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PLACE MARKETING AND FOREIGN DIRECT INVESTMENTS IN THE CHANGING ICT ERA
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Abstract
The purpose of this study is to explore how place marketing manifests within foreign direct investment (FDI) in the new era of information and communications technology. The study reviews the literature on place marketing that emphasises FDI and defines place marketing as a tool to pursue FDI more systematically and efficiently in order to increase the value of a place. The study shows that place marketing can be used in multiple ways to pursue inward FDI activities and that it is multifaceted, not just a service offered by investment promotion agencies.

This empirical study of place marketing within FDI follows a multiple case study method. The data are drawn from interviews with nine FDI case companies and their respective investment promotion agency representatives and facilitating research, business and funding actors. The study approaches place marketing within FDI from an explorative perspective, studying how place marketing can improve FDI by interpreting investment decisions through the lenses of place marketing and place branding elements, management and assessment. The analysis identifies the place marketing factors that impact the FDI process from the preparation phase through the post-investment phase. Through the FDI process, a regional image is generated, and the place becomes visible.

This study develops a conceptual model that proposes that place marketing manifests within FDI through goals, networks, individuals and regional competences. The goals are set to develop the framework for place marketing within FDI. Stakeholders’ engagement forms a strong ecosystem network that can be a major regional asset to attract and sustain investments. Each FDI case creates, develops and sustains its own network, within which the contributions of individuals with technical and managerial skills are key to successful place promotion. The competence of the regional ecosystem sets the scene for the investment opportunity. Regarding managerial implications, this study proves that strategic, inward FDI activity requires long-term regional commitment from stakeholders and an allocation of resources during not only the pre-investment phase, but also the post-investment phase.

Keywords: foreign direct investment, ICT sector, place branding, place marketing
Tiivistelmä

Tämän tutkimuksen tarkoituksena on selvittää, miten paikanmarkkinointi edistää suoria ulkomaisia investointeja ICT-teknologian uudella aikakaudella. Tutkimuksessa tarkastellaan paikanmarkkinointia koskevaa kirjallisuutta, jossa käsitellään ulkomaisia suoria sijoituksia ja määrittelee paikanmarkkinointi keinona hankkia sijoituksia järjestelmällisemmin ja tehokkaammin paikan arvon kasvattamiseksi. Tutkimus osoittaa, että paikanmarkkinointia voidaan käyttää monin tavoin ulomaisten investointien houkutelussa ja että se on monipuolinen kokonaisuus eikä pelkästä investointien edistämisestä.


Asiakas: ICT-toimiala, paikanbrändäys, paikanmarkkinointi, suora ulkomainen sijoitus
Place marketing and foreign direct investments in the changing ICT era
Acknowledgements

I am thankful for my struggle, because without it I wouldn’t have stumbled across my strength.

Alex Elle

This research process emerged from a personal interest in studying the impact of place marketing on foreign direct investments. In my professional career, I have worked directly and indirectly with both place marketing and inward investments for more than 15 years. I have had the chance to work closely with both foreign direct inward companies that have settled in the Oulu region and regional and national authorities planning for place marketing and place branding strategies and operations. Moreover, my master’s thesis, which was ultimately adopted and used by an investment promotion agency, designed an investment promotion agency service module concept focused on foreign direct investment companies.

Many people have contributed to the development of this thesis, and here, I would like to thank them all. First and foremost, I would like to thank my supervisors, without whom I would not have been able to complete my studies. Thank you, Docent Petri Ahokangas and Professor Veikko Seppänen, for guiding me through the research and providing not only insightful advice and constructive feedback, but also encouragement throughout the writing process. I enjoyed our many discussions, and I was filled with motivation after each meeting. What a great team you are, and how cleverly you orchestrated the work. I am forever thankful to you.

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I am also most grateful to BusinessOulu Director Juha Ala-Mursula and my colleagues for their support and encouragement, as well as for giving me study leaves to do my academic research.

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I wish to dedicate this research to my two beloved sons, Konsta and Elias, who are about to begin their own studies at the university level. I hope that, with this dissertation, I am able to provide a spark to their studies and prove that if there is a will and “sisu”, there is a way, and that you can accomplish anything you set your mind to. Finally, my beloved husband Pekka, thank you for your incredible support. Now, we can move on to our next projects—of which I know there will be many— together.

By the river, Oulujoki, June 2018

Pauliina Pikkujämsä
Abbreviations

AI      Artificial Intelligence
BBC     British Broadcasting Corporation
CD      Compact Disk
CEO     Chief Executive officer
CFO     Chief Financial Officer
CNBC    Consumer News and Business Channel
CTO     Chief Technical Officer
DMO     Destination Marketing Organisation
DVD     Digital Versatile Disk
ELY     Centre for Economic Development, Transport and the Environment
EU      European Union
FDI     Foreign Direct Investment
GIPD    Global Investment Promotion Development
GSM     Global System for Mobile Communications
IC      Integrated Circuit
ICT     Information and Communication Technology
IoT     Internet of Things
IPA     Investment Promotion Agency
IPR     Intellectual Property Rights
IT      Information Technology
LTE     Long-term Evolution
MNC     Multinational Corporation
MNE     Multinational Enterprise
NMT     Nordisk Mobile Telecom
OECD    Organisation for Economic Co-operation and Development
R&D     Research & Development
RFID    Radio Frequency Identification
ROI     Return on Investment
SME     Small and Medium-sized Enterprise
SPBM    Strategic Place Brand Management Model
SWOT    Strengths, Weaknesses, Opportunities, Threats
UNCTAD  United Nations Conference on Trade and Development
U.S.    United States
USD     United States Dollar
VTT     Technical Research Centre of Finland
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<th>Acronym</th>
<th>Description</th>
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<tr>
<td>WAIPA</td>
<td>World Association of Investment Promotion Agencies</td>
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<tr>
<td>WiFi</td>
<td>Wireless Local Area Network</td>
</tr>
<tr>
<td>3D</td>
<td>Three-Dimensional</td>
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<td>4G</td>
<td>Fourth-generation wireless technology</td>
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<td>5G</td>
<td>Fifth-generation wireless technology</td>
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1 Introduction

Companies on the move and people on the move always like places on the move.

Anonymous

1.1 Background

Countries around the globe compete fiercely to attract inward foreign direct investment (FDI). Policy makers believe that FDI can speed up economic growth by attracting additional capital, creating jobs and transferring new technologies and know-how across international borders. The process of the inward migration of people and resources increases housing and real estate prices and strains the infrastructure and social service budget. Moreover, inward FDI is thought to have a significant positive impact on overall regional innovation capability; however, the strength of this positive innovation capability depends on the presence of an absorptive capability and innovation-complementary assets. (Fu 2008) Recent empirical evidence suggests that inward FDI may also lead to positive spillovers to local firms, particularly in supply industries (Harding & Javorcik 2011). Place identity building is emerging as an effective way to build competitive advantage using local characteristics.

The world has witnessed a slower recovery from the 2008 financial crisis than anticipated. In 2014, the global economy grew by a modest 3.3%, according to the International Monetary Fund (2015). This has had a negative impact on FDI. Numerous surveys and publications, such as those developed by the United Nations, routinely publish FDI data aggregated by country. In 2014, global FDI flows were estimated to have fallen by 8% since 2013, according to the United Nations Conference on Trade and Development (UNCTAD), and 11% according to the Organisation for Economic Co-operation and Development (OECD). UNCTAD figures for 2014 showed that the reduction in global inward FDI flows was particularly pronounced in Europe, which was down 16% since 2013 (Nordic Place Academy, 2016). The UNCTAD recently reported that global FDI flows rose 38% in 2015 to US$1.76 trillion, their highest level since the global economic and financial crisis. Part of this increase was due to corporate reconfigurations with limited productive impact. In 2016, FDI inflows were expected to decline, reflecting the continued fragility of the global economy. In this environment, promoting investment remains challenging, especially in low income countries.
At the same time, new locations are entering the game, attracting business and investments and creating a situation in which more places are competing for a shrinking pool of investments. The local perspective on place marketing for FDI has grown in importance as the competition for FDI no longer takes place solely among different nations, but also among specific places. As a result, places have developed more sophisticated and comprehensive marketing approaches and have started to adopt branding strategies.

Foreign investments to Finland have grown, particularly in the software and electronics industries. Finland attracts foreign investments with its high education level and technology knowhow, two strengths that have developed over a long period of time. Business Finland (the public service providers’ network promoting internationalisation of companies) and Oulu’s investment promotion agency (IPA), BusinessOulu, share material and create awareness for Oulu and Finland as investment locations during the tendering phase. Business Finland is an important partner for BusinessOulu, as it is able to show FDI investors the supply Oulu has to offer. According to the Facilitating actor in research, as a next step, when investors are interested in Oulu’s offerings, they come to visit the city to learn more about its opportunities.

1.2 Theoretical setting

Place marketing is more than the creation and promotion of place images as part of place management (Kavaratzis et al. 2008). Places compete for capital, skills, entrepreneurs, residents, students and tourists. We live in a world where geography clearly matters and therefore advances in transport and technology have facilitated not only greater resource mobility, but also access to more markets. Many industries now compete globally. Therefore, in order to understand place marketing, one must understand the competition the industry is facing every day. This dissertation focuses specifically on place marketing for FDI, with less emphasis on residents, students and tourists. The purpose of place marketing activities in this context is to reduce the transaction costs facing foreign investors by providing information on the host country, helping foreign investors deal with bureaucratic procedures and offering fiscal and other incentives.

Place marketing began as early as the nineteenth century due to the nationalisation and globalisation of markets. It was not until the 1980s that there was a general acceptance that FDI promotion was a valid activity for public sector place management agencies and that the systematic application of marketing was
relevant to collective goals and practices and, thus, an essential component of the study of places and their management (Kavaratzis & Ashworth 2005). The trend is relatively new, and only a handful of these agencies existed 30 years ago. The marketing of places has grown in scale and importance as both a practice and an area of academic research as places have had to become more entrepreneurial in an increasingly competitive environment. Places’ ‘corporate reputations’ are becoming more important (Govers 2011) and places are more dependent on the trends of the market (Ashworth et al. 2009). Places are increasingly conceptualised as brands to be marketed, and a key emphasis of this activity is the creation of an attractive place image. Marketing specialists have continued to refine their concepts and ideas, and place marketing has become a commonplace activity across cities, regions and countries. Place marketing practitioners regard their role as one of creating a positive, holistic image for a locality through the selective appropriation of place product elements and their commodification in relevant media. A key task of branding is to differentiate a particular offering from the offerings of competitors (Medway & Warnaby 2008).

Place marketing can also initiate new developments and work as a strategic tool for regional innovation development. Many national and subnational governments view place marketing and FDI as a primary instrument for economic development. It is important to understand what types of promotional activity techniques make a difference. Investment promotion requires funds and places with an abundance of capital have more power than places with little capital. Aggressive investment promotion campaigns (Wint et al. 2002) have been the most important elements of such orchestrated development strategies, which have led countries like Singapore and Ireland to improve their comparative living standards.

Since the 1990s, the focus of FDI policy has shifted from attracting investment to securing additional investments from existing investors. This shift has enabled investors to engage in local economies. However, despite this shift, most IPAs still focus the majority of their resources on attracting new FDI and providing pre-investment softlanding services (Guimon et al. 2012). Furthermore, from 1980 to 2000, promotion shifted from the country level to the regional level (Kaothien & Webster 2000) due to the increased competition among city regions. Many published reviews of the history of place marketing and place branding cite Simon Anholt’s (1998) paper ‘Nation-brands of the twenty-first century.’ This article, which articulates the difference between place marketing and place branding, is considered a turning point in the field’s evolution. A general framework of place branding was proposed by Rainisto (2003), who concentrated on the marketing of
places as business locations and, in particular, on the activities of inward investment agencies. In recent years, the growth of the field has intensified; however, the published literature is quite fragmented and predominantly qualitative.

The role of IPAs in attracting FDI has been the subject of only a few studies, and the literature has never clearly shown how IPA activity affects FDI inflows (Lim 2008). Bobonis and Shatz (2007) and Charlton and Davis (2007) provide evidence suggesting that investment promotion is associated with higher FDI inflows into developed countries, whereas Head et al. (1999) and Harding and Javorcik (2011) find no significant effect of investment promotion efforts in developed countries. Wells and Wint (1990) find that investment promotion is significantly correlated with the level of FDI per capita in a sample of 50 countries. Woodward (1992) observes similar trends. However, Head et al. (1999) find no evidence that the presence of promotion offices increased investment into the United States. This body of research does not consider that IPAs vary widely in terms of the quality of their softlanding services. Not all IPAs are equally good at providing relevant business data to prospective investors. Business facilitation plays a less crucial role than economic determinants; however, most governments consider business facilitation a significant policy instrument. There is a long-standing debate in the literature concerning whether marketing plays an informative or a persuasive role in investment promotion. While this question has not been resolved, there is ample evidence to suggest that marketing efforts pay off (Harding & Javorcik 2011). Investment promotion is a cost-effective way of attracting FDI to developing countries. However, the results for industrialised countries appear to be mixed.

In 2000, there were more than 160 national and more than 250 subnational IPAs globally (Wells & Wint 2001, Charlton & Davis 2007). Partly due to a lack of reliable data, no broad empirical study of IPAs and their effectiveness in promoting inward investment has been done. However, the steady rise of IPAs proves the importance of attracting FDI, which has been growing since the early 1990s. In 1995, the World Association of Investment Promotion Agencies (WAIPA) was established. Since its launch, the WAIPA has registered a growing number of members representing places, regions, countries and free zones from all over the world: 112 members in 2002, 161 in 2004, and 191 from 149 countries in 2006. According to the United Nations Conference on Trade and Development, there were approximately 500 IPAs in more than 160 countries in 2004 (Zanatta, Costa & Filippov 2006). These figures must contain both national and subnational
19 agencies worldwide; however, the differences in reported figures are somewhat confusing.

A firm entering a foreign market via FDI can choose between an acquisition or a brownfield and greenfield entry. It is imperative for firms to choose the proper FDI entry mode to reduce existing entry barriers. Acquisition has been one of the chief driving forces behind FDI growth. Recent trends in the deregulation of international capital markets have given acquisition new importance as a mode for FDI (Cheng 2006). A greenfield entry into a foreign market involves the establishment of a new affiliate in a host country by a firm headquartered outside the country, either alone or with other partners. Industrial concentration, market transaction situations and firm-specific asset and relocation costs all provide useful and complementary perspectives on FDI mode choice strategy. Collectively, these have greater explanatory power than any single theoretical perspective in describing the principal determinants of FDI mode choice.

