marketing tool employed as a way to chat between buyers and sellers. The sellers by this medium try to influence prospective buyers to purchase their goods and services. In so doing, it ends up marketing the goods and services to other people. Consequently, the organization uses the same way to improve their reputation and or public image. The organization then adopts this marketing approach to create an interest in the thought of the customers and will dwell on that to remain as loyal customers. Promotion is a component of the marketing mix. It is sometimes regarded as an important makeup of the promotional mix which comprises of sales promotion, advertising, direct marketing, online promotion, telemarketing, personal selling, publicity, etc. Some of these promotional mixes may include offer, discounts, free distributions, trial offer, contest, festival discounts, among others (Duralia, 2018). According to Duralia (2018), there are five main promotional tools adopted by any organization. They are briefly discussed below.

Advertising

This is a form of promotion that involves the use of word of mouth or awareness creation, promoting or reintroduced goods and services. It is a paid type or sponsored promotional tool. The company deploys this promotional tool because it gets to a mass number of people within a short while. Advertisement may be placed in or communicated social media whereas unorthodox mediums including social media once more, blogs, text messages and websites may also be used (Duralia, 2018).

Direct Promotion/Marketing

In this instance, the company devises means to directly communicate with her customers with the quest to increase sales. The approaches utilized by the organization include text messages, websites, online advertisements, catalogue distributions and so forth (Duralia, 2018).

Sales Promotion

Sales promotion is all sorts of promotional tools used by the company with the sole aim to boost sales and demand. This promotional tool is deployed for some time to expand customer demand and customer base, refresh market demand and harness product availability to lesser-known markets (Duralia, 2018).

Publicity

This is popularly referred to as PR or public relations. This promotional tool is deployed to broadcast all information or messages between the company and the customers or the public in general. A strong PR tool can be invaluable to the success of the company (Duralia, 2018).

Personal Selling

Best known to many as face-to-face selling, personal selling is a form of promotion where salesman persuades the buyer or another to buy a product. The company dwells on the sales

skills and abilities of the salesman in an attempt to convince prospective buyers to patronize their goods and services (Duralia, 2018).

2.1.2 Foreign Direct Investment

Damgaard, Elkjaer and Johannesen (2019) defined foreign direct investment to be the investment done in economy which achieves a consistent guard in foreign organizations with the sole aim of getting an effective voice of management. On the other hand, Osnago, Rocha and Ruta (2019) view it as a purchase of a effective capacity in a particular country by a corporate body or person outside a host country. Likewise, Bajrami (2019) explained FDI as an investment by an individual or a foreign organization/country in another with the aim of developing the host firm's or country's strategy.

2.2 Determinants of FDI

FDI means invested capital in a country which gives capacities for natives markets. It does not only capital depict the confidence of investor in a specific country, but also links national economies, inuring to the benefits of the capital investor and the host country. Several reasons premised why multinationals make the decision to invest in other countries. These underpinning factors render the prospective determinants of Foreign Direct Investments. The major factors that drive FDI are as follows.

Market Size and Economic Growth

The mere size of an economy or market makes it a very attractive country for investors to invest their assets such as healthcare, technology, and goods. Furtherance, FDI and economic growth have a connection. The more capital invested in the economy the more it grows which

turns out to stimulate more FDIs, and in the long run create an overall sustained growth (Bajrami, 2019).

Capital

FDI is depended on the availability of investment capital which is going to be put into circulation. The investment of large swath of capital is regarded to proportionately overwhelm investment ideas in a given country. By so doing, individual and organization investors view economies as ripe for investment. For instance, China has benefited most from the global surplus of investment capital above any country. Human capital is so crucial that can never be overlooked as well, as China boasts of a strong and skilled work force (Wilson, 2020).

Infrastructure

The development of infrastructure is the key to boosting FDI of any host nation. Roads, ports and harbours are crucial for employee transports of raw materials, tools, goods and services. The availability of these structures presents a wide economic confidence to the prospective capital investor to take advantage of (Osnago, Rocha & Ruta 2019).

Financial Market Development, Policies and Regulations

In an economy whereby these policies are relaxed a bit, FDI is tantamount to strive, investors become more confident and well positioned to insert capital into the host economy. Among these, financial market department also act on the political and economic stability of that country. The influx of FDIs will be greater in a more stable economy than a host nation with several acts of instability, blackmailing, kidnapping, rioting, rebellion and social unrest (Crescenzi, Cataldo & Giua, 2021).

2.3 Theoretical Review

Several theories have been proposed in the literature which forms the bedrock of foreign direct investment and international trade. They include the above mentioned classical theory, the middle path theory and dependency theory. \

2.3.1 The Theory of Exchange Rates on Imperfect Capital Markets

This can be traced to Cushman (1985). They analysed the flow of uncertainties with FDI. He portrays that real exchange rate increase stimulated FDI made in dollars terms where the currency depreciate American FDI. Cushman came into a conclusion that the appreciation of the US dollar has had reduced FDI in America by 25 per cent. Nonetheless, the risk in currency rates theory cannot construe a simultaneous FDI between different currencies. The proponents hold the view that investments are made in separate countries lead to this anomaly; however, there are enough contradictions against such claim.

2.3.2 The Internalization Theory

The Internationalization theory is attributable to Buckley and Casson (1976), continued by Hennart (1962) and finally revised by Casson (2020) again. It explains the increase of firms and their aims for achieving FDI. Two components were identified to boost FDI in this theory. The first one being scrapping of competition and the other; the competitive advantage possessed by certain firms. Hernnart later expanded on it by identifying the vertical and horizontal types of integration that initiate the firm's quest to invest in other countries. Hymer (1976) also pointed to a fact that company-specific advantage overcomes its costs of operation. Yet, Hymer identified problems of costs to the firm's risks. He identifies FDI as a proximate cause to financial costs adjustments and only occurs on the basis of a firm's own strategy and not merely capital-market financial decision.

2.4 Contextual Review

The contextual review encompasses promotion and foreign direct investment and, factors underlying the basis of country marketing and branding to excite foreigners to consider Ghana as a destination for all useful economic activities.

2.4.1 Promotion and Foreign Direct Investment

Promotion and country branding captivate consumption and likewise has an affirmation on economic growth by influencing foreigners' decisions and provide a competitive country positioning. Promotion is one of the marketing mix (the 4Ps). It is sometimes regarded as an important makeup of the promotional plan comprises of advertising, sales promotion, direct marketing, online promotion, trade shows, events, telemarketing, personal selling, publicity, etc. Some of these promotional mixes may include discounts, free distributions, contest, festival discounts, among others (UGWU, 2018). Nations go to the extreme in efforts to compete in attracting trust of investors, media, and talented fames. By so doing investors, marketing mix account for competitive edge (Loewendahl, 2018). According to Loewendahl (2018) 'place' is the world's biggest brand. Country promotion helps improve the country and her brand what to give prospective investors; assets, services and resources exclusively beneficial in production and peculiar to only that country. Country promotion requires efforts and resources (UGWU, 2018). With current market practices, the formulation of efficient promotional mix strategies boosts the country's image, her competitiveness economic friendliness among other nations. Investor experiences are the cornerstones of foreign direct investments. Experiences encountered in the country affect their attitudes, judgments, other aspects of investor confidence (Nazarczuk & Krajewska, 2018).

Investment promotion comprises of all activities that attract FDI. Investment promotion also involves the role government plays in communicating to foreign investors, the nation's in order assists the to-be investors to invest in the economy of the country. International

competitive advantage hence incentivizes governments to take proactive measures and strategies deployed in their investment promotion activities (Poliakova, Riddie & Cummings, 2020). The CORONA VIRUS pandemic coupled with measures utilized by African governments to control the spread of the COVID-19 has led to a grievous reduction in foreign direct investment and severe economic declines. Report from the World Investment Report relating to the global FDI recorded that there was near collapse of FDI in the year 2020, as a 35% decrease was experienced. The effect was really felt by advanced countries who encountered a 58 per cent fall in FDI. In contrast, the decline on the part of developing nations were measured at -8% merely due to inflows to Asia (Osnago, Rocha & Ruta, 2019). Africa on the other hand recorded a 16 % reduction in Foreign Direct Investment. The doubt and uncertainty the impact of COVID-19 has left has more than discouraged the FDI outlook in Africa. These recent developments throw most African governments into grievous difficulty as these types of investments are vital for productive capacity, infrastructure development and laying the foundation for economic recovery (Ahmed & Sarkodie, 2021). Foreign Direct Investment has the potency to benefit the host country and the multinational corporation seeking to invest. To the host nation, Foreign Direct Investment institutes additional resources via payment of taxes. FDI also generates employment and spill overs such as transfer of expertise, technology. The investor or the multinational corporation on the other hand gain access to the fledgling market, peculiar natural resources, low cost labour and opportunities to exploit the merits of trade policies (Poliakova, Riddie & Cummings, 2020).