For a long time, it was sufficient for places to simply promote themselves as they were. The actors appointed to govern a place often implement a range of place-marketing measures without necessarily thinking of them as ways to improve the image of the place or attract capital (Niedomysl et al. 2012). In recent decades, the creation of an attractive investment image has become one of the main priorities of places worldwide (Head et al. 1999, Christiaans 2002) and especially in Europe (Stubbs et al. 2002). In this intense competition, every region seeks to increase its investment ability and attractiveness in order to gain a competitive advantage (Chevrant-Breton 1997). Now, management must ask who the customers are, what they want and how to create added value in their location. There is a need for a developed place product that changes according to customers’ needs (Rainisto 2003). Place marketing has a much better chance of succeeding if based on the region’s overall strategic objectives and if it has the necessary oversight for implementation. This theme has attracted fairly little research, despite ever-increasing expenditures on place marketing and investment promotion (Loewendahl 2001). The literature on this topic remains somewhat unstructured, and empirical research is needed to fill existing knowledge gaps.

1.3 Purpose

This study uses an empirical data–driven approach, which is the reason that the objective setting is divided into two parts: theoretical and empirical objectives. The theoretical objective is to understand how place marketing affects FDI, what draws
the attention of FDI enterprises to a place and how place marketing is performed in FDI attraction (Figure 1). This research seeks to answer these questions directly. The study develops a conceptual a priori model of place marketing connected to FDI process which guides the empirical research. The research does not aim to justify the theoretical background of investment promotion policies in FDI attraction, but instead captures the true meaning of place marketing in the separate phases of the investment process.

Combining place marketing with FDI, there is a need to shift from a single actor such as IPA-specific research to researching the whole set of FDI stakeholders if we are to understand what is happening. The starting point for this research has been the IPA perspective. The stakeholder view is introduced later. A simple stakeholder approach would not have yielded an understanding of the context. The empirical objective of the research is to observe how specific marketing techniques at different stages of the investment decision-making process have influenced investors who have invested in the Oulu region and other stakeholders. Understanding investors’ needs is key to servicing them. The outcomes of place marketing in an FDI process, as found in the case studies, help to create the empirical model.

From the FDI perspective, there is a need for a way to discuss the communication between investors and the IPAs responsible for regional marketing. The theoretical literature on FDI does clearly show whether place marketing communications is, indeed, the right choice for boosting FDI on a regional level. In this research, the reasons to investigate Oulu-based FDI companies as case studies are twofold. First, as this is an explorative study which attempts to link place marketing and FDI, it is imperative to understand current and potential links within this context. The research targets are Oulu-based FDI companies. Thus, primary data has been gathered exclusively in Oulu. This offers an ideal starting point for the research theme from the context perspective because it has been at the forefront of information and communication technology (ICT) development and has received many FDI investments since the ICT industry setback. Oulu, therefore, is a strong representative of the new ICT era. Place marketing is one of the major fields of study because the challenge in global place marketing has never been greater. While the marketing of urban places has been practiced since at least the nineteenth century (Ward 1998), in the last three decades, places have increasingly relied on marketing methods to address intensifying competition for inward investments, tourism revenues and residents at various spatial scales (Kotler et al.)
1999). As a result, places also compete on the availability of production sites and the ability to attract and retain talented and creative labour.

This research focuses on how regional IPA actors can utilise place marketing to attract FDI and seeks to develop new insights into the impact and causal relationship between marketing and the FDI process. This research is of key importance, offering relevant implications for future researchers, regional FDI actors and policy makers and industry cluster developers interested in strategic FDI approaches. Additionally, this research seeks to develop knowledge on the main theoretical perspectives used and empirical findings obtained and to make theoretical and methodological recommendations to further the research on establishment modes.

**Fig. 1. Place marketing connected to FDI.**

To achieve its theoretical and empirical objectives, this research attempts to answer the following question:

*How does place marketing manifest within the FDI process?*

This research question is both theoretical and empirical in nature, and it aims to identify place marketing actions during different phases of the FDI process. This
study builds on the extant research on place marketing and place branding. It addresses FDI theories and relates them to existing place marketing and place branding research.

The main source of the data analysed in this study is the nine FDI companies, regional IPA representatives and investment facilitating business, research and funding actors. An IPA acts as a mediator between an investor and an investment target, functioning as a catalyst between the two (Figure 2).

This research explores place marketing connected to FDI. ‘Places are characterized by efforts to create their images based on their distinctive characteristics and through this way to attract investments and specialised human resources’ (Metaxas 2010, 228). In particular, this research discusses the role of an IPA, dividing this discussion between place marketing supporters (Kotler et al. 1999) and those who believe that promotion bureaus play a role only when a potential investor has limited information about a place. Well-established studies in the area of destination branding highlight branding’s meaning and practical application as a powerful process designed to improve regions’ and states’ overall economic growth and competitiveness. Branding seems to be one particular chapter in place marketing (Pedersen 2004), and communicating a brand image is an important marketing activity (Metaxas 2010).
1.4 Methodological approach

It is impossible to understand FDI location choice without understanding the process used to make such choices, even at the level of individual managers. Thus, this study draws data from interviews with representatives from nine case companies. The representatives include host country company managers, regional managers and key partners in business development and inward investment, including, but not restricted to, IPA. This study adopts an interpretative research philosophy using explorative logic to analyse the contexts of place marketing, place branding and FDI.

The empirical evidence was collected in Oulu, Finland, which offers an interesting setting for this study because of its strong focus on the ICT industry. The years 2014 and 2015 were important for this city region as, during this time, Oulu witnessed the influx of approximately 70% of Finland’s FDI in ICT and the relocation of some 20 new FDI companies to the region. In the coming years, influential investments with substantial monetary value can be expected to take place. The city of Oulu and especially its economic development organisation, BusinessOulu, have played a key role in attracting these investments. In particular, BusinessOulu has been responsible for the inward investment promotion activities and place marketing in the Oulu region since 2011. BusinessOulu’s work is executed in close cooperation with both private and public organisations.

This study contributes to existing place marketing, place branding and FDI literature by investigating the influence of IPAs’ place marketing activities on the FDI process. Much prior effort has been expended on studying the importance of place marketing, but little is known about how inward IPAs use place marketing to attract and support the FDI process.

This study offers insights for inward promotion agencies, regional development organisations and the full set of stakeholders conducting place marketing communications for companies that are relocating to a new area. It introduces ways of thinking about how to carry out place marketing at different periods of the investment process. The objective is to discuss after-sales marketing activities with relocating companies and to thereby improve the companies’ business operations. As a result, these companies can gradually grow, develop, employ more staff and continue doing business in the region.
1.5 Key concepts

This study utilises and refers to several key concepts:

*Place marketing* refers to practices involving the application of branding and sales strategies to different regions, cities, states or countries.

*Place branding* is the practice of applying brand strategy and other marketing techniques to the economic and socio-political developments of towns, cities, regions and countries (Anholt 2004).

*Place promotion* is defined as ‘the conscious use of publicity and marketing to communicate selective images of specific geographical localities or areas to the target market’ (Ward & Gold 1994, 2).

*Brand equity* refers to a brand value. The objective of the branding process is to increase brand equity, as the different elements for an attractive and competitive image will influence investor’s final decision (Metaxas, 2010).

*Brand image* is the current view about a brand, or how it is perceived (Ashworth 2008).

*Brand positioning* is the value proposition communicated to a target group (Ashworth 2008) and describes how a brand is different from its competitors and where, or how, it sits in customers’ minds.

*Investment promotion* actively seeks to bring investment opportunities to the attention of potential investors.

*Brand identity* refers to how the owners want the brand to be perceived (Ashworth 2008). Brand identity can be external and internal. *External brand identity* corresponds to the intent behind the branding. *Internal brand identity* refers to employees who play a crucial part in building competitive advantage in strong branding (Burmann et al. 2009).

*FDI* controls overseas productive facilities. It can be defined as an investment that controls 10% or more of a company’s equity. FDI occurs when an investor based in one country acquires an asset in another country with the intent to manage that asset (OECD 2008). The term ‘FDI’ is used in connection with investors. In the place context, the term used is ‘inward FDI’, which emphasises the inward direction of the investment. In common practice, the terms ‘inward FDI’ and ‘inward investment’ are used interchangeably.
IPAs primarily seek to reduce the cost of undertaking FDI by providing information to potential investors and alleviating the burdens of bureaucratic procedures.

A multinational corporation (MNC) is an organisation that operates in multiple geographical locations throughout the world.

1.6 Structure of the study

The introduction describes the background and theoretical setting of the study and introduces place marketing as an approach to the study’s scope. The first chapter describes the theoretical and empirical objectives and formulates the research question underlying this study. It then presents the empirical setting of the study, its planned contribution and its structure.

The second chapter provides knowledge on the context of the study and, thus, changes that have taken place during the ICT era. It then outlines the framework for ongoing changes both in general and in the context of the Oulu region. This discussion provides a good starting point for the research theme.

The third and fourth chapters frame the relevant theoretical literature around two perspectives: FDI and place marketing. Chapter three presents the relevant literature on FDI. It begins with a definition of FDI and then outlines the various actors in inward investment and the different investment modes. Chapter four discusses the theoretical literature on place marketing and place branding, providing an overview of place marketing and branding research and explaining the transition between the two actions. Thereafter, the elements, management and assessment of place branding are discussed. Chapter four concludes with a description of how place branding and FDI are related.

The fifth chapter introduces the research design, including the case study, data collection, analysis and evaluation. It highlights the validity and reliability of the research. Chapter six presents the empirical analysis, starting with introductions of the various cases. Next, brand identity, positioning and image are discussed from the element, management and assessment perspectives. Each subchapter is summarised with the themes emerging from the data.

Chapter seven discusses the study, including grounding perspectives and theoretical and managerial implications. This chapter concludes with recommendations for further research. Conclusions for the study are drawn in chapter eight.
2 The changing ICT era

The ICT sector is a relatively young industrial domain. Its key segments, technologies and application targets have developed and grown very quickly. The development of customer sectors has also impacted the development of the ICT industry. The more standardised the sector becomes, the more opportunities for ICT solutions there are. ICT’s biggest customers over the years have been information communication companies, financial companies, product manufacturing companies and service companies. The talent pool is now more important than ever, as ICT companies need experienced talent in order to grow their business.

This chapter will first discuss the development of the ICT era from a more general perspective. Then, it will concentrate on developments in the Oulu region.

2.1 Development of the ICT era

In the 1960s, the ICT sector was led by the computer machine industry. In the 1970s, the leader was the automation industry, and in the 1980s, development and global expansion were led by electronics and electronically controlled and programmed devices and technologies. Technological breakthroughs occurred through the development of the semiconductor business, and growth was caused by the technology of microprocessors. (Koivumäki et al. 2013)

The era of the automation system quickly gave way to the era of electronics and electrically programmed devices. The main products in this sector were large steering devices, computers and applications, as well as their corresponding systems. The first players in this field were representatives of the automation industry. Measurement technologies were also developed in the 1980s. (Koivumäki et al. 2013)

In the 1990s, the Finnish wireless information technology and American software industries had a major impact on ICT development. Local knowhow was appreciated and funded, and ICT clusters were born. Open source software codes led to programmes that were freely available for the public to view, edit and redistribute. The security of open source software was a key concern for organisations planning to implement such programmes as part of their software stacks.

Since 2000, ICT has moved into the age of the Internet and web and digital content development. Here, big contract manufacturers and developers play a major role. The mobile gaming market ecosystem is rapidly evolving. The Global Mobile
Gaming organisation’s industry research indicates that, from 2014 to 2019, immersive and engaging games will be even more important than crisp graphics and visual fidelity (Global Mobile Gaming Market Ecosystem Outlook to 2019, 2015). ICT companies have been internationalising, reducing the role of regional networks. Furthermore, new start-ups have been born, and international investors have landed in many regions.

The markets are changing. Network speeds and new devices allow us to experience our daily lives with greater ease. Buy-outs, mergers and growing user bases are the norm in today’s technology news. The combination of technology and the Internet is offering new functional solutions, services and products. Together, new technologies, new combinations of existing networks and new, more microcell-like technologies provide a framework for new kinds of services.

New hardware requires more data bandwidth, which requires new ways of providing services and content. In this context, the Internet of things (IoT) is attracting growing interest as a topic of research and conversation (Morgan 2014). In the IoT, objects, animals and people have unique identifiers, and data are transferred over a network without the need for human-to-human or human-to-computer interaction. Any device can be connected to the Internet or other devices with an on and off switch. Broadband Internet has become more widely available, connection costs are decreasing, more devices are being created with built-in WiFi capabilities and sensors, technology costs are going down and smart phone penetration is rapidly growing. Together, these things create a perfect platform for the IoT (Morgan 2014). Using the IoT, startups in Europe are currently developing many of the inventions that will shape tomorrow’s ubiquitous connectivity.

Cloud services are expected to grow by approximately 40% a year, and the volume of telecommunications data is anticipated to triple by 2017 (Robinson 2014). The essence of cloud computing is the concept of “Anything as a service” or “everything as a service.” A number of services are being delivered over the Internet rather than locally or on-site. One of the main drivers of the current development of digital services is the upcoming 5G standard, which will provide better speeds and coverage than the current 4G standard. 5G will also increase network expandability up to hundreds of thousands of connections. 5G will also use improved signal technology to achieve greater coverage and spectral and signalling efficiency. These improvements will further support such changes as pervasive computing and the IoT. Although 5G is not scheduled to launch until 2020, some manufacturers are already incorporating elements of the coming standard specifications into their products. Prior to the launch of 5G, mobile
network businesses will face several challenges. As a result, new business models are needed, since traditional base stations, transfer systems and software sales will not yield as many sales as new technology launches. New and updated technology is also needed due to continuously increasing capability requirements and the corresponding erosion of prices.

The capability requirements in the ICT industry have led to a rapid increase in the number of data centres. Data centres are centralised repositories for the storage, management and dissemination of data and information. Data centres require node-point connectivity, a reliable power grid, infrastructure and advanced ICT.

The years since 2000 have also witnessed several mergers and acquisitions in the ICT industry. As a result, in the network sector, for example, there are only three global network developers. These big companies are financially robust and capable of responding to the requirements of the market. New technology categories take 7 to 11 years to become financially viable.

2.2 ICT developments in the Oulu region

Oulu is known globally for its wireless technology know-how. Both Nokia mobile devices and Nokia networks have operated in Oulu since the 1970s, and by the 1990s, Oulu was considered the “Silicon Valley of the North.” Thus, the place of Oulu has been at the forefront of system integration expertise and telecommunication development from the very beginning of the field in the 1980s and has progressively become one of the research and development centres of the wireless world (Figure 3). Many global firsts were invented in Oulu. Thus, it can be said that Oulu is one of the leading ICT clusters in Europe and one of the most interesting clusters in the world in certain ICT fields, such as radio access and RFID technology. Every day, roughly 2.6 billion people worldwide use technologies developed in Oulu (BusinessOulu 2017). Oulu’s active role in the standardisation of wireless and mobile technologies, remarkable investments in wireless and mobile infrastructure and concrete collaborations with international partners and unique public–private partnership programmes have all made Oulu a leading wireless society with a global innovation ecosystem. For this reason, Oulu aims to be the leading and most agile ecosystem in Europe and to cover the whole value chain from the design of components and devices to the production of end products and services.
Oulu is the fifth-largest place in Finland, the largest place in Northern Finland and the largest urban concentration in Northern Scandinavia, with 250,000 regional inhabitants. Its drive towards future creation and innovation is likely due to Oulu having the youngest population in Finland, with an average age of 37.6 (BusinessOulu 2017). Oulu also has the highest regional research and development (R&D) spending per capita in Finland, and Northern Finland has the third-highest R&D intensity of all European Union (EU) regions (6.58%) (Eurostat 2012). In 2015, the region had roughly 10000 ICT jobs (BusinessOulu 2015), most of them in R&D. As a proof of Oulu’s world-class performance in innovation development, Oulu has been acknowledged as an innovative and smart place several times. Fortune Magazine listed Oulu among the seven best new global cities for startups in 2012 (Akhtar 2012). Also in 2012, Oulu was named the most intelligent community in Europe (BusinessOulu 2012). In 2013, Oulu earned this honour again (tied with Tallinn) and again ranked in the top seven cities globally (Intelligent Community 2013). In 2012, the Consumer News and Business Channel (CNBC) television channel named Oulu as one of “15 Surprising Global Technology Cities” (Morris 2012). The international attention on Oulu has not only been recent. For example, in the late 1990s, Wired Magazine named Oulu the birthplace of modern mobile phone technology (Ojala et al. 2010). Analysts from Macquarie Bank named Oulu as one of 13 places where the world's best and brightest tend to cluster (Jacobs 2017). With Nokia at one point commanding nearly
half of the world’s mobile phone market, many of the inventions that shape today’s mobile communications, such as the Nordisk Mobile Telecom (NMT) and global system for mobile communications (GSM) protocols and text messaging, were born in Oulu. This success has brought Oulu substantial international media exposure and let to the publication of prominent articles on Oulu-based startups.

However, the 21st century has created many challenges for Oulu. The technology ecosystem faced several hurdles between 2005 and 2006, following a series of unpleasant coincidences, including financial crises and others, that created space for disruptions like Apple and others to enter the market. Prior to this, students were recruited directly from the University of Oulu and the Oulu University of Applied Sciences to work on a very high-rate export product such as a mobile phone. All companies that had located to Oulu had come to this ecosystem solely for this purpose. However, in 2010, the platform race among mobile manufacturers caused Nokia to abandon platforms built for Microsoft and others. This was a major setback for Oulu. By 2011, it was clear that the market shares controlled by Apple and Google would continue to rise, as Google offered bargains for free and Apple excelled in the premium segment, where Nokia lacked up-to-date technology. In other words, Apple and Google were financially strong enough to offer for free what Nokia had to pay for. (Facilitating actor 2016)

In 2012, foreign-owned affiliates controlled 14.4% of jobs, or approximately 8,000 total jobs (Statistics Finland 2012). Foreign-owned affiliates were important players in the region, and they included many ICT companies servicing the Nokia ecosystem. However, also in 2012, Nokia Siemens Networks terminated all of its subcontractors and decided to work with five global players. This decision resulted in the release of 500 to 700 professionals with long experience.

In 2014, Oulu faced a major dilemma when Microsoft, what used to be Nokia mobile devices and Broadcom, along with a wide network of subcontractors, decided to close down their Oulu operations. The changing ICT market, the success of iPhones and Androids and the massive competitive pressure coming from Chinese mobile technology firms represented huge challenges for some 3,500 unemployed individuals. However, what first appeared to be a major shock has turned into a completely new horizon. In the fall of 2014, Oulu experienced a true relocation boom in its ICT sector when many global players took the unique opportunity to access the skillset of Oulu’s engineering veterans, who were already well-versed in cellular technologies. In fact, between 2014 and 2016, some 500 new startups (BusinessOulu 2017) were born in Oulu. With the closing of its Microsoft transaction, Nokia launched a new era in Oulu, focusing on wireless
network development and base station production. In 2004, 219 foreign-owned affiliates were responsible for 11.9% of jobs in Oulu, and in 2012, 388 were responsible for 14.4% of jobs, or approximately 8,000 total jobs (Statistics Finland 2012).

Thus, foreign-owned affiliates are substantial regional actors. During the last four years (2014 to 2017), more than 20 global technology brands have invested in Oulu. Most of these develop software and hardware products, including modems, chipsets, sensors, automotive solutions, handsets and financial technologies. Furthermore, 14 of these companies entered Oulu during an intensive nine-month period. The Oulu ecosystem has changed from a homogeneous one to one that is heterogenic, international and flexible. In 2017, there were approximately 18,500 people working in Oulu’s high-tech sector, and the number of ICT jobs was higher than it was before the closing of Nokia’s Oulu mobile phone operations. (BusinessOulu 2017)

Despite its difficulties, Oulu has built a reputation as one of the most innovative technology centres in Europe: a place of many firsts in ICT development (Bell et al. 2012). Currently, Oulu’s key actors in the ICT field design wireless data terminal equipment and develop products and devices for mobile networks and wireless information transfer. As home to a wireless information transfer and radio technology cluster, the Oulu region is in a class of its own, attracting world-class companies and research and educational institutions to work locally on product and device development.

Nokia, in particular, is finding new pathways for location and network growth by, for example, developing a full-fledged 5G network in Oulu. Together with industrial partners, the Technical Research Centre of Finland (VTT) and the University of Oulu are building a 5G test network in Oulu. Within this test network, critical new technologies will be developed and tested in a realistic environment. 5G will be the next big step in wireless communications, offering very high-quality multimedia and cloud services; flexible usage of base stations, user equipment and other network devices; and reduced material and energy consumption.

Thus, today, despite its complicated and ongoing structural changes, Oulu is experiencing positive trends. The next generation of Internet technologies, appliances and services is being constantly developed in Oulu. The shift from mobile phones to the IoT has led to the creation of one Europe’s busiest startup scenes, and many professionals who had lost their jobs have launched flourishing new businesses in Oulu.
The region is also expecting nearly 20 billion Euros of investment within the next ten years, if all planned projects are implemented (Lapland Chamber of Commerce 2015). The largest single project is the construction of Fennovoima Oy's nuclear power plant in Pyhäjoki, one hundred kilometers south of Oulu. This construction project is expected to commence in 2018, once the placement of nuclear waste has been resolved and the official construction permit has been granted (Lapland Chamber of Commerce 2015). The plant is expected to begin operations in 2024. This project is of such a large scale that the positive impacts to all sectors, including ICT, will be substantial. Additionally, Fennovoima has decided to establish an operations centre in Oulu and to move its staff there from Helsinki.

To identify new business opportunities for ICT startups and enhance the growth of traditional industries, the BusinessOulu (2014) report on “ICT Opportunities in the Industrial Sector” examines how ICT companies can help reinvent companies operating in traditional industrial fields. The report details the opportunities ICT expertise can open up in the energy sector, the mining industry, infrastructure development, logistics and construction. It also breaks down the specific needs of each sector and details digital fields of expertise each sector will require in order to reinvent itself.

In 2016, the VTT and the University of Oulu built and launched a globally unique technology and pilot environment to allow businesses and researchers to jointly develop new industrial Internet solutions. The goal was to promote the business and international competitiveness of companies in the Northern Ostrobothnia region in particular. The new technological platform consists of four components: intelligent environments for the industrial Internet, electronic pilot production, 5G solutions needed for the industrial Internet and 3D printing facilities. This pilot environment will be the first in the world to combine the core technologies of the industrial Internet and 5G telecommunications solutions in an interoperable environment.

In sum, though it has undergone significant structural changes in recent years, Oulu has long been a highly significant global centre of excellence in wireless technology. Due to its structural changes and the release of skilled labour, Oulu has become a very interesting destination for new actors in the ICT field seeking to utilise the area’s expertise and operating environment. Over the past three years, approximately 40 new ICT companies have entered Oulu’s ecosystem. Of these, the largest currently employ 100 to 200 people and have a high need to recruit new skills. In addition, several hundred early startup businesses with significant
potential for growth and recruitment have emerged in the region. This place, which used to be the place of mobile phones, cellular networks and base stations, is now an ecosystem for mobility and wireless technologies. With all of its existing technology layers and research expertise, Oulu today provides a platform for digitalisation.

The biggest current hurdle for growth in Oulu’s ICT industry is its shortage of skilled professionals, as the industry is employing more people than ever before and has a strong growth outlook. Access to talent is also becoming an increasingly critical factor and bottleneck to growth for many companies in Oulu. In particular, small- to medium-sized enterprises (SMEs), which usually lack an established employer brand or in-house human resource function, struggle to find the skills they need to grow and innovate. In such situations, innovation ecosystems, such as cluster organisations, science parks and incubators, can play a key role in both branding locations as attractive places for talent and launching concrete strategies and activities to attract, retain and develop talent, to the direct benefit of businesses and other ecosystem stakeholders.
3 FDI and investment promotion

All of people's decisions are partly rational and partly emotional, whether they are as trivial as buying an everyday product or as important as relocating a company.

Simon Anholt

This is an explorative study which attempts to connect place marketing and FDI. The different concepts of FDI, place marketing and place branding are quite fragmented; however, they have been brought together in the following two theory chapters. This chapter reviews the literature on FDI. Specifically, it discusses FDI from two perspectives: one highlighting regional FDI activities and one highlighting investor FDI. The term inward FDI is used to emphasise FDI with a regional focus and to differentiate it from the activity of individual investors.

The chapter begins by introducing FDI, including different investment modes and investor target viewpoints. The literature review continues with a discussion of actors and their roles in FDI and investment promotion focusing on the IPA, which is regarded as a mediator between a host country's inward investment environment and FDI inflows. The chapter is concluded by introducing the three phases of the FDI process. The following chapter (Chapter 4) discusses the theoretical research of place marketing and place branding.

3.1 FDI

FDI is literally investment by foreign firms with control or influence over the direction of the investment. Foreign inward investment activity seeks to attract investments from abroad to a specific place. For the purposes of balancing payments, any holding of more than 20 percent of the shares of a company is considered (in the U.S.) direct investment, rather than portfolio investment. (Bennett 1995). FDI decisions are influenced by the desire to find locations that confer the best possible immobile factors of production and provide a more elastic supply of factors that experience large price increases in existing clusters (McDonald et al. 2002, 42).

In recent decades, FDI has gradually risen to prominence as the primary economic mode for international investments. Despite a decline in 2012, the trend in FDI investments is expected to grow in the years to come (UNCTAD 2014). Therefore, it is becoming increasingly important for countries to consider the best
approach for attracting and benefitting from FDI in accordance with their development objectives (Metaxas 2010).

Most governments see inward FDI as having greater potential to improve total factor productivity than an equivalent amount of domestic investment, as foreign firms bring new technologies, new knowledge and new management skills from which local firms can learn. The presence of foreign firms can also improve competitiveness, expand productive capacities and decrease unemployment. However, there are fears that foreign competitors crowd out local firms and that a net positive effect on the local or regional economy cannot be taken for granted. Foreign investment decisions are largely influenced by a mix of economic, infrastructure and host government policy considerations. (Kindra, Strizzi & Manson 1998.) Multinational corporations may be a particularly valuable source of new technology, as they not only introduce new ideas, but also strengthen the human capital base needed to adapt these ideas to the local market.

It is, therefore, not surprising that attitudes towards FDI have changed considerably over the last couple of decades and that many countries have liberalised their policies to attract all kinds of foreign investment (Blomstrom & Kokko 2007, 10). It is well known that MNCs undertake a major part of the world’s private R&D efforts and produce, own and control most of the world’s advanced technologies. When an MNC sets up a foreign affiliate, the affiliate receives some of the proprietary technology that constitutes the parent’s company-specific advantages, allowing it to compete successfully in an environment where local companies have superior knowledge of local markets, consumer preferences and business practices. Thus, the establishment of a foreign affiliate is almost by definition a decision to internalise the use of technology. (Blomström & Kokko 2007, 10).

Since, in the last few years, economic development in Finland has become substantially more international and the number of foreign-owned companies has grown, the role of these employers as employers is more crucial than ever before. The promising figures and increasing competition of FDI encourage regional authorities and inward promotion agencies to better address and take care of this group of clientele. Such actions are designed to communicate messages, capabilities and services by blending traditional marketing communications with media communications. It is not enough to sell and market the region to new FDI customers; it is increasingly necessary to ensure operational preconditions, access to needed services and sufficient human resources.
Literature on FDI attraction and management (Kuncic & Svetlicic 2011) tells us that both fiscal incentives and subsidies are relevant for attracting and influencing FDI, as are general economic fundamentals, such as qualified personnel. Multinationals tend to demand relatively skilled labour (Görg & Greenway 2004). The Eastern EU group the Keynesians believe that financial subsidies and fiscal incentives are the key to attracting FDI. The neoclassicals from Western Europe prefer good general economic structure; however, they also think that qualified personnel and a good infrastructure are important for FDI presence and future inflows.

A firm entering a foreign market via FDI has a choice between an acquisition or a brownfield and greenfield entry. It is imperative for a firm to choose the proper FDI entry mode in order to reduce existing entry barriers. Many researchers treat greenfield and acquisition as two alternative entry modes. (Görg 2000, Slangen & Hennart 2007) The third possible option is a brownfield entry, which is a “fast track” entry option that involves an existing property or business facility. IPAs primarily help companies with greenfield investments, as their competence and regional networks are specifically tailored to do this. The FDI decision-making process depends on which of the three modes—greenfield, brownfield or acquisition—is being used.