2.4.2 Factors Underlying Marketing a Country

Terminologies in country branding and promotion can sometimes become confusing as the practice itself. Distinguishing concepts defines 'place' and scholars are often intertwined in terminological debates. Crescenzi, Cataldo and Giua, (2021) dedicated an article to

demystifying the issue whereas Wilson (2020) identified the concept of nation marketing. As outlined, the definition does not really indicate some elements and people. Williams and Bero (2018) see brand is a specific group of consumers or audience. It is the core concept in marketing, and scholars see it as 'the promise'. To Nazarczuk and Krajewska, (2018) a place brand on the other hand is the generalizations about a country/place have on a customer's perception of the place's brand and products or services. There are two dimensions of country brands as postulated by UGWU (2018). It can also be regarded as the promotion of the brand with the mission to support the creation of a positive image of a country's image. Country marketing must be a systematic, broad phenomenon, applying corporate to the country as they address stakeholders in the long term developmental goals of the mission (Loewendahl, 2018). The use of marketing tools to aid foreign investors is a common approach by many countries to boost foreign direct investment. However, ascertaining the right mix of techniques and institutions to execute the promotional packages is the key to a successful nation marketing programme geared toward inciting multinationals and business moguls to invest in the country in question. Toward determining the way in which government selects the structure to conduct investment promotion activities, it becomes somewhat daunting to opt for a public organization, private institution or public-private partnership to cater for the management of certain nontraditional government activities. Most especially, since marketing a country is touted as a government policy and its activities financed by her, investment promotion perhaps consists of major characteristics of tasks typically performed by the government. Only fringe duties of investment promotion may be allocated to the private sector. The fact that national investment promotional activities generate social profits that are heftier than private profits laid the onus to government to finance and appoint bodies deem fit to market the nation (Bohle and Regan, 2021). Essentially, government may only risk financing an investment promotion programme to a private entity, as they may merely be

profiteers or under-develop and miss the target of the public promotional programme. Foreign Direct Investment has been a major panacea to Ghana's economy, programmes and policies. Majority of recent government projects have come in the form of private foreign direct investments and government-private foreign direct investments. The emergence of the pandemic has stalled a lot of programmes, policies and projects (Ahmed & Sarkodie, 2021).

2. 5 Importance of FDI

Due to the restricted availability of international funds, foreign presence may profit from inward FDI. FDI assists host countries to achieve higher growth rates by reducing financial restriction.

FDI is also a key development driver, is necessary for a free and effective global economic system. The benefits of FDI are not, however, evenly and automatically spread throughout countries, sectors, and local populations. National policies and the global investment architecture are crucial for poor nations to fully benefit from FDI for development. The challenges primarily affect the host nations, which must build the institutional, and human resources necessary to do so as well as an open, inclusive, and effective investment-enabling policy environment (2002).Although FDI has actual economic advantages, they are not always realized. A healthy business environment that promotes domestic and international investment, offers incentives for innovation and skill advancement, and fosters a competitive corporate climate is essential if you want to get the most out of having a foreign company presence. The host countries' efforts to put in place the proper frameworks will determine how much is gained from FDI. The extent of the net advantages from FDI varies depending on the host country and context, and they do not automatically accrue OOECD (2002).

Some of the factors that prevent some developing countries from fully benefiting from FDI include the level of general health and education, the technological sophistication of host-country businesses, a lack of sufficient trade openness, a lack of healthy competition, and inadequate regulatory frameworks. Conversely, a developing country's level of infrastructure, education, and technological advancement does, all else being equal, better position it to benefit from a foreign presence in its markets, but even less-well performing countries may benefit by using FD as a supplement to limited financial resources. Due to the limited availability of international investment, even countries with economic levels that do not support positive externalities from foreign presence may benefit from inward FDI. FDI in the host countries enables the higher growth rates that frequently come as a result of a higher rate of gross fixed capital formation.

The policies implemented by the authorities of the host nation have a considerable impact on the long-term economic effects of FDI in economies with restricted access to alternative sources of capital. Results can also be impacted by an economy's sectoral composition. Foreign investors can profitably develop extractive businesses in countries with a wealth of natural resources, but many rising nations' service sectors may not be established and hence fail to draw significant FDI inflows. Economic change brought on by FDI could have a negative impact on employment and distribution in the host nation. Both types' issues may only last a short while, but in the absence of effective policy solutions, they risk becoming more severe and lasting longer OECD (2002).

A nation can pursue strong macroeconomic policies focused at long-term, high economic growth with the aid of effective FDI policies. • Encourage budgetary restraint over the medium term and responsible debt management in a public sector. • Make domestic financial resources more accessible to augment and enhance international investment through strengthening domestic financial systems. This will aid in easing general financial restrictions

enterprise development of economic prospects brought about by international corporate activity.

2.6 Challenges of FDI

Some micro-focused difficulties might surface potential negative influence of inward FDI. For instance, FDI frequently leads to changes in the host economy, even if it normally has a positive effect on corporate development. Social groups that do not believe they would gain anything from the changes often fight against them. The costs are best controlled when appropriate practices are pursued toward flexibility, together with macroeconomic stability and the deployment of relevant legal and regulatory frameworks. Home countries, MNEs, and international forums also have important responsibilities to play, however host-country authorities bear the majority of the responsibility OOECD (2002).

The host economy's underlying strengths and weaknesses are often brought to the surface by FDI, highlighting both its benefits and its drawbacks. Even while there are instances (particularly in banking) when the arrival of MNE located in OECD countries has led to improvement in industry standards, this is not always the case when competitive, and environmental frameworks are inadequate or inconsistently enforced, corporate competitors tend to promote the host-country business sector where economic and legal frameworks foster an advantageous business climate. It is therefore argued that FDI serves as a catalyst for the underlying strengths and weaknesses in the corporate environments of the host countries, potentially exacerbating the issues in "nongovernance zones" while bringing about the benefits in nations with a more welcoming business environment and better governance. Generally speaking, nations shouldn't rely their growth plans on FDI's advantages. Instead of being the primary driver of prosperity, inward FDI should be viewed as a useful complement

to regional initiatives. Last but not least, FDI, like official development assistance primary means of addressing the development issues in developing nations. Foreign investment serves as a valuable complement to locally generated fixed capital rather than a major source, with typical inbound FDI stocks contributing roughly 15% of gross domestic capital formation in emerging nation's FDI is not a key source of funding, but rather a significant complement to domestically generated fixed capital. Countries that cannot raise money for investments locally are unlikely to benefit from FDI, according to the OOECD (2002).

Priority areas include things like the infrastructure of the host nation, its interaction with international trade systems, and the accessibility of key national competencies. a) The difficulties that the host country's authorities face Sound FDI policies and domestic enterprise development policies are essentially the same. Good host-country policies for FDI attraction and reaping the rewards of foreign business presence are generally the same as those for mobilizing domestic resources for productive investment.

2.7 Chapter Summary

This chapter discusses the reviews of the relevant literature to the topic understudy. It looks at the conceptual reviews of the main terminologies and their ramifications. It also addresses two main theories of Foreign Direct Investments (the exchange rates on imperfect capital markets and the Internationalization theory) and finally looked at some contextual review of promotion as a marketing tool for a country and foreign direct investment and, factors underlying country marketing.