**Acquisition**

Acquisition refers predominantly to a merger between companies or a buy-out of a company (Bergmann et al. 2007), and it has been one of the chief driving forces behind FDI growth. Recent trends in deregulation in international capital markets have given acquisition new importance as a mode for FDI. A firm is more likely to choose acquisition over a greenfield entry when investing in a host market with a high level of industrial concentration. The higher a firm’s need for complementary assets specific to a given foreign market, the higher the likelihood of an acquisition entry. Acquisition is also preferred if a firm has greater post-acquisition restructuring experience. The higher the relocation costs, the higher the likelihood of entry through acquisition. Acquiring an established capability may be a wise policy for a new entrant to prevent aggressive responses from established firms in the host country. (Cheng 2006)

If a firm lacks knowledge on how to successfully operate internationally or how to manufacture particular products, it is likely to attempt to gain this knowledge through acquisitions. Widely-diversified multi-national enterprises
MNEs (MNEs) prefer acquisitions to greenfields due to their advanced management control systems, which reduce the incremental costs of making and managing acquisitions. MNEs with extensive experience with a particular country will be better able to evaluate potential takeover targets, making them more likely to choose acquisitions. MNEs that are expanding their main business are more likely to make acquisitions than those expanding into new industries. MNEs are also likely to enter slow-growth industries through acquisitions, since incumbents are more likely to focus on greenfield entries. MNEs following a multidomestic strategy and run by managers with advanced management control skills are likely to prefer acquisitions. (Slangen et Hennart 2007)

Inexperienced MNEs are, therefore, likely to make acquisitions to efficiently gain access to required knowledge (Slangen & Hennart 2007). MNEs expanding their main business should be more likely to make acquisitions than those expanding into new industries (Hennart & Park 1993).

**Greenfield**

In a greenfield investment, foreign enterprises seeking to establish a business may adopt one of two basic models. One is to set up a branch office belonging to the main company. The other is to establish a legally independent subsidiary. (Bergmann, Jasper & Greiner 2007) A greenfield entry into a foreign market involves the establishment of a new affiliate in the host country by another firm headquartered outside the country, either alone or with partners. It is an attractive mode for a firm because it allows the firm to start fresh and choose the site that best meets its needs. A greenfield entry is more likely if more local equity markets are subject to regulatory restrictions and if the firm’s assets are being transferred to the foreign market. (Cheng 2006)

Greenfields are also preferred if the cultural distance between the home and the host market is big. MNEs with abundant firm-embedded technological knowledge are likely to choose greenfield entries. Similarly, MNEs that operate in a limited number of industries are more inclined to make greenfield investments. Internationally experienced MNEs, as well as those operating in a variety of industries, are expected to have a clear preference for greenfield investments. However, when the number of industries becomes very large, the preference shifts from greenfields to acquisitions. MNEs with significant experience in either greenfields or acquisition are likely to use that same mode for future expansions.
In greenfield investments, firms are constrained in their growth because they can recruit and train only a limited number of managers in a given time period. MNEs prefer to enter concentrated industries through acquisitions to avoid increases in supply and competitor retaliation. However, they are forced to enter through greenfield investments when either host governments do not allow acquisitions or local takeover targets are lacking. MNEs following a global strategy and those run by managers with substantial experience in a particular country are more likely to choose greenfield entries. (Slngen et al. 2007)

**Brownfield**

A brownfield is a hybrid between an acquisition and a greenfield. It is formally an acquisition but it resembles greenfield in substance. Brownfield entries may be selected by firms that require high levels of integration and substantial local resources in emerging markets. Brownfields offer a good compromise: they transfer specific advantages to the host market, but also avoid high integration costs. To prevent extra transaction costs when acquiring complementary assets, a firm usually prefers an acquisition or brownfield entry strategy. Brownfields reduce transaction and relocation costs. (Cheng 2006)

### 3.2 Actors in inward investment

The main role of IPAs is to reduce the cost of undertaking FDI by providing information to potential investors and alleviating the burden of bureaucratic procedures. Information provision takes the form of marketing campaigns, participation in international conferences and fairs, setting up informational websites and actively pursuing investors through phone, mail or personal contacts. Packages also generally include assisting investors with site visits and introducing them to potential joint venture partners, customers and suppliers.

A high percentage of new FDI comes from foreign investors that are already present in a given location. Employees who have previously worked in the private sector are likely to better understand the needs of investors, and their presence is likely to lead to a higher quality of IPA softlanding services. Furthermore, IPAs whose performance is rigorously evaluated are likely to perform better.

The quality of IPA work may affect FDI inflows in many ways. IPAs with higher-quality websites tend to attract more investments (Harding & Javorcik 2011). Global investment promotion benchmarking assesses the quality of an agency’s
web site based, first, on its content, architecture, design and promotional effectiveness. Web sites are judged on whether they contain relevant, clear, and credible information presented in an attractive and user-friendly way. The second rating focuses on how the IPA handles direct project inquiries from investors. This rating captures the competence and responsiveness of the agency’s staff, including the timeliness, quality and credibility of informational content. The results (Harding & Javorcik 2011) suggest that sectors targeted by IPAs receive, on average, more than twice the FDI inflow volume of non-targeted sectors. The results further suggest that investment promotion works better in countries where English is not an official language and in countries that are culturally distant from the USA. Investment promotion has also a larger effect in countries with less effective or corrupt governments and in countries where it takes longer to start a business or obtain a construction permit.

Two conclusions can be drawn from these data. First, good investor facilitation matters, but it is not enough to set up an IPA and expect a huge boom in FDI inflows. Successful investment promotion also requires professionalism, effort and commitment to customer service. It requires maintaining an up-to-date, attractive, and user-friendly web site with relevant and useful information that investors require during the site selection process. The Global Investment Promotion Development (GIPD) criteria specify what high-quality inquiry handling and web sites involve, and this assessment process can provide useful feedback on what areas need improvement. Competitor monitoring can be executed based on reviews of project wins or losses (Christodoulou 1996). The GIPB initiative and its results can be a valuable tool for IPAs striving to achieve excellence and secure more FDI.

Secondly, inward promotion agencies play an important role in implementing retention strategies to help local managers contest plans to close local plants. Such performance requires regular monitoring in order to grow the understanding of why projects have been lost. Furthermore, aftercare programmes service existing inward investors after they have made their investments.

In conclusion, it is fair to say that IPAs must examine why FDI enterprises choose particular locations and understand what encourages foreign investors to invest. They must also identify the key players in the investment decision-making process and learn what to do in order to concretely draw the attention of FDI enterprises and inspire other influential parties. IPAs need to be aggressive in assisting FDI companies that already operate in their regions to overcome obstacles so that these investors will see specific places as good or potentially good investment destinations (Table 1).
Table 1. The roles of main investment actors.

<table>
<thead>
<tr>
<th>Actor</th>
<th>Pre-investment phase</th>
<th>Implementation phase</th>
<th>Post-investment phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor</td>
<td>Search for opportunities to invest</td>
<td>Execute and implement investment</td>
<td>Generate growth</td>
</tr>
<tr>
<td></td>
<td>Analyse leads</td>
<td>Monitor performance</td>
<td>Scout new investment opportunities</td>
</tr>
<tr>
<td></td>
<td>Negotiate with potential targets and talents</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Decide on investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IPA</td>
<td>Collect information on investment perceptions</td>
<td>Service both investors and investment targets</td>
<td>Measure performance</td>
</tr>
<tr>
<td></td>
<td>Build image by branding the place</td>
<td>Promote the investment climate, expertise and networks</td>
<td>Manage customer relationships</td>
</tr>
<tr>
<td></td>
<td>Contact prospective investors directly</td>
<td>Sell new opportunities</td>
<td>Promote new business opportunities and networks</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Initiate new opportunities for investment targets</td>
</tr>
<tr>
<td>Investment target</td>
<td>Identify investment opportunities</td>
<td>Locate the business</td>
<td>Manage and grow the business</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Grow the talent pool</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Network for new opportunities</td>
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</tr>
</tbody>
</table>

3.3 FDI process

Investing abroad entails specific risks related to the target country and the international investment environment. The FDI decision-making process is less sophisticated than its domestic equivalent because FDI emphasises strategic analysis over financial analysis and, therefore, is less likely to follow the normative model of decision-making (Sykianakis & Bellas 2005). The FDI decision-making process involves different phases (Aharoni 1966, Wei & Christodoulou 1997): initial idea generation, including preliminary thinking, investigation and development; evaluation; and final decision-making. The FDI decision-making process is not necessarily linear; instead, it is often repeated as top executives review projects regularly and authorise further screenings and investigations as parts of the projects are developed (Sykianakis & Bellas 2005).

Subsidiaries selected to be centres of competence have desirable resources based on local networks founded on trust and access to inputs that are useful in achieving the goals of multinational companies. Attractive locations include places with pools of skilled labour, access to high-quality products and membership in local networks that include organisations and agencies helpful in achieving the
strategic objective of the parent company. If these desirable resources cannot be readily transferred to other parts of the company, it is beneficial to develop subsidiaries into centres of competence and to use the outputs of these centres to satisfy demands across all company operations (McDonald et al. 2002, 42). In these circumstances, promotional activities may impact a company’s decision. Some opportunities will remain unidentified and some countries will remain uninvestigated simply because there is no significant reason to explore them further. Promotional activities can provide a reason to examine such avenues by introducing new information into companies’ decision processes, thereby forcing them to enlarge the set of options considered. (Worldbank & IFC 2008)

It is crucial for investment agencies to prioritise projects and allocate their resources to the most important projects, thereby maximising their return on investment. Investment agencies should not bid on unsuitable projects. Readymade packages enable rapid responses and include checklists for handling projects, which can come in handy in many ways. They include, for example, nominations of key account contacts with the authority to make decisions, identifications of key decision makers and influencers, a concentration of all efforts on these individuals and quick and professional responses to all inquiries. (Christodoulou 1996) The maintenance and management of external relationships and partnerships is crucial for any IPA. Links with regional authorities and the private sector are important when dealing with enquiries. Unified messaging is similarly important, as it makes investors more confident in given locations. Professionalism in materials and documents is crucial, and such resources should address the specific concerns and cases of inward investors. Therefore, “marketing hype” is not the right approach.

Both Dicken (1990) and Young et al. (1994) describe IPAs’ strategic management process in stages. Dicken’s (1990) model starts with the process of setting objectives, while Young et al. (1994) begins with the formulation of policies and the setting of guidelines for inward investment policies. In both cases, this stage is followed by market planning and intelligence, which involves the analysis of both own and competitors’ positions, FDI trends and multinational strategies. As a third stage, both models focus target potential projects; however, Young et al. (1994) call this stage the “investment approvals” stage. Effective targeting requires an understanding of sectors’ size and growth characteristics, but also their structural characteristics. As the fourth stage, Young et al. (1994) name granting of investments, including direct financial investments and grants, whereas Dicken emphasises the importance of promotional tools in getting a nation or region onto an investor’s long or short list. Stage five, according to Young et al. (1994), is
providing assistance, which is equivalent to Dicken’s (1990) implementation stage. Monitoring and evaluation, which emphasise a project’s economic impact and possible expansion, complete the strategic management process for both models. The economic impact is used to target those sectors that show the greatest potential for the host location.

**Pre-investment phase**

The first stage of an investor’s decision process is usually considered to be the identification of the investment project, including recognition and diagnosis routines. The stimulus in FDI is usually an opportunity arising in a foreign country. The first step in diagnosis is the choice of the country or countries. The role of diagnosis is to clarify and specify the received stimulus in order to proceed (or not) to the decision process. The preliminary search for information concerns several general country indicators, including political, economic, demographic and market information. (Sykianakis & Bellas 2005)

**Investment phase**

Investigation and data collection during the so-called screening phase are perhaps the most important stages of the FDI decision process. Information about the economic, political and market environment, as well as prospective partnerships, is important for examining whether a project fits the corporate strategy for expansion and estimating future demand for the company’s products. The screening phase can act as an early acceptance stage that paves the way for subsequent action. The FDI screening process concerns major strategic decisions and is expected to be more centralised. It usually concludes with project authorisation being given by a senior executive. Screening and authorisation can occur at various points during the identification and development phases when numerous sub-decisions are made. Since various phases and routines may be repeated and re-ordered throughout, the FDI process is neither sequential nor linear. (Sykianakis & Bellas 2005)

**Post-investment phase**

The post-investment phase involves measures undertaken to retain capital that is already in place. It includes softlanding services to overcome the problems investors encounter in their current business operations in a new location. These
Softlanding services help to retain investors that have already made investment commitments and to trigger them to reinvest and grow their businesses, rather than move to new investment sites. Post-investment activities are occasionally the principal activities of IPAs and are often closely linked to policy advocacy. (Wells et al. 1990) It is often more productive to focus the service work on post-investments, thus triggering existing investors to build on existing investments rather than fishing for new investors. Investors already operating in a local market can be considered intermediaries between IPAs and new investors. Thanks to their existing business contacts, they can often persuade potential investors to enter the market.

Foreign investment decisions are similar in several respects to industrial buying decisions. Though the foreign investment process is non-linear and iterative, it can be seen as similar to the stages a corporation undergoes when deciding to make an investment decision. Decisions to buy units in corporations or institutions involve five stages: awareness, interest, evaluation, trial and adoption (Wells, 1993). Different information sources are most effective at different stages. During the awareness and interest stages, the most effective information sources are impersonal sources, such as advertising. During the evaluation, trial and adoption stages, the most effective information sources in fostering the adoption of an innovation or the purchase of an industrial product are personal sources, such as direct contact from salesmen or other firms. An IPA that has had little involvement or success in attracting companies is likely to deal primarily with investors who are in the awareness stage of the investment decision process. Agencies that have a longer record of attracting foreign investors are likely to use personal promotional techniques. As IPAs move from an emphasis on image building to an emphasis on investment generation, the audience of the investment promotion programme becomes more sharply focused and agencies adopt more closely targeted promotional techniques that rely on personal contact with companies.

Attitudes towards FDI are growing increasingly positive. Countries and regions have not only liberalised activities in order to attract more investment, but also emphasised investment promotion due to increased competition. From the perspective of individual investors, access to qualified personnel is an increasingly important decision-making factor for any investment decision.

A firm entering a foreign market via FDI has a choice among three entrance modes: acquisition, brownfield or greenfield. It is important to choose the right strategy to reduce barriers to entry, such as investment activity costs. IPAs focus on
greenfield initiatives, playing only a minor role in acquisition initiatives due to due diligence procedures.

IPAs and two other main investment actors—investors and investment target—participate in the three phases of the FDI process: pre-investment, investment and post-investment. Investigation and data collection, which take place during the early acceptance phase, are the most important stages in an investor’s decision. IPAs that succeed in attracting foreign investments typically use personal promotion techniques and focus on investment generation rather than image building. However, image building can be considered highly important during the pre-investment phase. Investigation and data collection take place during the screening of the pre-investment phase, which is perhaps the most important stage of the FDI decision process for an investor (and, therefore, also for an IPA). The maintenance and management of external partnerships are crucial at all stages of an IPA's investment process.
4 From place marketing to place branding

Places have long felt a need to differentiate themselves from one another. Places need fresh ideas for new sets of tools to develop their regional and global marketing approaches and competitiveness to attract tourists, citizens and inward investments. Changes in the competitive circumstances, planning, theory and practice of marketing science all affect the instruments, activated agencies and pursued goals of place marketing (Kavaratzis et al. 2008).

The aim of this chapter is to discuss the multiple perspectives on place marketing and place branding, starting with an overview of place marketing. This discussion is followed by an exploration of the transition and evolution of place marketing to place branding. The chapter then discusses place branding management and evaluation. These theories were identified during the course of the research process as relevant for further elaborating the emerging discussion of place marketing and place branding.

4.1 Overview of place marketing

It is somewhat unclear what it means to market a place. On one hand, ‘place marketing means designing a place to satisfy the needs’ (Kotler et al. 1993, 37) and ‘transferring the wanted identity so that it is understood by target market’ (Rainisto 2003, 14). On the other hand, most scholars in this field of research conceptualise place marketing with reference to current urban developments, using the place marketing concept to suggest activities for strengthening a place’s attractiveness and competitiveness (Berglund et al. 2010). Place marketing is often used synonymously with place selling, place promotion and place branding, and it is not clear what each of these concepts means or how they are related. The imprecise use of the place marketing term and concept creates a degree of confusion and uncertainty.

Borchert (1994) challenges this understanding of the place marketing concept. He argues that most studies characterised as place marketing studies deal not with the marketing of places, but with place selling and place promotion. Some scholars see place marketing as a management process (Kotler et al. 1999, Rainisto 2003, Asplund et al. 2011), while others view place marketing as a demand-oriented and communicative planning theory (Ashworth & Voogd 1990, 1994, Ashworth & Kavaratzis 2008, Olsson & Berglund 2010).
Place marketing is one of the major fields of study with a long tradition (Anholt 2010a). There are numerous publications and an extensive body of literature on place marketing (Berglund et al. 2010). The roots of place marketing can be traced back to the nineteenth century, when place competition emerged. At that time the term in use was ‘place boosterism’. In agricultural colonisation, one of the most important episodes of place selling was the settling of the American West. Moreover, in the 19th century, the selling of tourist resorts was the differentiating factor for places (Kavaratzis et al. 2008).

A more focused, integrated and strategically oriented implementation of place marketing has taken place in the last three decades (Kavaratzis 2005). By the beginning of the 1990s (Ashworth 2008b), there was an attempt to create a prominent place marketing approach (Ashworth & Voogd 1990, Paddison 1993, Ashworth 1994, Ashworth & Voogd 1994, Borchert 1994). A closer look reveals that these promotional activities were undertaken randomly and on a solely intuitive basis (Kavaratzis 2005). Only 20 years ago, promotion was considered acceptable and a valid activity for public sector management agencies. Around the same time, the systematic application of marketing was regarded a relevant target and, thus, an essential component of the study of places and their management (Kavaratzis et al. 2005). Since then, marketing specialists have continued to refine their concepts and ideas, and place marketing has become a commonplace activity for not only countries, but also cities and regions. Over the course of many years, Gregory Ashworth (1988–2015) and Mihalis Kavaratzis (2004) have emerged as two of the most productive scholars of marketing and branding places. The first doctoral dissertation about place marketing (Rainisto 2003) laid out the most critical success factors for place marketing and branding and discussed how they could be used in place development.

The literature on place marketing is full of qualitative descriptive case studies. Approximately 65% of all published journal papers in the field are case studies of one to three cities. There appears to be rapid evolution in the nature of place marketing, as places strive to distinguish themselves from competitors and perhaps gain competitive advantage, making it difficult for scholars to keep up (Lucarelli et al. 2011). As a result, there is a lack of general and systematic knowledge about how places with different preconditions work to strengthen their attractiveness and competitiveness (Berglund et al. 2010).

Most of the empirical place marketing research is set in the urban crisis of the 1970s and views place marketing as a result of structural change. Thus, in most empirical research, place marketing is viewed as a way of coping with the new
reality. Place marketing research relates to entrepreneurial modes of governance and is associated with proactive planning expediting local economic development and place attractiveness. Thus, place marketing is seen as a way of selling, promoting and branding a more or less pre-defined and pre-packaged product (Berglund et al. 2010). Changes in the development of modern society have changed how place marketing operates and thus have increasingly shifted place marketing towards the realm of target marketing and product development (Kavaratzis 2007, Short & Kim 1999).

Place marketing embraces four activities (Kotler et al. 1993): (1) designing the right mix of community features and services, (2) setting attractive incentives for current and potential buyers and users of a place’s goods and services, (3) delivering the place’s products and services and (4) promoting the place’s values and image. Place marketing can involve selling a selected package of facilities or selling a whole place through associated images. A place marketing process requires long-term involvement and commitment. The marketing process (Metaxas 2010) begins with a strategic analysis of the place, preferably strengths, weaknesses, opportunities and threats (SWOT) analysis, and consists of a mix of strategic and implementation efforts. There is a need to define the target markets and segmentation process in order to evaluate distribution channels and select appropriate promotional means, strategies, tactics, and alternative scenarios. The selected marketing mix should be well-structured and based on strategically effective designed management (Kavaratzis 2004). The place marketing process is led by the principles and practices of traditional business marketing. It is multidimensional because it refers to locations with particular characteristics and values, but different interests in issues of growth and competitiveness.

The objective of place marketing is not the place itself, but its image. The core concept is to understand customers’ needs and wants and to solve customers’ problems by producing added value. Place marketing succeeds when stakeholders (e.g. citizens, workers and business firms) derive satisfaction from their community and visitors, new businesses and investors find that their expectations are met. (Kotler et al. 1993, 37). It is important to acknowledge that creating customer satisfaction is the responsibility of the whole organisation (Rainisto 2003), not only the marketing and sales department.

The main competitors of a place are those occupying the same position in the hierarchy of power. Competition is greater when two places in similar positions are separated by a short distance and lesser when the distance between them increases. Place marketing is used to improve a place’s current position; therefore, competing
with places at higher levels may be the fastest way of moving upwards. Places occupying higher positions in the hierarchy of power will generally ignore those at lower levels. Understanding competition is a prerequisite for understanding place marketing. (Niedomysl et al. 2012)

Since places must be marketed to manage changes, place marketing can be considered a strategic market planning tool in action (Kotler et al. 1999). Thus, places must be marketed in a sophisticated way similar to that of products and services in private firms. The fact that place marketing is often used synonymously with place selling, place promotion and even place branding makes this process more challenging. On one hand, place marketing is seen as a long-term management process that requires commitment and involvement. On the other, it is seen as a planning theory with demand-orientation and communication skills. Place marketing management must be flexible and capable of adapting to ongoing changes and customer demands. Flexibility makes it possible for places to benefit from upcoming opportunities, which is important in a changing environment.

It is necessary to distinguish between place marketing and place branding, since brands are at the centre of marketing (Rainisto 2003). In order to be effective, place marketing should be preceded by place branding.

4.2 Transition from place marketing to place branding

Places throughout Europe are increasingly importing the concepts and techniques of product branding for use within place marketing. Branding is a natural starting point for place marketing, as it forces a place to determine the essential contents of marketing. In a way, place branding combines both organising and marketing activities. Thus, branding seems to be one particular chapter in the place marketing literature. (Pedersen 2004)

Today, there are many reasons places must manage and control their branding, including the need to attract businesses, companies and talented people and to find markets for their exports. The need for place branding can be explained as an evolution from place marketing. Place branding is a process designed to support the overall economic growth and competitiveness of regions and countries. (Metaxas 2010) It is often argued that place branding is founded in the tourism marketing field, and a major stream of publications has covered the issue of destination branding: treating places as brands in order to benefit tourism development. The majority of the development of this field has focused on suggesting concrete and practical measures for managing destinations as brands.
Arguably, a large part of this research comes from Hankinson (2006), who provides a clear and refined framework for understanding places as brands and focusing on places as tourism destinations. (Ashworth et al. 2007) Hence, some researchers accept branding as the general strategic guideline for marketing (Kavaratzis 2004, Hankinson 2010), while others (e.g. Kotler et al. 1993, Braun 2008) include branding in the array of place marketing tools.

Increasingly, places need to consider branding in relation to a wide range of contexts, as well as the management of brand image and the brand experiences of stakeholders (Hanna & Rowley 2013). The various types of place branding are often confused in the literature. There are at least four different types of place branding (Ashworth 2008). The first is place branding of a geographical nature, in which a physical product is named after a geographical location. The second is co-branding, in which a product’s value is increased by a place association. The third occurs when a product is effectively a location, and the geographical focus is what is being sold. In the fourth, place branding is treated as an instrument of place management, such that it is used to add value by moving the perceptions of defined user groups from the generic to the brand.

4.3 Development of place branding research

There is at least a general agreement in the marketing literature that a brand is more than an identifying name given to a product. The American Marketing Association defines a brand as a name, term, sign, symbol or design, or a combination of these, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of their competition (Metaxas 2010). Place marketing can be as sophisticated as marketing for products and services, and places can also be branded to increase their value and attractiveness (Rainisto 2003). A brand is a multidimensional construct whereby managers augment products or services with values that facilitate the process by which consumers confidently recognise and appreciate these values (De Chernatony & Dall’Olmo Riley 1998, Kavaratzis et al. 2005).

Place branding has also been defined as the practice of applying brand strategy and other marketing techniques and disciplines to the economic, social, political and cultural development of places, regions and countries (Kerr 2006). Branding is a mode of communication, and, as such, it is always a two-way process with the consumer (Morgan et al. 2002, 24). Branding seeks to endow a product with a
specific and more distinctive identity. This is, in essence, what place marketing seeks to do for places.

Place branding is merely the application of product branding to places. It is a tool that brings added attraction to a place and helps to build brand identity. Slogans and logos may be useful practical instruments in a place branding strategy, but they are not the strategy itself (Kavaratzis et al. 2005). Place branding should be about creating an overarching brand strategy or competitive identity that reflects a place’s or region’s history, accomplishments and aspirations, regardless of the markets to be served. Furthermore, place branding should not be confused with place marketing. One cannot build separate brands for tourists, investors and migrants, since brand associations are always viewed in their totality. It is also important to note that today’s tourist might be tomorrow’s investor (Govers 2011).

The application of branding techniques to places is growing more common, given the increasingly global competition that nations and places now face in both their domestic and their external markets. Place branding has been practiced consciously or without specific consideration for as long as places have competed with one another for trade, populations, wealth, prestige and power (Kavaratzis et al. 2005). Thus, ‘it is not surprising that over the last 15 years the number of academic studies on how places identify, develop and communicate their accomplishments to both external and internal audiences has also increased rapidly’ (Lucarelli & Berg 2011, 9; Hanna & Rowley 2013). Place branding is, therefore, a growing academic field and a popular practice. In fact, brands have existed for centuries in marketing practice, and branding is among the most prominent and studied phenomena in marketing research (Keller & Lehmann 2006). There is also a growing body of practice around place branding.

Since the late 1990s, thousands of places around the world have launched place branding initiatives for both single brands and whole brand portfolios. Over the years, the topic of place branding has been discussed in the context of a wide range of comparisons and focus areas: product/service vs. destinations/places (Cai 2002, Gnoth 2002, Kavaratzis & Ashworth 2005, Parkerson & Saunders 2005), corporate branding vs. place brands (Kavaratzis 2009, Rainisto 2003, Kavaratzis 2004, Trueman, Klemm & Giroud 2004) and corporate umbrella branding (Gnoth 2002, Papadopoulos & Heslop 2002), place branding and positioning (Gilmore 2002), image building and reconstruction (Curtis 2001, Hall 2004), the unique identity and use of branding elements (Cai 2002, Morgan, Pritchard & Pride 2004), and emotional links with consumers (Hall 2004).
4.4 Place brand elements

A place is a multidimensional and complex entity (Pike 2005) with vague boundaries (Flagestad & Hope 2001, 450). Place products are varied, diffuse and often difficult to define (Ashworth 2008). Places both contain facilities and attractions and, simultaneously, are such attractions. The challenge is to determine whether this complex entity has a collective and common character (Moilanen 2015).

A place brand is delivered by many organisations with many different objectives, resources and capabilities (Vorhies & Morgan 2005, Moilanen 2008, 24). Place marketers have little control over the marketing mix (Morgan et al. 2002), and there is often there is no agreement in place (Ritchie & Ritchie 1998), which makes the setting even more complex. Dinnie (2011) argues that there is a need to root the place brand in reality with tangible evidence.

A place brand is best understood as a dialogue, as it provides practical tools for expression. It captures and articulates the perceived characteristics of a place (Kavaratzis et al. 2014) and distinguishes a particular offering from competitors (Medway et al. 2008). Thus, a place product is a place’s total offering mix to place customers (Rainisto 2003).

A branded product consists of three elements: brand identity, brand positioning and brand image (Figure 4). A unique brand identity differentiates one place from another and positions a brand in relation to its competitors. Moreover, a brand identity comprises a brand’s features and beneficial attributes. Hence, it ensures that all brand activity has a common aim and focuses all points of contact with the consumer. Furthermore, a brand identity highlights the qualities of a place that are superior to the qualities of its competitors.

A brand image is formed according to brand perceptions. A brand has a clear and distinct image that differentiates it from its competitors. Brands have the ability to deliver long-term competitive advantage, not just a set of nature attributes. A place’s objectives specify how its brand should be consumed, how it associates with quality and its specific way of selling to the final consumer (Kavaratzis et al. 2005, Hall 2004).
A brand must be considered as a complete and continuous process interlinked with all marketing efforts. Place brands are complex models; therefore, it is not easy to construct a model of a place branding process. Brand positioning relates to a target consumer’s reason to buy one brand instead of others. Several researchers have constructed early models of this process (Cai 2002, Laws 2002, Hankinson 2004, Kavaratzis 2004, Baker 2007, Gaggiotti, Cheng & Yunak 2008).

The uniqueness of a place brand lies primarily in its form as a network, rather than an organisation with clear boundaries and internal structures (Parkerson & Saunders 2005). A place brand portfolio is much like a portfolio of product brands, with a range of brand structures determining the brands’ relationship to the place.