CHAPTER THREE

PROFILE OF ORGANISATION AND METHODOLOGY

3.0 Introduction

The methodology chapter presents the blue print the researchers will go through in achieving the research objectives whilst answering the questions. The research design will be vividly explain, the researchers also justified each approach adopted in this section. Among the key consideration in this section are; population of the study, the unit of analysis and the sample size that will be use. It appends details of the research instruments used, the data source as well as how the data will be analyzed.

3.1 Organizational Profile-Ghana Investment Promotion Centre (GIPC)

GIPC represents a government agency accountable under the GIPC Act, 2013 (Act 865) to underpin investments in Ghana, providing for and creating attractive incentive frameworks, a translucent, expected, and conducive economic ambience for consistent investments in the Ghanaian economy. They are tasked with the formulation of promotion incentives, plans and policies, and marketing strategies to excite investments in developed information and technology firms, and skilled services that are capable of being exported. The GIPC also has the mandatory function of initiating and supporting measures that harness the Ghanaian investment atmosphere for both local and non-local enterprises. They organize promotional activities for stimulation of investments to present Ghana as an ideal investment country. Among other functions, the GIPC are also tasked with the collection, analysis and dissemination of investment information, registration and keep accounts of all enterprise in

Ghana and, technology transfer agreements. The other duties are performed with the regards that any function will aid in achieving the object of Act 865 (Nyanyi, 2020).

3.2 Research Approach

Research approach is a concept in a given design and the research methodology as a whole, it encompasses a multi-dimensional meaning. Hair, et al., (2008) classified it as a broad category of research design. The authors` however posit that a decision on the most appropriate research approach for a given study should not be taking in an isolation without a due consideration given to the research objectives and the magnitude of required information. Qualitative; quantitative; and mix methods are the three main research approaches (Hair et al. 2008) Creswell (2009) further posits that, the researcher is highly influenced by a range of variety of factors in his conclusion on the approach to use for a particular study. These factors include the researcher's philosophy; the research problem to be addressed; and the targeted audience under consideration. Qualitative research is mostly exploratory in nature and tries to explore subject where nothing is known on the research area in a given context (Saunders et al., 2009) through the use of techniques such as focus groups, interviews, review and case study. Drawing on this argument, an area like this which has receive a considerable research attention and therefore required a quantitative approach for wider spread opinion into the nature of issues under discussion. The researchers adopted quantitative research approach because it uses standardized procedures to examined issues in a relatively research area.

3.3 Research Design

The design particular research deems to adopt involves the framework of the whole scholarly work. Notable among these is the methods, techniques and instruments which characterize the look of the study. This allows the researcher to deploy methodologies based on the subject of the research. According to Patten and Newhart (2017), research may be structured, semi-structured, experimental, review, co-relational, descriptive case study and the like. The concept of research design as the central focus or the heart of every research methodology, has received an interesting debate from different perspectives in the research methodology literature (Cooper & Schindler 2008). Creswell (2009) however, defined it as the plan and processes for research decisions from general hypotheses to specific data collection method and objectives analysis and responding to the questions are known as research design. A research design, according to Cooper and Schindler (2008), is the way of fulfilling the research objectives. Researchers have recognized exploratory, descriptive, and causal as the three main types of research designs (Hair et al., 2008; Zikmund & Babin, 2010). Descriptive research also depicts the current characteristics of a certain target audience, while exploratory research, in accordance with Hair et al. (2008), develops insights and increases understanding of a research problem. The study employs the exploratory research design to seek deeper understanding to the issues at stake. Furthermore, exploratory research will clarify any ambiguous statements and come out with new opportunities (Zikmund & Babin, 2010).

3.4 Survey method

The study will be conducted using a cross-sectional poll to gauge the management's reactions to GIPC personnel. A cross-sectional research looks at a specific situation at a particular period (Saunders, et al., 2007). Because the data will only be gathered once within a specific time period and then analyzed, the cross sectional approach will be considered appropriate.

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This method ensures simple data collecting and is comparatively less expensive to utilize. This will allow the researcher to finish the study within the allotted time frame.

3.5 Population

The definition of population is the whole collection of all individuals, events, or other things regarding what the researcher seeks to draw conclusion. The population because of the research interest is described as the whole of all elements in a study that share a common set of characteristics (Malhotra and Dash 2011). The study population is the group to which the study's findings are to be applied (Malhotra and Birk 2006). According to Russell and Purcell (2009), population is a collective group or set of observations that are of interest to researchers. According to the aforementioned definitions, GIPC employees make up the study's population.

3.5.1 Target population

The targeted population refers to the individuals and groups that possess the information sought by the researcher and from which inferences can be made (Malhotra, 2007).

This target population is critical to GIPC when it comes to determining the efficiency of the FDI. The targeted population or the current study is the employee of GIPC.

3.5.2 Sample Size

It is the part of the targeted population employed for the study (Malhotra & Dash, 2011). It is the number of participants or elements to be included in the study (Saunders et al., 2011). After determine the population and sampling strategy, the researcher needs to determine the sample size for the study. Whether a researcher employs a qualitative or a quantitative

approach, the researcher is confronted with a range of variety of decisions when determining the sample size for a specific study (Malhotra & Birks, 2007). As a matter of fact, there is no one approved means to determining sample size despite it being a salient decision point for any given research (Bhat & Darzi, 2016). Currently, the statistics from the GIPC reveals that there are over 500 employees. Consistent with Yamane`s (1967) formula and the above two formulas, a sample size of three hundred (320) respondents (employees) will be drawn from the target population with the aim of this study. This sample size falls within the parameters of both the sample size calculators proposed by Bartlett, Kotrlik, and Hinggins and Krejcie and Morgan (1970). (2001). Because there are too many employees for the study, a sample size has been chosen. Taro Yamane's sample size formula will be used to finalize the study's sample size in order to acquire accurate results. data (at 95% level of confidence and 5% error level) (Yamane, 1967). The formula is given by

n = N / [1+N (e)2].

Where

n stands for sample size

 N stands for research population

e stands for a 5%) sample error

3.5.3 Sampling Strategy

 Collecting data from every member of a population would have been the securest way to assume 100% level of confidence in generalizing the findings. This event is feasible when the researcher is collecting data from small groups of research participants. This approach is however almost impossible for a variety of reasons such as times constraints. It is expensive,

time consuming and very difficult or almost impossible to access all the potential participants. With this understanding, is very essential for researchers to relied on sampling techniques to select a representative sample from the target respondent (Malhotra & Birk 2010).

Consistent with the above conceptualization, the current study will purposively select 320 employees from GIPC who have worked with the organization for a considerable period.. The inclusion of the employees is equally based on the purposive sampling technique as the employees within this criterion possess the information required for this study

3.6 Study Setting and Time Horizon

The study will to a large extent, rely on a field survey with a cross sectional period horizon. This implies the data will be collected once and spanned a time period of two weeks.

3.7 Unit of Analysis

When measuring a certain study phenomenon, the sort of element a researcher uses is referred to as the unit of analysis (Neuman, 2006). One or more of the typical means of analysis in social science research is the individual, the group, the organization, the social grouping, the institution, and the society. According to Zikmund (2003), the depth of research or data gathered focuses on individual things or an object. The object(s) in this scenario could be a whole company, division, team, activity, or person. The individual is by far the most prevalent unit of analysis among these in surveys (Babbie, 2004). The employee of GIPC is the unit of analysis in the current study.

3.8 Primary Data Collection

The questionnaire used in collecting the data was self-administered. The analysis stage will make use of the results from this procedure. The respondents will be involved after "explaining the aim of the study and receiving agreement. During the process, respondents will converse face-to-face in order to assist issue clarification and gather feedback.