4.5 Place brand management

Successful place branding strategies appear to be characterised by a collaborative partnership approach involving multiple stakeholders who have mutually agreed on the place brand positioning (Dinnie 2011). Actors building a place brand should include all stakeholders operating within the place’s geographical boundaries, instead of choosing specific stakeholders to work with (Moilanen 2008, Moilanen & Rainisto 2008). These actors often have different and sometimes even conflicting interests regarding branding. Since a place may incorporate a large number of businesses and other stakeholders, achieving mutually beneficial compromises can be challenging. Occasionally, local businesses do not approve of FDI promotion, creating tension between the place branding management and the business community.

Several places act as markets in which businesses compete against one another (Kavaratzis 2004, Kamann 2008). The place branding process requires both negotiation and facilitation in order to position the place, promote the proposition, administrate the boundaries and capitalise the resources, which are often owned by
public or private sector stakeholders. This is a relatively long and complex process that frequently involves unexpected challenges (Moilanen 2015). Disagreements among stakeholders concerning what a place offers or what its ideal image should be can lead to inefficiencies (Ritchie & Richie 1998).

Fig. 5. A framework for the management of place brands (based on Hankinson 2006).

Political pressure may impact marketing in general and branding in particular, as local interests need to be taken into consideration (Morgan et al. 2003). Moreover, most of the people in charge of place branding work in governmental or regional organisations, and their funding is likely to be dependent on politics (Govers & Go 2009). The complexity of brand management is intensified by the fact that place marketing and branding may be foreign to many stakeholders, who may be sceptical of brands and consider them too commercial (Dinnie 2011).

Therefore, strong leadership is important in not only destination branding work, but all place branding management. Hankinson (2006) discusses place branding management from the destination marketing organisation (DMO) perspective, stating that “the management of branding should be led by the CEO or senior management” (p. 244).

In Hankinson’s (2006) model (Figure 5), a DMO is led by a strong visionary and strategic leader. Building the internal brand identity to cover the whole organisation is a priority that must be supported by the organisational culture. The external brand identity consists of strong alliances and partnerships. Commitment is secondary unless there is synergy between the DMO’s and partner brands’ values. Partner engagement is important, and a good way to ensure successful partnerships is to involve partners in the branding process from the start. Consistent brand communication requires a careful determination of audience segments. Tourist, corporate and influencer segments all have different needs that must be considered.
in communications. Hence, brand communication has two dimensions: collective and individual.

The strategic place brand management model (SPBM) (Hanna & Rowley 2013) includes several brand components: evaluation, infrastructure relationship, identity, articulation, architecture, communications, word of mouth and experience. This management model has four key strands. First, places and their stakeholders can either seek to manage branding processes or leave these processes to run their own course, as many processes will take place without any intervention. Second, branding is not a “once and for all” project; rather, it is an interactive and evolutionary process. Third, stakeholder engagement and place brand infrastructure are crucial to place branding. These are how place brand management distinguishes between product and corporate branding models. It is important to achieve overall commitment, since excluded groups will resent any place brand that is imposed from above without prior consultation or commitment (Dinnie 2009). Thus, a brand advisory group comprising representatives of a cross-section of community and business organisations should act as an invaluable sounding board in providing guidance to the brand specialist. Within this advisory group, the brand specialist should be responsible for the management and implementation of the brand. Fourth, the final outcome of the branding process is the brand experience, not the brand image (Hanna et al. 2013).

Rainisto (2003) presents another brand framework with factors for brand management. The first three are as follows: (1) the planning group takes responsibility to plan and execute marketing practices with a vision based on a strategic analysis about the place’s future position, (2) the place identity and place image form a unique set of place brand associations that the management wants to create or maintain and (3) the capability to conduct complex processes and obtain organising power is facilitated by public–private partnerships and leadership. These factors can be actively influenced by a place and represent the place’s organising capabilities. Another four factors complement the above and assist brand management in meeting the challenges raised by the environments in which place marketing practices are performed. These are political unity, global market place, local development and process coincidences during the marketing process.

These three framework models—proposed by Hankinson (2006), Hanna et al. (2013) and Rainisto (2003)—complement one another in several ways. On one hand, brand management needs not only a strong vision and commitment, but also leadership and relationships. On the other, shareholder communication and local and identity are of high value. The role of networks is extremely important not only
regionally, but also globally. Thus, over the years, responsibility of places has shifted from an approach reliant on public authorities to one centred on partnerships and networking, in which private stakeholders play a meaningful role. Urban planning and design strategies are seen as important features of place marketing. A place is simultaneously a place of residence and of work for the people who occupy it, a destination for the people who visit it and a place of opportunity for the people who invest in it. Thus, one place may represent a multitude of brands for which market segmentation, separation and targeting are critical activities. Hence, strong, visionary leadership and commitment from all organisational levels are critical to ensure that a destination achieves its brand promise through brand management. (Hankinson 2006)

Hankinson (2006) noted that “Very little has been written about place marketing management and in particular how branding of places should be managed” (p. 241). Building strong brands requires not only a clear brand identity and brand position, but also solidity over time (Kavaratzis et al. 2005). In fact, whereas place marketing and branding work imply a long-term process involving both strategic marketing measures and promotional activities, marketing refers to a wide set of practices that transcend promotional activities.

Place branding involves complexities that arise from a diversity of stakeholders and the target audiences. Place brands are multi-layered and complex, since the marketing exchange in the public sector does not require any replication and there is often no clear legal agreement about brand ownership. Place management can be treated as an instrument of place marketing (Ashworth & Voogd 1990), since place marketing improves a place’s competitive position. In order to make the right decision, it is important to consider the impact of the environmental on different branding and management activities (Kavaratzis 2007).

Local government and public policy play an extensive role in place branding. A local authority’s economic development and place planning functions are central to the development and sustainability of sources of brand equity. Place marketing practitioners regard their role as one of creating a positive and holistic image for a locality by selectively adopting place product elements and ensuring their visibility in relevant media (Medway et al. 2008).

The phases of place marketing and place branding development stem from a growing understanding and experience of marketing. Competition has prompted places to become more proactive and effective in their marketing activities and decisions and to set and pursue goals for these activities. Thus, as place management has begun benchmark the private sector, it has started to engage in
more risk-taking and inventive measures. Finally, local individuals are the most influential place marketers. They should participate in all levels of decision-making, including formulating, designing and implementing the marketing strategy and brand process.

4.6 Place brand assessment and evaluation

An organisation’s values reflect on its brand values and ideology, creating credibility. Hankinson (2006) discusses these values from the branding perspective of a DMO. People do not always understand their role in and effect on a brand. However, since everyone in an organisation has an effect on the organisation’s brand, the brand should have a central place in the organisation’s operations. In other words, a brand represents an organisation’s raison d’être and reputation. To ensure that the brand is sufficiently integrated, an organisation must implement strong internal branding through departmental coordination, while also ensuring that all parts of the organisation have the same understanding of the brand.

Successful place brands combine the disciplines and techniques of commercial branding, new leadership and partnership practices (Iversen et al. 2007). The advantages of strong place brands (Keller 2003) include greater loyalty, less vulnerability to competitive actions and crises, larger margins, greater trade cooperation and greater support. Additional advantages include increased marketing effectiveness, possible licensing opportunities and additional brand extension opportunities. Loyalty to a place may manifest through repeated visits or civic pride. Less vulnerability to competitive actions may help prevent an investor from relocating to take advantage of a seemingly better option or an image from being damaged by bad press. Larger margins may manifest as higher property prices. Greater trade cooperation and support may encourage local businesses to promote a place and cooperate with its strategies.

Like any other work with a clear strategic goal, place branding requires a leader. This leader should have the passion, energy, skills and vision for the work. He or she should be able to mobilise various forces and solicit buy-ins from the key partners in business and in economic development, relocation, place management, sports, visitor attractions and political decision-making. (Dinnie 2009)

In order to be effective, place branding implementation needs to ensure fairness in decision-making and support for strategies and actions through wide cooperation. Every place must contend with multiple target audiences and shareholders. Thus, it is important to develop a holistic brand that has equal potential in all target and

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shareholder groups. (Gilmore 2002) External stakeholders and partners can add value to brand management through communication in their networks and should, therefore, be regarded as strategic tools to manage and grow the brand. Moreover, places should examine the possibilities and benefits of regional and international cooperation. In order to reveal complementary areas or regions, market research should be conducted to define allocations and avoid duplicate actions (Kavaratzis, et al. 2008). It is necessary to establish a body to coordinate actions and handle cooperation within the shareholder network. Under such guidance, exceptional individuals and ambassadors with personal stories can help to build the brand based on the sense of place and the identities of the local population and societal actors (Gilmore 2002, Govers 2011). Successful place branding requires a brand which is rooted in reality and connects with local people. In other words, a brand should represent the spirit of both the local people and the place, and it will not succeed unless it manages to capture local attention. (Gilmore 2002)

4.7 Place branding and FDI process

Despite a long history of place marketing research, the question of what it means to market a place still remains somewhat unanswered. As yet, there is very little consideration of place marketing as either a complete process or a set of analytical concepts. There is also a lack of evidence-based research regarding the effectiveness of place marketing. It is difficult to distinguish place marketing research from research on consultancy. Furthermore, place marketing is often used synonymously with such concepts as place selling, place promotion and place branding, and is often unclear what each concept means and how they relate to one another. Thus, there seems to be a general agreement that place marketing is approximately the same thing as place selling and place promotion.

Conventional place marketing involves high levels of marketing efforts that emphasise positive place dimensions, often aimed at selected market segments. Place marketing in its various forms is largely about attracting visitors and investments. Since places are increasingly being conceptualised as brands to be promoted by various agencies, the implications for the brand images of individual places are apparent. (Medway et al. 2008).

Places can be too complex to be treated as products to be promoted and sold on a market. Communicated images are selective and often misleading. Branding works best when the official message matches the image that message recipients already have. There is a danger that places may use branding, and place marketing
in general, as a substitute for place product improvement or problem solving. In almost all cases, however, branding alone cannot be credited with an initiatives success. At best, branding can only initiate new developments or support other attempts, and at worst, branding may distract from these other efforts. It is difficult to control places’ product and umbrella brands (Govers 2011). Therefore, place marketing plays a dual role. On one hand, it reshapes places and their images in order to attract capital. On the other, it acts as internal tool to influence local populations to achieve benefits.

Branding is typically successful in situations where the place product was already improving, but its external image was lagging (e.g. due to being built on outdated elements). Marketing as a whole rarely operates in isolation, and marketing policies typically represent only one—and often not the most important—element of many (Ashworth 2008).

The use of place marketing to attract capital is not a new phenomenon (Bailey 1989, Ward 1998, Barke 1999, Kavaratzis 2004, Niedomysl et al. 2012). It is rooted in the increasing competition among places for capital and talent. Although there is quite a large body of literature on this topic, most academic studies are relatively recent (Lucarelli et al. 2011). In fact, a total of 32 relevant papers were published in 2009: equivalent to the number of papers published in all of the 1990s. However, many researchers are reluctant to advance generalisations on their empirical work, and requisite theories and models are usually borrowed from marketing research. Thus, there is a need for the scientific study of place marketing to be more accurate (Niedomysl et al. 2012).

Despite the growth and relatively wide scope of literature on place marketing, the place marketing field is far from well-established or respected in academia (van Ham 2008). When making a decision on where to locate, MNCs rely on information that is far from perfect, and their decision-making processes can be subjective and biased (UNCTAD 1999). Hence, how the place marketing mix can lead to a dynamic brand and the successful attraction of FDI remains somewhat unclear.

A place brand increasingly refers to the total offering mix of assets and values. Place branding links a place’s assets and values with the behaviours and intentions of potential investors. This linkage is established via the place brand equity process. (Metaxas 2010) This process involves three basic relations (Jacobsen 2009, Metaxas 2010): the decision-making processes of the place investor, the nature of the place brand and strategic and operational place brand management.

Place marketing, including place branding, can be an effective tool in attracting FDI in areas where the procedure developmental frame has been predetermined and
the vision and goals have been set (Metaxas 2010). Investment promotion refers to the set of activities that disseminate information for prospective investors. It also creates an image of an investment site and provides softlanding services for prospective investors (Wells & Wint 2000). The purpose of these activities is to reduce the transaction costs facing foreign investors by providing information on the host country, helping foreign investors deal with bureaucratic procedures, and offering fiscal and other incentives. Granting incentives to foreign investors, screening potential investment projects and negotiating with foreign investors are typically excluded from investment promotion, though some IPAs may engage in such activities.

The definition above encapsulates the two most important analytical justifications for IPAs. The first of these is role in communicating and disseminating information. Since this role can be considered a public good, it is possible that private sector behaviours lead to sub-optimal situations. In fact, local companies may voluntarily restrict information flows to prevent the entry of new potential competitors. When a region has managed to create a favourable infrastructure for its desired target markets and achieved a satisfactory level of hard attraction factors, it must then engage in place marketing to ensure that the desired identity is understood by the selected target markets and achieve a favourable image of the place (Asplund 1993, Hall 2000).

The second justification is that IPAs can play a coordinating role in policy advocacy during the introductory image-building stage by working to improve the business environment in the host region. As Morisset (2003) noted, “This role can range from providing assistance to potential and existing investors in their daily problems, to lobbying for key policy and legal reforms” (p. 3). Policy advocacy activities containing information on, for example, investor perceptions are effective for improving the investment climate, which, in turn, can lead to higher FDI flows (Wells & Wint 2001).

Investment promotion is divided into four main areas (Figure 6): support and preparation, lead generation, company targeting, facilitation and monitoring and evaluation (Wells & Wint 2000). Accordingly, it is also divided into four different stages: preparatory, pre-investment, investment and post-investment (Figure 6). Investment promotion can affect the choice of a foreign investment site at all stages of the decision-making process. Investment promotion activities encompass a wide variety of activities, including advertising, investment seminars, missions, participation in trade shows and exhibitions, distribution of literature, one-to-one direct marketing efforts, facilitations of visits of prospective investors, the
matching of prospective investors with local partners, help with obtaining permits and approvals, preparations for project proposals, feasibility studies and the servicing of investors whose projects have already become operational. Investment generation involves identifying potential investors who may be interested in establishing a presence in the country, developing strategies to contact them and starting dialogues with the purpose of encouraging them commit to investment projects. Investor servicing involves assisting committed investors in analysing business opportunities, obtaining permits and approvals for establishing businesses in the host country and maintaining business operations. Policy advocacy encompasses initiatives designed to improve the quality of the investment climate and identifying the views of the private investment sector.

An investor’s site selection process usually begins with developing a long list of potential locations. This list typically includes 8 to 20 economies and often contains the most popular FDI destinations, emerging FDI destinations and countries located in proximity to the investor’s existing operations. IPAs can increase countries’ chances of inclusion in the long list by means of advertising, presentations at trade shows or pro-active contacting of potential investors. When the long list is narrowed down to approximately five potential locations, IPAs again play an important role. Agencies that provide detailed, accurate and up-to-date data on their web sites and that are willing to invest time preparing detailed answers to investors’ inquiries and to customise these answers to the needs of individual investors can increase their countries’ chances of being included in the short list. Finally, during the next step—an investor’s visit to the host country—IPAs have the opportunity to answer questions, show off potential investment sites, emphasise the advantages of locating to their country and facilitate contacts with the local business community and the facilitating actors.

There is a positive and statistically significant relationship between investment promotion quality and FDI inflows. Thus, the quality of investment promotion matters for FDI inflows. Efforts to improve investment promotion quality pay off when priority sectors receive more FDI than non-priority sectors. However, the efficient promotion of R&D-intensive FDI requires close coordination between innovation policy and inward investment promotion: two policy areas that have traditionally operated in relative isolation. In addition, inward promotion agencies targeting R&D-intensive FDI should place more emphasis on aftercare services, since R&D-intensive FDI tends to be evolutionary (Guimon 2009, 1). Places that have built strong and dynamic brands have an easier task of attracting firms within knowledge industries and achieving increased investment flows. Brand value
incorporates perceptions of quality and values, as well as brand associations and feelings. Place branding should inform place marketing and function as a strategic compass. One must consider how investment policies, exports and tourism can contribute to a strong brand.

In branding and promoting a positive investment environment, the role of communication is crucial. Investment promotion is most effective (Wells & Wint 2000) when it leads to product differentiation. Integrated communications encourage effective communication, thereby creating a paradox for contemporary communication management. Integration seems to be the most logical and sensible way of managing communications in a complex world of multiple and critical audiences. (Christensen, Firt & Cornelissen 2009) Public funding of investment promotion activities has been justified by recent empirical evidence suggesting that FDI leads to positive productivity spillovers to local firms in supplying industries.

Image-building investment promotion activities aim to build a perception of a country as an attractive location for FDI. Some places do not attract much investment or the right kind of talent because their brands are not as strong or as positive as they should be, while other places still benefit from positive brands built in the past that, today, they do little to deserve (Anholt 2006). Various studies (Florida 2002, Kotler & Gertner 2002) have shown that places that have built strong and dynamic brands can more easily attract knowledge industries.

4.8 Summary—Place marketing connected to FDI

To summarise the prior literature regarding the role of place marketing in inward investment in the new ICT era discussed in the previous subchapters, Figure 6 proposes a theoretical model to describe the roles of place marketing and place branding in the inward investment context.

There are several reasons places manage their branding. Place value and image promotion are key tools in place marketing. The objective of place marketing is not the place, but its image. Place marketing can serve as a starting point for place branding, as it defines the content of a whole place package or parts of it through image association. Thus, place branding is a natural evolution from place marketing.

Place branding comprises both strategic and tactical marketing activities and management procedures. In fact, place branding can be considered an instrument for place marketing management, as place marketing management depends on how places are perceived. Successful place brand management, therefore, requires vision, commitment, leadership and relationships.
Brand management involves the execution of an evolutionary branding process in which stakeholder commitment is crucial. The objective of the branding process is to increase brand equity by improving brand value and brand awareness. Brand elements are defined in the branding process, and the final outcome of the process is the brand experience, not the brand image.

The proposed model illustrates the four phases of the inward investment process (Figure 6). These are the preparatory, pre-investment, investment and post-investment phases.
Fig. 6. Theoretical model for place marketing in FDI.

The IPA process begins with the support and preparation phase, which contains activities considered important from a strategic, management and organisational perspective. This stage focuses on preparatory and fundamental activities that enable the process to continue. The second phase—the lead generation phase—is a proactive phase during which an IPA reaches out to investors and builds an image for a place. The dialogue with investors begins with a focus on both marketing and networking and policy advocacy. The company targeting phase concentrates on
relationship building and personal selling. Finally, the facilitation phase, which involves targeting investors to encourage them to invest more, is important from an aftercare perspective. The IPA manages the place marketing and place branding processes.

The context for the present research is the changing ICT era. Understanding this ecosystem, including its ongoing changes, requirements, future opportunities and competition, is a prerequisite for making the right choices in the branding process.
5 Research design

This chapter discusses the research philosophy, the methodological choices and the qualitative case study approach of this study, including the data collection and analysis. The research has two kinds of objectives: theoretical and empirical. The theoretical objective for this dissertation is to understand how place marketing affects FDI, what draws the attention of FDI enterprises to a place and how place marketing is performed in FDI attraction. Empirically, this research observes how place marketing at different stages of the investment decision-making process has influenced a company that has invested in the Oulu region. Relevant empirical material is introduced to help answer these questions.

5.1 Research approach

The starting point for this dissertation is to review the existing theoretical literature. A systematic review of the literature yields the best understanding of it and is accordingly based on the topic and theme of each piece. The empirical phenomena raise new aspects which are then discussed separately. This research uses an explorative logic, which is fundamental as it provides an overall view on the research topic. The data is handled with an inductive approach, and the investment decisions are interpreted in terms of the concepts of place marketing and place branding.

There is a large body of literature identifying why firms engage in international investment, the economic and political determinants of investment location and the impact of FDI on economic development. However, there is significantly less research examining the role of investment promotion in attracting FDI (Loewendahl 2001). Furthermore, most of the research on the inward investment management process is confidential because it is commissioned. The research literature on inward investment promotion is both incomplete and complex (Christodoulou 1996) and focuses primarily on two matters: the importance of inward promotion agencies and the inward investment process. Thus, IPAs and facilitating actors play an important role in securing investments and safeguarding them through effective aftercare service. The present research is explorative with a theory-based pre-understanding. A more flexible structure permits changes to the research emphasis as the research progresses, as well as the understanding that the research is part of the process. There is also less concern about generalising the research findings.
Qualitative data were collected through interviews, as qualitative researchers believe that they can get closer to the actors’ perspective through detailed interviews and observation. The interaction between the researcher and a single observation is essential in qualitative research (Koskinen et al. 2005). All phenomena are examined by people involved in those phenomemon and are considered from their point of view of imbued meanings (Koskinen et al. 2005, 31).

The ontological approach of my research is subjective. In ontology, one must decide whether he or she considers the world to be external to social actors or believes that the perceptions and actions of social actors create social phenomena. Ontology aims to answer the question of what the world contains. As a researcher, one must understand the subjective beliefs and attitudes that motivate respondents to act in a particular way. When analysing management perceptions towards business networks, typical in FDI context, one is likely to record a wide range of feedback based on each person’s own expertise and perceptions. (Wilson 2010)

Ontology concerns ideas about the existence of and relationships among people, society and the world in general. Ontological assumptions embrace all theories and methodological positions. Ontology is based on perceptions and experiences that may be different for each person and that change over time and according to context (Ericsson et al. 2008). Ontological assumptions about whether particular phenomena exist or are merely illusion can lead to arguments among people who maintain different perspectives. This can lead to the development of separate and sometimes conflicting research communities (Hatch et al. 2006).

Subjectivists stand at one end of the reality continuum in their belief that something exists only when you experience it and give it meaning. Objectivists, on the other hand, believe that reality exists independently of those who live in it. From the subjectivist viewpoint, people create and experience realities in different ways because individuals and groups have their own assumptions, beliefs and perceptions. At the other end of the spectrum, people who follow the objectivist line of though react to what is happening around them in predictable ways because they consider their behaviours to be part of the material world in which they live and reactions to determined causes. In ontology, therefore, one must decide whether one considers the world to be external to social actors or believes that the perceptions and actions of social actors create social phenomena (Wilson 2010). In real life, it is also possible to combine subjectivism and objectivism (Hatch et al. 2006).

The qualitative research process comprises various activities. First in this research, the researcher approaches the world with certain ideas. She uses a
framework (theory or ontology) that specifies a set of questions (epistemology). These questions are then examined in a chosen manner (methodology analysis) (Denzin & Lincoln 2000, 18). The research approach is inductive; as a starting point, the pre-understanding was created with the help of theoretical literature emphasising a close understanding of the research context.

In light of the nature of the research, a semi-structured interview design was adopted (Miles & Huberman 1994). This interview approach allows the interviewee to respond freely within his or her own frame of reference. Interviewees were encouraged to say as much as they could when they answered each question. They were then allowed to proceed without interruption from the interviewer, expect for the purposes of clarification, probing and asking new questions. The interviewer was careful not to lead the conversation, but to encourage the participants to discuss freely and reflect their own understanding and interpretation of place marketing and place branding in the relocation process. The topic guide used to steer the interview included the following discussion areas: the case investment experience, re-location process, cooperation network, investment lifecycle and the impact of place marketing and place branding on the investment. The analysis presented in this dissertation focuses on questions related to place marketing and place branding during the pre-/during/post-FDI process phases.

Each interview lasted approximately one hour and was tape-recorded and later transcribed by the researcher. Subsequently, a thematic analysis was conducted to understand each interviewee’s comments on each topic.

The thematic analysis included three types of reports besides the interviews. The research report material was collected from three sources: research papers and subject relevant books, research studies carried out by international organisations (i.e. the WAIPA, the UNCTAD, the OECD and the World Bank Group), and research studies conducted by specialised consultancy organisations (e.g. FDI Intelligence, Boston Consulting Group and Nordic Place Academy).

As stated above, inward investment projects and the documents discussing them tend to be confidential. Since the researcher did not have access to case-specific due diligence materials, the interview materials and the other collected information do not contain any due diligence materials.

5.2 Case study approach

The changing development of the ICT era in Oulu has been important and interesting in many ways. The reason for selecting Oulu as a place of study is that
Oulu represents the new ICT era and received a substantial amount of new ICT FDI following the economic downturn in the ICT industry. Oulu is a relatively typical Nordic place with a strong research community and a vivid business life. It is a forerunner in technology, and it was able to attract numerous new FDI investments from 2014 to 2016.

The research applies a multiple case study approach to gather and analyse qualitative data in order to create an understanding of the phenomenon under investigation. A multiple case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and the context, such as FDI and place marketing, are not clearly evident and when multiple sources of data are used (Yin 2003, 13). Multiple case studies can help the researcher investigate a phenomenon in depth and provide a rich description and understanding of a particular situation (Walsham 1995). A case study method is suitable for a small number of social entities or situations about which data are collected from multiple sources. They are also useful for developing a holistic description through an iterative research process (Easton 2010, 119). A multiple case study provides a means of developing a theory by utilising in-depth perceptions of empirical phenomena and their contexts (Dubois & Gadde 2002).

The advantage of using a case study in this research is the inherent flexibility of the method. Case study research excels at supporting the development of an understanding of a complex issue or object and can help extend experience or add strength to what is already known through previous research. It allows the exploration of individuals or organisations; simple or complex interventions; and relationships, communities or programmes (Yin 2003). A case study design includes the analytical elements necessary for data mapping, which is essential for moving from theoretical to empirical analysis as it bridges theory, empirical data and analysis by linking together empirical elements and the theoretical aspects of the analysis framework. The case study examined in this research involves multi-layered business networks and includes events that impact evolving relationships and alliances (Koza & Lewin 1998).

This research uses a multiple case study approach. The objective was to develop a good selection of cases with different backgrounds from not only the technology and business angles, but also the domicile, investment target and experience perspectives. Together, the nine cases represent different profiles, and each case has its own features and starting points.
The case study process began in 2011 with the definition of the research question. The selection of the specific cases came later, at the end of 2015. As is common in case studies, the research question evolved during the research process (Eisenhardt 1989). Specifically, the research question evolved from a broader context to a more precise description: *How does place marketing manifest within the FDI process?* FDI companies that had entered the Oulu area and experienced the inward investment process offer a suitable case study for seeking answers to this research question.

### 5.3 Data collection

Procedures are designed to develop a well-integrated set of concepts that can explain the phenomenon under study through data collected from various sources. The data collection procedures used in this research include interviews and observations, as well as the collection of secondary data.

This research applied a thematic semi-structured and multiple case study approach. The interview-based research strategy was chosen because, although the literature on inward investment is vast, it is uneven in coverage (Christodoulou 1996), and there is little research examining the role of investment promotion in attracting FDI (Loewendahl 2001). Additionally, interview-based research is well-suited for exploratory and theory-building studies, particularly when the population of possible respondents is small (Daniels & Cannice 2004). Case studies can help the researcher investigate a phenomenon in depth and provide a rich description and understanding of a particular situation (Walsham 1995).

The data collection began with a review of the literature related to FDI and place marketing. This led to an identification of the working concepts for which the case evidence was collected. The literature reviews also helped the researchers become familiarised with the related literature, which helped govern how the researcher led the interview discussions with the respondents (Eisenhardt 1989, Yin 2003, Daniels & Cannice 2004).

Preliminary discussions with two national inward investment representatives provided interesting background material that helped the researcher adjust the research focus and design the interview questions.

This dissertation is based on 21 interviews with nine different case company representatives, regional IPA representatives and network stakeholders (Figure 7). All representatives had responsibility for or were engaged in new investment target relocation in the Oulu region. The interviews sought to understand the extent to
which place marketing activities influenced the case companies’ investment decisions and what types of place marketing techniques were influential and led to investment decisions. Moreover, participants discussed the investment process as a whole and the reasons to consider Oulu as a place to invest. The participants included practitioners with a range of backgrounds, including chief executives, marketing directors and managers and technology managers. They represented organisations in charge of investment and location decisions. In the case of Software and Platform, there was no IPA or facilitator involved and therefore no interviews reported (Figure 7).
The criteria for the selection of each case was the case company’s connection to the regional IPA during its investment location process. The role played by this service provider facilitated a more detailed examination of the place marketing communication feature of the FDI process. The second criterion was the novelty of the investment cases. The investments were made in 2011 or later. Interviewees were approached by inquiring whether case companies were interested in participating in an interview and asking for the names and contact details of the individuals responsible for location issues and/or whom the respondents considered to be the most knowledgeable persons concerning the company’s location to Oulu. On ascertaining these details, the identified informants were (re-)contacted to ask if they were willing to participate and propose a schedule for the interview at the interviewees’ place of work. During this contact phase, the informants were asked to identify other persons whom they considered relevant informants. Any new key informants were approached using the same recruitment process. The interviews were executed during 2016 and 2017. A community facilitator represents the authority for national investment promotion with regional focus. A facilitating actor in research is a university professional. A facilitating actor in business has a
national business promotion and lobbying role, whereas a facilitating actor in funding is a representative of a national research and development funding organisation.