3.9 Contact Method

The research team will administer the questionnaire to the respondents personally at their various offices at their work places. The data collection team will therefore explain the requirements of the research to the target respondents. The researchers will finally engage those who will be willing to participate in the study

3.10 Analysis

Data analysis, according to Zikmund and Babin (2010), is "the application of logic to interpret the data acquired." In addition, the authors "suggest that data analysis may entail identifying recurrent patterns and summarizing the pertinent information discovered in an investigation. To investigate how promotional tools can aid in luring FDI, primary data will be gathered, entered into the SPSS version 20, and examined through regression analysis and the structural equation model Partial Least Square (PLS). The specifics of the research plan and the type of data collected will identify the most appropriate analytical technique for data analysis. According to Zikmund and Babin (2010), statistical analysis differs from univariate and bivariate to multivariate analysis". "This section address how the raw data was processed. It comprises of entering, checking, and coding data; reliability analysis, multicollinearity and validity".

3.11 Research Instrument and Development

The instrument for data collection for this research is going to be structured questionnaire that will be adapt and adopt from previous studies.

3.12 Validity and Reliability

Validity and reliability tests are helpful in making sure that the data collected meets the requirements for consistency and applicability to meet the study's objectives (Mugenda and Mugenda, 2003). Tests were performed as part of the study to evaluate the validity and reliability of the research tools. The content to which the research instrument analyzes or assessments what it has been intended to assess is fundamentally what is meant by validity (Mugenda and Mugenda, 2003). The researcher employed the expert opinion technique, taking into account the input of useful sources, particularly the supervisors, ensuring that the document review guide is created collected the sort and volume of data desired. Bryman and Bell (2015) say that, reliability of a research instrument simply refers to how closely its results will hold up when used more than once. The premise behind reliability is that any important results must be more than a one-time instance discovery and must be fundamentally reproducible, as Kothari (2011) explains in more detail. It has to do with the information providing an accurate picture of the situation. With their consent, the study obtained data from reliable, official sources to confirm the validity of the information gathered.

3.13 Ethical Consideration

Ethics consideration in research is one of the most important issues a researcher must not overlook. It is deemed crucial in conducting a study on social science research. It broadly

refers to as the appropriateness of researchers' behavior in connection with the rights of those who are the subjects of the research project (Alston & Bowles, 2019). The least considerations are accuracy, informed consent, privacy, and confidentiality. The researcher seeks permission and makes the aims and objectives of the study known to the the Ghana Investment Promotion Center (GIPC) employees. The GIPC was also assured that the data gathered are only used for academic study in fulfilment of the requirements of master's program rather than any other dubious use.

3.14 Chapter Summary

The chapter elaborates the organizational profile, the design of the research, the research instrument going to be adopted, the research population, the sampling technique being deployed, the sample size, the data collection process, the data analysis process and ethical considerations that shape the whole research work.
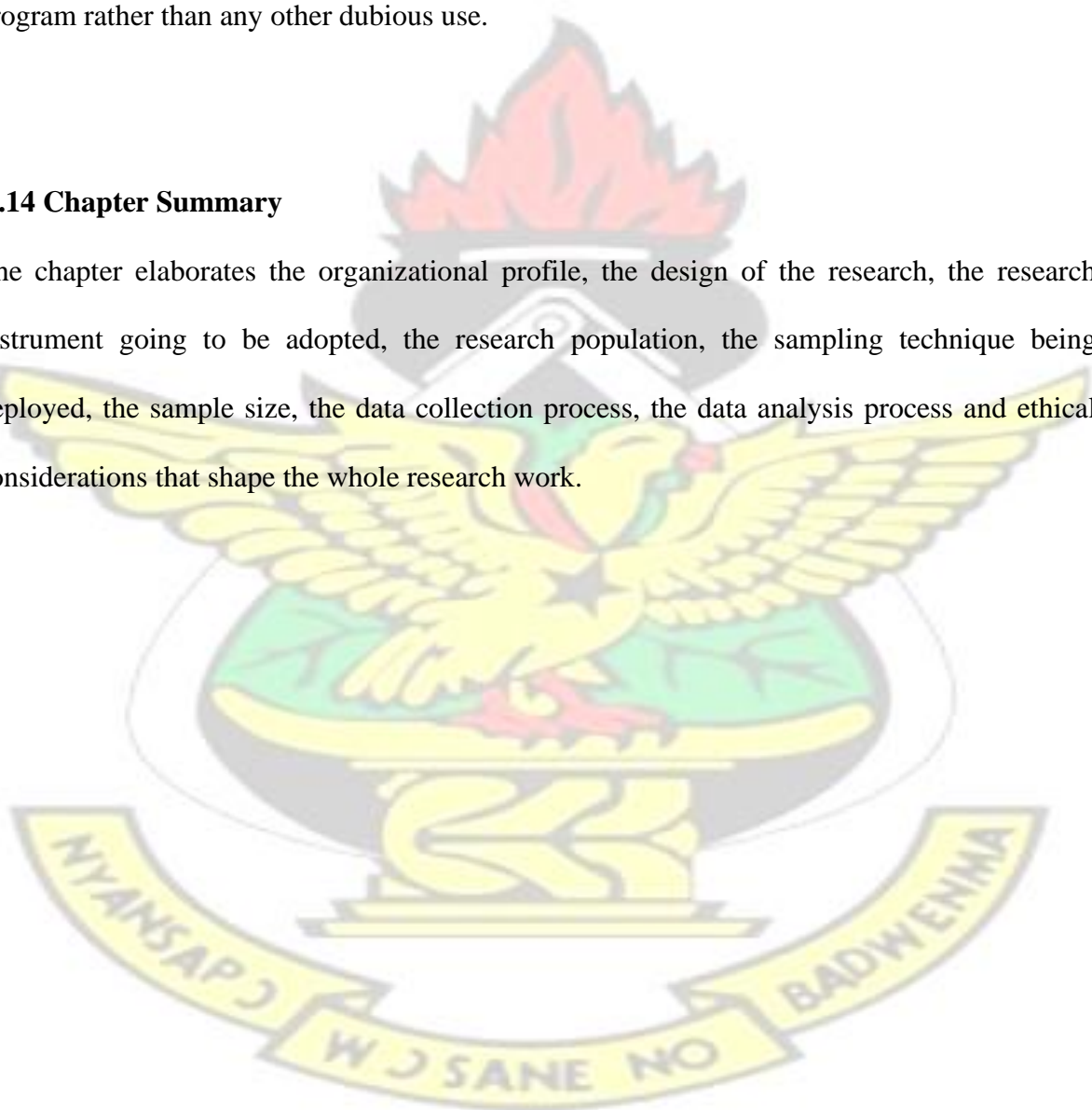
CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.0 Introduction

This chepter presents the outcomes of the results. It presents graphs and descriptive statistics such as standard deviation, mean, minimum and maximum. It also presents the validity and reliability by conducting confirmatory factor analysis CFA, EFA, AVE, inter-factor correlations, and composite reliability (CR). Finally, model fitness and multi collinearity tests were presented. The data analysis and the discussion of the results are therefore structured around the objectives.

4.1 FDI Promotion in Ghana

FDI in Ghana has been particularly improving since the pandemic, it is even lower than the recorded levels for 2020 but although higher than 2019. At the end of 2021, Ghana reported 271 projects with a total value US$1.3 billion, a 51% decrease in 2020 but an increase of 17% in 2019, which were US$2.65 million and US$1.11 billion, respectively. Following the WHO's designation of numerous COVID-19 strains as variants of concern, investor worry has increased due to the consequences for worldwide monitoring. FDI values did decline in the year under review, in part because of the clearly predicted negative consequences of COVID-19 implications on potentials for economic growth, the local portion of the documented investments saw a considerable growth of 32.4%. The local component of the investments registered increased from US$145.52 million in 2020 to US$192.66 million in 2021. Additionally confirmed is an initial transfer total of US$83.56 million. When activities are running at full capacity, it is anticipated that the investments made will generate a total of

15,775 employments, 90.9% of which will be for Ghanaians. One of the most alluring locations for investing in Africa is still Ghana. In the 2021 edition of the Rand Merchant Bank's "Where to Invest in Africa" Report, Ghana is listed as the best location to invest in West Africa and the sixth best place to invest in Africa. Additionally, the IMF forecasts real GDP growth and inflation rates for Ghana of 6.2% and 8.8%, respectively, in 2022, up from 4.7% and 9.3% (correspondingly) in 2021. This indicates a sound economic environment for FDIs to flourish. This supports the government's stated goal of getting a sustainable entrepreneurial nation with the help of the private sector for the 2022 fiscal year.
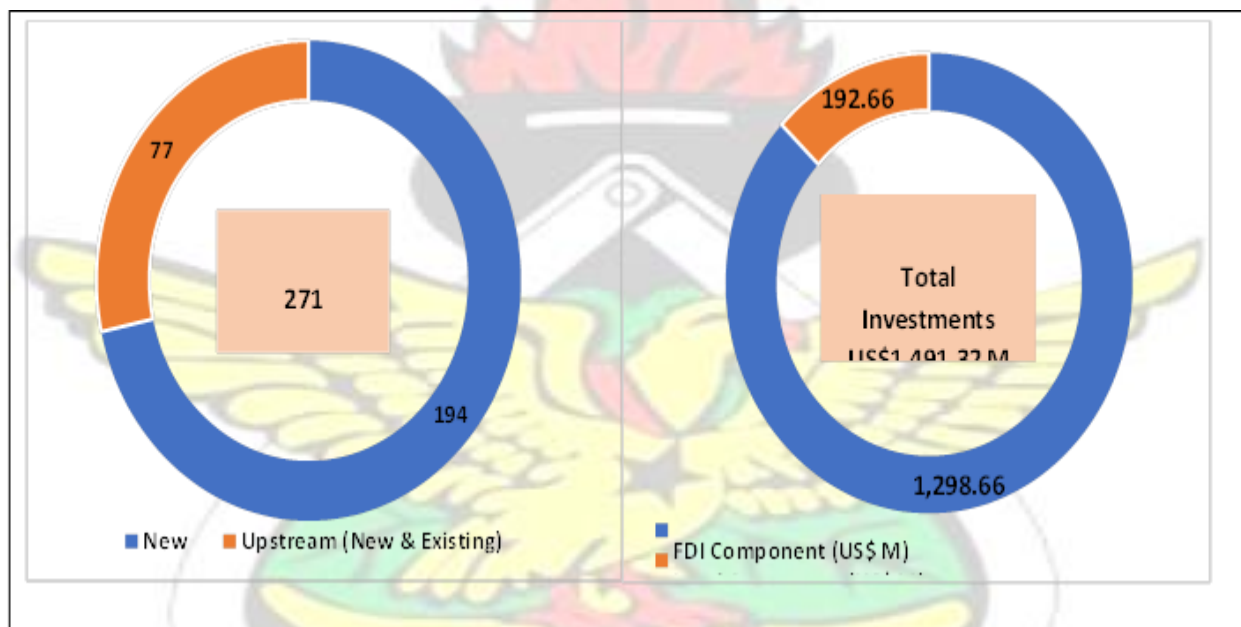
Fig 4.1 FDI recorded in Ghana

Source: Author's Own Construct (2022).

According to figure 4.1 above, Ghana recorded 271 projects between January and December 2021, totaling about US$1.3 billion in FDI. When the FDI value is compared to the 2020 and 2019 FDI values, which are US$2.7 billion and US$1.1 billion, respectively, it shows a decrease of 51.01% and an increase of 17.11%. The initial transfer of funds into the Ghanaian economy totaled US$83.56 million, with US$192.66 million of that amount coming from local investments. With activities

running at full capacity, it is anticipated that these investments will generate a total of 15,775 employments. 14,340 of the jobs, or 90.90% of them, will go to Ghanaians, and 1,435 will go to foreigners. 194 of the 271 registered projects were new registrations, while 77 were upstream projects.

The FDI projects that were registered in 2021 in various sectors are shown in Figure 4.2 below. The services sector recorded the most projects out of the 271 that were registered (139). Manufacturing and general trading came in second and third, with 50 and 35 projects, respectively. Building and construction saw 11, 12, and 19 projects, respectively, while oil and gas saw 19, 12 and 11 projects. 3 projects were reported by the agricultural sector, while 1 project was reported by liaison. The services sector recorded the highest FDI value, at US$689.91 million. The manufacturing and oil and gas industries came in second and third, respectively, with FDI values of US$131.41 million and US$265.87 million.
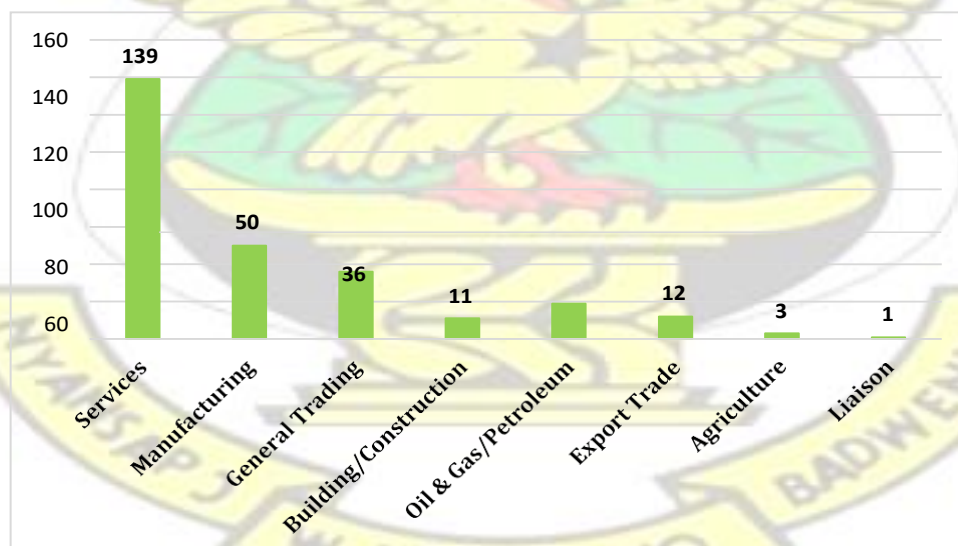
Fig 4.2: Sector breakdown of FDI projects registered

Source: Author's Own Construct (2022).

Nine (9) regions directly profited from the 271 projects, according to the regional distribution of the projects that were recorded. The Greater Accra region is home to 214 projects, or 78.97% of all projects registered. Western and Ashanti, with 29 and 13 projects apiece, Eastern and Central, with 6 and 5, and Bono, Northern, Upper East, and Upper West, with one project each. Figure 3 below provides information.
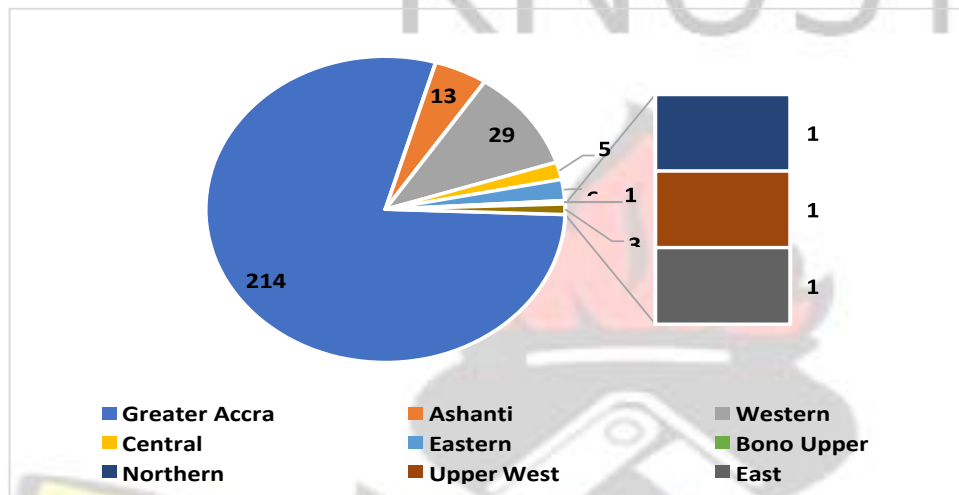
Fig 4.3: Regional distribution of FDI registered projects in Ghana

Source: Author's Own Construct (2022).

With activities running at full capacity, a total of 15,775 jobs are anticipated to be created by the 271 projects registered. 14,340 of these jobs (90.90%) will go to Ghanaians, while 1,435 (9.10%) of them are anticipated to be filled by non-Ghanaians. These are anticipated to benefit the services industry and create a total of 5,927 jobs for Ghanaians. Further information on the industry breakdown of these anticipated jobs is provided in Figure 4.4 below.
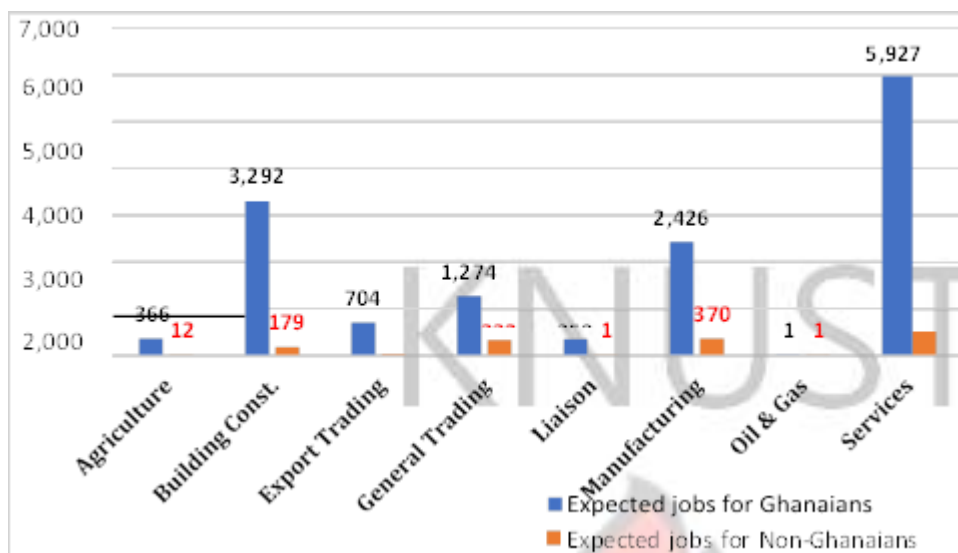
Fig 4.4: Expected jobs to be created for Ghanaians & Non-Ghanaians per sector
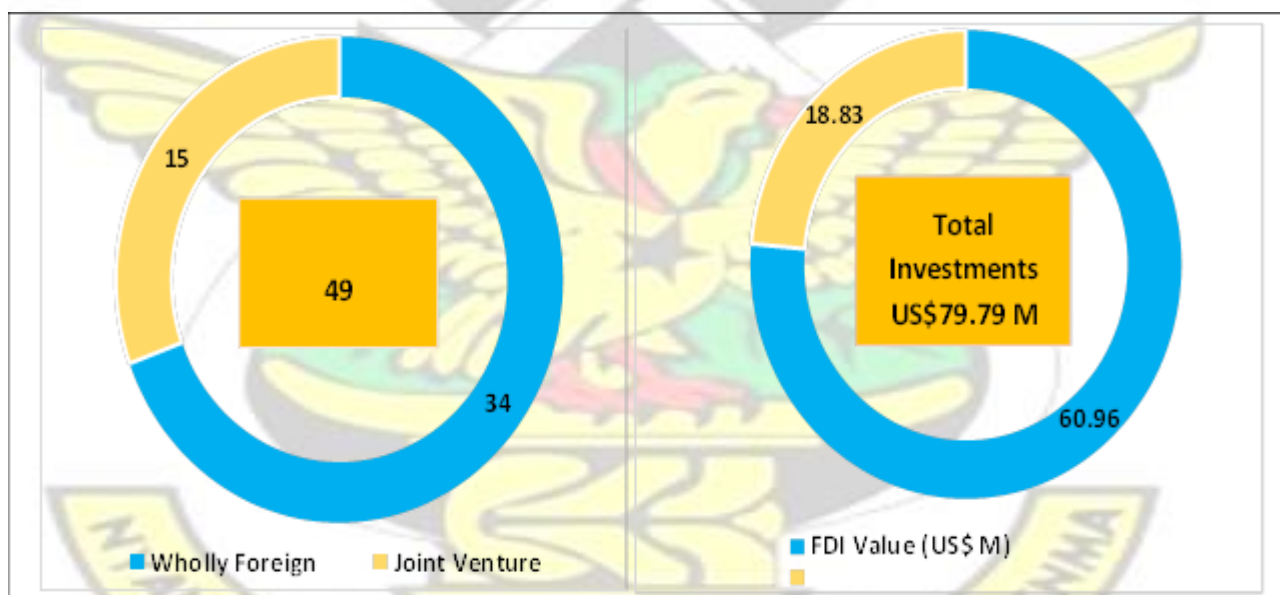
Fig 4.5 Investments recorded by GIPC: first quarter 2022 (*January – April 2022*)

39 projects with a total estimated value of US$79.79 million were filed by GIPC in the first quarter of 2022. This included a local component at US$18.83 million and an FDI component worth US$60.96 million. Initial transactions were US$16.37 million in total. 34 projects out of

the 49 that were registered were fully owned by foreigners, making up 69.39% of the total. These projects had an estimated total investment value of US$44.81 million and an FDI value of US$40.36 million. There were 15 joint venture initiatives between Ghanaians and their foreign counterparts, making up 30.61% of all projects. The anticipated total investment was US$34.99 million, of which US$20.59 million was from FDI. Figure 4.5 above provides more information.

## 4.2 Evaluation of Common Method Variance (CMV)

CMV is one of the critical issues arising in current research. As a result, it is important to control for CMV in this study (Rodríguez-Ardura & Meseguer-Artola, 2020). Based on the literature, this study followed three main approaches in dealing with CMV. Firstly, the questionnaire was pretested to reduce ambiguity and verify its validity and reliability. Secondly, the participants were informed about the anonymity and confidentiality of their responses. Similarly, evaluation anxiety was minimized during data collection. Finally, Hermen's single factor test in EFA framework was conducted. Following Fuller et al. (2016)'s recommendation to examine the number of unrotated factor solutions, the number of components matrix was following the variables of the study with an eigenvalue greater than one (1). The total variance explained was 79.28%. The largest factor explained 20.39% of the variance suggesting that no single factor explained more than half of the total variance. This signifies that CMV was not a problem in this study.

4.3 Descriptive Statistics

Tables 4.1 present the descriptive statistics results of the study. The author used SPSS version 20.0 to perform the descriptive statistics for the variables.

Table 4.1: Descriptive Statistics and Composite Reliability

Variable	CR	Obs	Mean	Std. Dev.	Min	Max
Pro Tools	0.82	300	2.543	0.978	1	5
FDI	0.78	300	2.678	0.983	1	5

According to Table 4.1 above, the study used valid responses from 300 participants. As indicated earlier, the study used a five-point Likert scale ranging from 1-5 ratings for collecting the data. According to Table 4.1, all the variables understudy namely promotional tools and foreign direct investment recorded a minimum of one (1) and a maximum of five (5). In terms of mean and standard deviation, the participants relatively scored the variables of interest, suggesting that FDI in the GIPC is relatively high with the mean score (M=2.658, SD=0.993) while Promotional tools had the lowest mean score (M=2.523, SD=0.988).

4.4 Reliability and Validity of the Constructs

The consistency, stability, and reproducibility of measurement results are concerned with reliability. Conforming to Field (2009), a scale should consistently represent the construct it is measuring in the reliability calculation. Besides using the Cronbach's alpha the internal accuracy and consistency of the scales is also calculated. Theoretically, Cronbach alpha looks at inter-relationships between the objects intended to measure a construct. According to Field (2009), an appropriate value is the Cronbach alpha with a value between 0.7 and 0.8; values significantly lower imply an inaccurate scale. In the same way, Hair, et al. (2010) postulates that for most research purposes, a coefficient alpha greater than 0.7 is highly satisfactory.

Nonetheless, in the early phase of the analysis, it has been argue that a coefficient alpha of 0.5 to 0.6 was satisfactory. The researcher adopted a positivist model of analysis for this research study, which is an appropriate means to collect data for defined variables of interest. The investigator designed instrument to gather data from the staff of the Ghana Investment Promotion Center (GIPC). In this analysis, with the aid of Cronbach's alpha, the investigator assessed internal reliability, and validity. Validity decides the corresponding measurement indicators that are linked to the construct they were intended to measure is reflected in this set of items (Hair, et al., and 2010). As a general practice in many social science studies, this study conducted both CFA and EFA to test the validity and reliability of the instruments used.

4.4.1 Standardized Factor Loadings and T Values

Researchers hold a high regard for the influential nature of confirmatory factor analysis (CFA) as a statistical method for examining the makeup and connections between latent components. Since it aids in assessing the factor's invariance across groups and over time, identifying method effects, and measuring the construct's validity (Brown, 2014). Due to the researchers' faith in the Structural Equation Model as a reliable model, CFA usage keeps expanding in the psychological literature. Given the significant contribution that CFA contributes to the measure generation and the realization that having a tool that effectively manages the measurement of variables, it may be assumed to be fundamental numerically only because its function is essential to the outcomes a researcher presents. The CFA performed on the variables understudy in this research proved that the standardized factor loadings for all the constructs were above 0.60 and the t-values are significant for all the items in table 4.2.

Table 4.2: CFA Standardized Factor Loadings and T Values

Construct	Items	β	t value	Composite Reliabilities (CR)	Cronbach Alpha (α)
Pro Tools	PT1	0.656	22.230	0.803	0.793
	PT2	0.737	28.520		
	PT3	0.753	30.070		
	PT4	0.647	21.650		
	PT5	0.637	15.510		
	PT6	0.675	23.300		
FDI	FDI1	0.716	29.060	0.854	0.818
	FDI 2	0.728	30.260		
	FDI 3	0.779	36.610		
	FDI 4	0.674	25.060		
	FDI 5	0.691	26.370		
	FDI 6	0.641	16.260		

4.4.2 Correlation Matrix and Average Variance Extracted (AVE)

In addition to the CFA, this study performed correlations among the variables and the square

of AVE. The outcomes are presented in Table 4.3.

Table 4.3: Correlation Matrix and Average Variance Extracted

Variable	AVE	Pro Tool	FDI
Pro Tools	.579	**.761**	
FDI	.581	0.29	**.762**

The correlation results in Table 4.3 show that promotional tools correlated positively with

foreign direct investment. In addition, the average variance extracted (AVE) for the scales

ranged from 0.579 – 0.581 in table 4.3. This shows that the data more than the suggested

AVE acceptance level of 0.50, demonstrating convergence validity (Gaskin & Lim, 2016). The square root of the AVE values, which were well above the inter-factor correlations across the constructs and strongly suggest discriminant validity, were also demonstrated in this table. These values varied from 0.761 to 0.762. These were all above the generally accepted instrument use reliability level of 0.7.. (Fornell, & Larcker, 1981) suggesting that the instruments are reliable. Also, all the correlation values were below 0.70 suggesting absence of potential collinearity among the explanatory variables.

4.4.3 Model Fitness

Similarly, the finding of the model fits according to the CFA result disclosed that the goodness of fits aids including goodness-of-fit index (GFI) 0.926, adjusted goodness-of-fit index (AGFI) 0.961, comparative fit index (CFI) 0.943, root mean square error of approximation (RMSEA) 0.047 and χ^2/df were within the acceptable level for model fit. From the model fitness, it is therefore deduced that the model for that study is a good fit for the data.

4.4.4 Kaiser-Meyer-Olkin (KMO) Barlet's Test (BT)

To measure the sampling adequacy for individual variables and complete the model, the KMO and BT were performed. The outcomes in Table 4.4 convey that the KMO value is 0.851 which is above the minimum recommended threshold for proceeding to factor analysis. The BT value is relatively large with sig. value of 0.000 rejecting the null hypothesis which the variables are not inter-correlated.

Table 4.4 Kaiser-Meyer-Olkin and Bartlett's Test

KMO Measure of Sampling Adequacy		0.851
	Chi-square	4819.859
BT of Sphericity	Df	54
	Sig.	0.000

4.5.5 Rotated Component Matrix

The rotated component matrix aids in ascertaining what the components loadings signify. Table 4.5 display the results of the rotated matrix. The outcomes show that, the rotated component loaded under 2 different items.

Table 4.5 Rotated Component Matrix

items	Rotated Matrix 1	2
PT1	0.818	
PT2	0.811	
PT3	0.827	
PT4	0.867	
PT5	0.713	
PT6	0.709	
FDI1		0.702
FDI2		0.673
FDI3		0.681
FDI4		0.731
FDI5		0.802
FDI6		0.711

4.5 Multi-collinearity Test

Multi-collinearity is the evaluation of a variant that can be construed by other variance in the analysis. It is a correlation matrix problem in which more than two independent variables are strongly correlated with each other (0.9 or higher) (Hair, et al., 2010; Tabachnick and Fidell, 2007). The existence of a higher multi-collinearity degree decreases the unique variance described by each independent variable (β-value) and increases the percentage of the mutual prediction (Hair, et al., 2010). This implies that the existence of multi-collinearity limits the regression value size and become difficult to understand each independent variable's contribution (Field, 2009). The two common methods are used to detect multi-collinearity, firstly by examining the matrix of multivariate and bivariate correlation and, secondly, by calculating the impact of variance inflation factors (VIF) and tolerance (Pallant, 2010; Field, 2009; Tabachnick and Fidell, 2007). Tolerance is a measure of how much of the stated independent variable's variability cannot be explained by the other independent variables in the model., while VIF is the inverse of the tolerance effect. The greater the VIF and the lower the tolerance (0.1) show that multi-collinearity is present (Pallant, 2010). The next step of the regression analysis was to verify that multi-collinearity was not a problem. Table 4.6 below presents the findings of the multi-collinearity test.

Table 4.6 Multi-collinearity Results

Variable	FDI	
	Tolerance	VIF
Gender	.848	1.179
Age	.676	1.478
Educational background	.836	1.196
Position	.737	1.358
Experience	.856	1.168
Pro Tools	.747	1.339

The dependent variable was FDI.

Multi-collinearity is present where tolerance value is less than 0.2 and the VIF value is greater than five (5), otherwise there is no multi-collinearity. According to Table 4.6, the collinearity statistics for Tolerance for FDI are all greater than 0.2 which is the threshold. Furthermore, the Variance Inflation Factor (VIF) for FDI equations are all less than five (5) suggesting that multi-collinearity does not exist in this study.

4.6 Analysis of the Effect of promotional tools on FDI.

Using promotional tools as the independent variable and conditioning all other FDI determinant such as age, gender, region, company, education background, experience and promotional tools, the outcomes in Model 2 of Table 4.7 below revealed that promotional tools positively influences FDI in the GIPC. This is to say that a percentage increase in promotional tools in the GIPC will lead to an increase in FDI.

Table 4.7: The effect of Promotional Tools on FDI

Variables	FDI					
	Model 1			Model 2		
	Estimates	S.E	C.R	Estimates	S.E	C.R
Constant	0.741***	0.218	3.402	0.651***	0.227	2.861
Gender	0.116***	0.042	2.760	0.102**	0.044	2.321
Age	0.192***	0.035	5.565	0.169***	0.036	4.680
Educational background	0.180***	0.044	4.093	0.158***	0.046	3.442
Position	0.195***	0.043	4.536	0.171***	0.042	4.040
Experience	0.217***	0.045	4.825	0.191***	0.043	4.404
Pro Tools	0.151***	0.041	3.639	0.133***	0.043	3.060
F-test	89.56***			84.44***		
R-squared	0.571			0.596		
Adj R-squar	0.563			0.588		
Obs	300			300		

***,** indicates significant at 1% and 5% levels of significance respectively

4.7 Discussions of Findings

The study seeks to examine the promotion as a strategic marketing tool for attracting FDI in the GIPC. The finding of the study indicates that promotion tools have a significant and positive effect on FDI in the GIPC. This result is similar to the findings of Wilson, and Baack, (2012), Abamu, (2019), Devadze, (2021) which found a positively and significantly relationship between promotion tools and FDI.

The positive effect of promotion tools on FDI in the GIPC was achieved due to policies and procedures adopted by the Center, thus GIPC in dealing with their investors, customers and employees.

Again, the GIPC has established the idea of investment promotion, which uses marketing to draw FDI. The primary focus of marketing has centered on GIPC with the aim of increasing benefits of FDI. Due to the serious competition among countries to attract FDI, the establishment of investment promotion authority responsible for marketing a country as an attractive investment place is a necessity but not optional. The peace and the hospitality of Ghanaians has also accounted for this outcome since investors are likely to invest in a country where there is peace and tranquility.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

The chapter 4 presented the results of data analyses and discussion of the findings. This chapter consists of four parts, which are conclusions of the findings, academic and managerial implications, limitation, and recommendation for future research.

5.1 Summary of Findings

This research aims to examine the promotion as a strategic marketing tool for attracting FDI in the GIPC through questionnaire. 300 questionnaires were received and analysed. Based on the review of the literature and theories, the researcher developed a model for the study. The data was subjected to statistical analysis by using STATA statistical software. The study performed descriptive statistics, correlation and linear regression analysis in attempt to find the effect of promotion tools on FDI in the GIPC. The findings of the study concluded that promotion tools had a significantly and positively effect on FDI in the Ghana Investment Promotion Center (GIPC). The study also outlines the promotion tools (advertising, direct promotion/marketing, sales promotion, publicity and personal selling) required for attracting foreign direct investment to a country.

5.2 Theoretical and managerial implications

The outcome of this research provides empirical evidence for the effect of promotion tool on foreign direct investment in the Ghana Investment Promotion Center (GIPC). Also, although promotional tools and FDI studies encourage methodological diversity, quantitative methods research is rarely utilized. Moreover, studies linking both promotion tool and foreign direct

investment using quantitative method are rare. Therefore, this research advances promotion tool and foreign direct investment research by using quantitative research method to offer empirical evidence to validate and explain how promotion tool improves the foreign direct investment of the entire Ghana Investment Promotion Center (GIPC). This study has examined promotion tool in an empirical framework to analyze its significant effects on foreign direct investment. Therefore, promotion tool as a marketing strategy for improving foreign direct investment is unique in research which has contributed to literature. In addition, this study proposed a modified conceptual framework on the relationship between promotion tool and foreign direct investment based on related literature which no study has explored. This offers theoretical support for the adoption and implementation of this framework for future studies. Consequentially, governments and stakeholders which desire to attract huge foreign direct investment should embark on strong and effective investment promotion tools as a marketing strategy. Also with comprehensive knowledge of the effect that marketing promotional tools exerts on job FDI in the GIPC, government and managers can efficaciously formulate appropriate strategies to advance their promotional strategies and use them as a vehicle for FDI growth and attainment of competitive power. This will help the government and managers to make informed decisions about the integration of marketing promotional pursuits into the overall strategy of the FDI growth.

5.3 Recommendation of the study

The study makes the following recommendations, which aim at helping governments, stakeholders, and managers especially Ghana Investment Promotion Center (GIPC) to provide effective strategies that build strong promotion tools to improve the attraction of foreign direct investment. It is therefore, recommended that governments, stakeholders and

managers of the countries' foreign direct investment should create a conducive environment and attractive investment promotion tool that necessary attracts foreign direct investment. This will be helpful in the improvement of attracting foreign direct investment into that particular country. Again, technologies are given a high priority in government agendas. Investment promotion tool as a marketing strategy has an infinite potential and the economic value for attracting foreign direct investment, therefore, enthusiasm of many governments is deeply immersed by using promotion tool as emerging marketing strategy to attract foreign direct investment. Since every investor is interested in investing in a profitable and peaceful country, it is therefore recommended that governments and stakeholders wishing to attract huge foreign direct investment should provide peaceful and stable economy.

5.4 Limitations and future research direction

This study has deepened the theoretical and empirical research on investment promotion tool and foreign direct investment in the GIPC. However, there are unquestionably few and reasonable limitations and future study directions, which require consideration to suitably position the outcomes of the study. Firstly, the sampling frame for this study was limited to only 300 employees and was done in a particular country (Ghana), which limits the generalizability of the findings. Upcoming studies employing data from multiple nations could also help broaden the applicability of these findings. Furthermore, cross-sectional data were employed. It is difficult to determine the causes and effects of the researched variables in cross-sectional research. The cross-sectional design constrains our ability to infer a causal relationship, notwithstanding the possibility of the objective causal ordering. Therefore, to raise confidence in the causative nature of the associations studied in this study, future research should make use of longitudinal data. Additionally, the study used a questionnaire to collect data. The other data collection techniques had not been thought of. They might not be

completely correct as a result. It is advised that future study employ various data gathering and sampling techniques to guarantee the generalizability of the results.

5.5 Conclusions

A little amount of global cash has just been made available for foreign direct investment (FDI). As a result, rivalry among nations for a certain share might be fierce. As a marketing tactic, promotion has been a popular choice among many nations to advertise them as the best place for investment. The idea of using promotion as a tool entails using marketing to draw in FDI. Although it is not a new idea, it barely appears in scholarly literature. Since business organizations have traditionally handled marketing, the establishment and investing in promotion agencies a government organization tasked with positioning a nation as an alluring investment destination has become essential rather than optional given the growing benefits of FDI to a country and the fierce competition among nations to draw FDI. Promotion tools attempt to fuse investment promotion pursuit into already implemented marketing models and frameworks and set a marketing research agenda to attract FDI. This study examines the role of Ghana Investment Promotion Center (GIPC) using promotion as a marketing tool in attracting Foreign Direct Investment. The study seeks to achieve three objectives including, 1. to identify the main promotional tools for marketing Ghana as a nation, 2. to identify the promotional mix that encourages foreign direct investments, 3. to examine the effect of promotional tools on FDI for marketing Ghana as a nation. The research findings concluded that promotion tools had a significantly positive effect on foreign direct investment in the Ghana Investment Promotion Center (GIPC). The positive effect of promotion tools on FDI in the Ghana Investment Promotion Center (GIPC) was achieved due to policies and procedures adopted by the GIPC in dealing with their investors, customers and employees.

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KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

INSTITUTE OF DISTANCE LEARNING

Dear respondent,

Please lend me few minutes of your time to fill out this questionnaire. It is strictly for academic purpose and therefore all information provided shall be treated with maximum caution and confidentiality. All personal data provided shall be treated collectively and not on personal levels.

Thank you for your cooperation and the time spent in answering this questionnaire.

Yours sincerely,

KINGSFORD KWAKU JAGRE

KNUST IDL-ACCRA CAMPUS

SECTION A: Personal Data

1. **Gender**   [ ] Male

[ ] Female

2. **Age**   [ ] Below 20 yrs

[ ] 20-39

[ ] 40-59

[ ] 60 and above

3. **Position**

[ ] Top management level employee

[ ] Middle management level employee

[ ] Lower management level employee

4. **Educational Background**

   [ ] Secondary and Diploma

   [ ] Degree

   [ ] Post Graduate

5. **Experience of employee, state in years……………**

SECTION B

Instruction: Please circle (O) the number that represents your most appropriate answer.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

	Promotional Tools					
6	GIPC engages in advertising the country as an attractive destination for investment	1	2	3	4	5
7	GIPC sponsors activities and programs designed to create interactions with investors	1	2	3	4	5
8	GIPC provides investors with detail knowledge about investment opportunities	1	2	3	4	5
9	GIPC creates favourable image for the country	1	2	3	4	5
10	GIPC promotes the country's products and services on the internet	1	2	3	4	5
11	GIPC has informative paper documents used for promoting the country	1	2	3	4	5
	Foreign Direct Investment :					
12	Advertising attracts foreign direct investment	1	2	3	4	5
13	Events attracts foreign direct investment	1	2	3	4	5
14	Personal Selling attracts foreign direct investment	1	2	3	4	5
15	Public Relations attracts foreign direct investment	1	2	3	4	5
16	Online Marketing attracts foreign direct investment	1	2	3	4	5
17	Brochure attracts foreign direct investment	1	2	3	4	5