Table 2 presents details of the interviewees and their experiences in relocating to Oulu. The date and time of the interview as well as the form (face-to-face meeting or phone call) are also indicated.

Table 2. Case overview.

<table>
<thead>
<tr>
<th>Company</th>
<th>Title</th>
<th>Date</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>CEO</td>
<td>19.5.2016 face-to-face meeting</td>
<td>58:17</td>
</tr>
<tr>
<td></td>
<td>CTO</td>
<td>13.6.2016 phone call</td>
<td>39:51</td>
</tr>
<tr>
<td>Hardware</td>
<td>Site manager</td>
<td>20.5.2016 face-to-face meeting</td>
<td>1:19:36</td>
</tr>
<tr>
<td></td>
<td>CEO</td>
<td>17.6.2016 phone call</td>
<td>39:54</td>
</tr>
<tr>
<td></td>
<td>IPA manager III</td>
<td>20.6.2016 phone call</td>
<td>17:47</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.11.2016 face-to-face meeting</td>
<td>30:03</td>
</tr>
<tr>
<td>Broadband</td>
<td>Partner network director and innovation and portfolio director</td>
<td>24.5.2016 face-to-face meeting and phone call</td>
<td>1:02:40</td>
</tr>
<tr>
<td></td>
<td>IPA manager I</td>
<td>1.7.2016 face-to-face meeting</td>
<td>40:46</td>
</tr>
<tr>
<td>Platform</td>
<td>Operations manager</td>
<td>25.5.2016 phone call</td>
<td>26:51</td>
</tr>
<tr>
<td>Mobile</td>
<td>Managing director, Finland</td>
<td>25.5.2016 face-to-face meeting</td>
<td>53:02</td>
</tr>
<tr>
<td></td>
<td>Community facilitator II</td>
<td>15.6.2016 face-to-face meeting</td>
<td>28:23</td>
</tr>
<tr>
<td>Digital</td>
<td>Division director</td>
<td>27.5.2016 face-to-face meeting</td>
<td>1:02:12</td>
</tr>
<tr>
<td>Wireless</td>
<td>Community facilitator I</td>
<td>21.6.2016 phone call</td>
<td>32:50</td>
</tr>
<tr>
<td></td>
<td>CFO</td>
<td>10.6.2016 face-to-face meeting</td>
<td>1:10:55</td>
</tr>
<tr>
<td></td>
<td>Site manager</td>
<td>20.6.2016 face-to-face meeting</td>
<td>43:49</td>
</tr>
<tr>
<td></td>
<td>Community facilitator II</td>
<td>15.6.2016 face-to-face meeting</td>
<td>48:08</td>
</tr>
<tr>
<td>Consultant</td>
<td>CEO and CEO of the group</td>
<td>19.8.2016 face-to-face meeting</td>
<td>1:10:39</td>
</tr>
<tr>
<td></td>
<td>IPA manager II</td>
<td>21.11.2016 face-to-face meeting</td>
<td>26:24</td>
</tr>
</tbody>
</table>
The empirical data were collected from May 2016 to April 2017 as the need and opportunity for additional case studies grew during the data collection period. The determination and definition of research questions took place in March 2016. The cases and analysis techniques were selected from January to March of the same year. This process also included the determination of data gathering methods used in the study. This was followed in February and March by preparations to collect the data, such as contacting the interviewees, setting dates for the interviews and doing background research on the cases. The evaluation and analysis of the data took place from September 2016 to May 2017. Finally, the study was finalised from June to December of 2017.

5.4 Data analysis

Raw data provides many possible interpretations of the linkages between research objects and outcomes with reference to the research questions. Throughout the evaluation and analysis process, a researcher must remain open to new opportunities and insights. The case study approach, with its use of multiple data collection methods and analysis techniques, provides opportunities to interpret data in order to strengthen the research findings and conclusions.

The tactics used during data analysis force the researcher to move beyond initial impressions in order to improve the likelihood of accurate and reliable findings. Exemplary case studies will deliberately sort the data in many different ways to expose or create new insights and will deliberately look for conflicting data to disconfirm the analysis. The categorisation and combination of data should address the initial propositions or purposes of the study. Furthermore, all facts should be cross-checked.
Researchers use collected quantitative data to support qualitative data, which is most useful for understanding the rationales or theories underlying various relationships. The first step in making sense of the data is to develop codes. Codes are labels that assign symbolic meaning to the descriptive inferential information compiled during a study (Miles et al. 2014, 71). The a priori strategy for determining codes relies on a theoretical logic developed and based on the literature, theory and exploratory field interviews. During the coding process, Nvivo software was used to facilitate the analysis of the raw data. This is a particular type of software package which assists researchers in making sense of qualitative data (Bernauer at al. 2013). With the help of Nvivo, the data were visualised using the codes. Once coding for all interview materials was done, the codes were combined into categories using the query function, which enabled the identification of all node specific data. The Nvivo programme helped to sort the data according to the place brand identity, positioning and image from the elements, management and assessment perspective and to trace who had said what in relation to the various codes. The coding was repeated two times to ensure exact coding results. In the empirical analysis section, the themes are presented so as to describe the key elements of place branding in place marketing.

A top-down approach was used in the data analysis. This means that the analysed concepts came from the theoretical literature and the analysis was sorted by place brand identity, place brand positioning and place brand image (Appendix 1) and by each topic, discussing elements, management and assessment. Since qualitative research is designed to test theories, the top-down approach is a justifiable choice. This approach was organised into the a priori model (Meyers 2013). The empirical analysis was conducted thematically based on a pre-model and not on the theoretical model. The reason for this was the desire to structure and interpret the relatively large amount of material comprising different stakeholders and several case examples.

5.5 Evaluation of the study

The validity of the research must be taken into consideration from the beginning of the research process. The research problem and questions must be modified according to the empirical data. In turn, the empirical research data are collected to respond to the precise research questions and to support a more detailed understanding of the research problem.
Throughout the design phase, researchers ensure that the study is well constructed to ensure construct validity, internal validity, external validity and reliability (Yin 2003). Construct validity requires the researcher to use the correct measures for the concepts being studied and to use the designated data-gathering tools systematically and properly when collecting evidence. Internal validity demonstrates that certain conditions lead to other conditions. It requires the use of multiple pieces of evidence from multiple sources in order to uncover convergent lines of inquiry. It also implies to a careful choice of research literature and makes it possible to find a coherent language.

The case study method is used in this research to understand the impact of place marketing in FDI and to show the investor side of things. The role of the cases in this research is to provide examples of occurring phenomena in specific contexts and to serve as a reflection point for discussion and theory development (Miles et al. 1994). The case studies involve multi-layered business networks and include events that impact evolving relationships and alliances (Koza & Lewin 1998). Case studies can help the researcher investigate a phenomenon in depth and provide a rich description and understanding of a particular situation (Walsham 1995). A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident (Yin 2003, 13). Additionally, case studies are suitable for collecting data on a small number of social entities or situations using multiple data sources in order to develop a holistic description through an iterative research process (Easton 2010, 119).

Case studies have been criticised for not using pragmatism as a justification for the validity of interpretation (Easton 2010). Another common weakness of case-based research is their lack of selectivity (Dubois & Gadde 2014, 1282). Case studies emphasize detailed contextual analyses of a limited number of events or conditions and their relationships (Gummesson 2000, Yin 2003). Critics of the case study method believe that studies of small numbers of cases offer no grounds for establishing the reliability or generality of findings. Others feel that intense exposure to the study of a case introduces bias in the findings. Researchers have used the case study research method for many years across a variety of disciplines. Some dismiss case study research as being useful only as an exploratory tool. Yet, researchers continue to use the case study research method with success in carefully planned and crafted studies of real-life situations, issues and problems.

Credibility, dependability, transferability and confirmability are tests that are applied to evaluate the trustworthiness of qualitative work (Guba 1981). Credibility
tests check whether the data collection and analysis have been carried out in a proper way. In this research, the case sampling involved real-time cases and was done according to context. The case companies consisted of a variety of different FDI companies with different backgrounds. All case studies represented FDIs in the new ICT era. They differed in both size and home country background.

This study collected data from primary interviews, of which there were 21, and from the Internet as a secondary source of information. The coding tool Nvivo was used to visualise the data using various codes and to understand the causality among the different themes. The interviews focused on understanding the extent to which place marketing activities influenced the case companies’ investment decisions and learning, which place marketing techniques were influential and led to positive investment decisions. In a majority of the cases, the case investor was the first source of information, the IPA managers were the second and the facilitating actors were the third.

The credibility of the researcher is rooted in her personal network and professional career in place marketing and inward investments, as well as in documented evidence. This experience has provided a foundation of knowledge of the topic as well as helped in interpretation of the data. The research began with a literature review of the fields of FDI and place marketing. This broad literature review guided an identification of several working concepts for collecting evidence from the cases. The literature review helped the researcher become familiarised with the related literature and governed the interview discussions with the respondents (Eisenhardt 1989, Yin 2003, Daniels & Cannice 2004).

Dependability refers to the stability of the inquiry processes used over time. The interaction between a researcher and a single observation is essential in qualitative research (Koskinen et al. 2005). The more consistent the researcher has been in the research process, the more dependable the results will be. All aspects of this study, including the data collection, the interpretation of the findings and the reporting of the results, have been carefully designed. Thematic semi-constructed interviews were conducted with individuals from FDI companies that had invested in the Oulu region. All interviewed individuals were either directly or indirectly involved in the investment case. All interviews were tape recorded, transcribed and stored on the researcher’s computer. All the phenomena were examined from the points of view of people involved in the phenomena (Koskinen et al. 2005, 31). There was sufficient preliminary data to draw conceptual distinctions or posit an explanatory relationship. Moreover, the interviews gave the researcher access to the data and gave the informants a framework for their stories.
Transferability refers to the process of applying the results of research in one situation to other similar situations. Transferability seeks to build theory from empirical data (Yin 2003). Detailed descriptions of the process of applying the results is one way to ensure the transferability of the research.

Confirmability verify that the findings have been shaped more by the interviewees than by the qualitative researcher. Detailed descriptions of the research design and methods help to secure research confirmability.

The approach was conducted systematically, however, not chronically. The approach could have been conducted differently, for example chronically, based on the pre-model’s structure and with a different analysis structure. Due to the approach, the analysis may appear somewhat schematic; however, this is not due to repetition of themes but to many stakeholder views on place marketing and place branding in the FDI process.

The research proceeds as follows. Whereas Chapter 5 has described the research and the case study design, Chapter 6 presents the empirical data and selected quotes from the interviewees. The quality of the study was improved through the pre-examination process and presentation of the study in the department’s internal seminar. The conceptual model was developed based on the theoretical model developed in Chapter 4 and the empirical model presented in Chapter 6.
6 Empirical analysis

*My god, the whole of Oulu is like a big university.*

Consultant’s customer

This chapter presents the results of the empirical analyses. It begins with an introduction to each researched and interviewed FDI case. It then discusses how the different informants perceived place marketing from the brand identity, brand positioning and brand image perspectives. The analysis has been done using a thematic logic where place branding is in the centre of marketing (Rainisto 2003). The analysis is based on a pre-model and not on the theoretical model. The reason for this is the desire to structure and interpret the relatively large amount of material containing different stakeholders and several case examples. The approach is conducted systematically and not chronically.

The analysis is somewhat schematic; however, this is not due to repetition but due to multiple stakeholder views on place marketing and place branding in FDI process. Themes emerging from the data are discussed at the end of each subchapter. Both the negative and positive aspects of each case are analysed. The chapter concludes with a summary of the empirical analyses.

6.1 Introduction of the cases

This subchapter introduces the background of each FDI investment case as described by the informants. The cases are introduced in a general way using code names for identification. Table 3 presents an overview of the investors interviewed for this research. The information on the investors includes business category, company size, company origin and reasons to invest. All interviewed companies used greenfield as their entry mode.

<table>
<thead>
<tr>
<th>Case number</th>
<th>Code name</th>
<th>Business category</th>
<th>Size</th>
<th>Origin</th>
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<td>Case 1</td>
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**Case 1 (Software)** is a start-up and growth company that began its operations in Oulu in 2015. The company has developed a software application for the global consumer market. The company is headquartered in the US and employs a total of 16 persons, of whom 10 work in product development. The product development operations and Android, iOS and back end development take place in Oulu. *Software* could have invested in Tampere or Helsinki; however, it chose Oulu due to existing network relations and because Oulu-based talent has a good reputation.

Oulu’s technical knowhow and competitive salaries make it an important place for *Software*, and the company would like to keep its core product development operations in Oulu. The company is eager to grow; however, its biggest challenge is securing access to talent for future product development.

The interviewed entrepreneur has experience in new venture development, the venture capital market and business angel networks. However, *Software* did not have as much experience or activity in regional softlanding services and did not know which softlanding services were available from IPAs. The facilitating actor in funding was the company’s major contact point when setting up business in Oulu. Thus, the company was confident that an IPA could help them network regionally during the next phase of business operations.

**Case 2 (Hardware)** focuses on disruptive technologies addressing several problems. The company is developing a new and innovative product with a low production cost and a very broad outreach to different disciplines. The product is
targeted to be launched in 2017. The product consists of hardware and software that enable customers to use their work devices in a fashion similar to mobile applications.

Hardware’s challenge was to reach the best skillsets for specific hardware, programming and application development. Oulu is the right place for this because it offers extremely strong software and electrical skillsets due to the region’s Nokia and Microsoft legacy. Therefore, Hardware decided to concentrate its software development in Oulu. Hardware believes that having the right resources, and not only finances, is the most important factor when choosing a new investment location.

Hardware’s Oulu investment was initiated in the spring 2015. The objective was to gain access to the best resources for the technical development of a new product. Hardware received assistance from the IPA manager in searching for new talent and sourcing the financial instruments necessary to set up the operation. It also engaged with the facilitating actor in funding in order to gain access to research funds. The more support was given, the more company could invest and the more people it hired. Hardware began to position itself and strengthen its presence in Oulu. Though Hardware’s management did not have previous experience setting up shop abroad, they did have experience with the venture capital investment market in the US.

Case 3 (Broadband) is a multinational stock exchange company that followed both a product-based and a competence-based approach in its investment in Oulu. Broadband saw an opportunity to develop a next generation product using an ecosystem-based model. A product concept was prepared jointly with private sector parties and the IPA. Prior to the investment decision, the company engaged in several investigations to identify places where the needed talent pool could be found. Eventually, Broadband chose Oulu because of Oulu’s knowhow in wireless development and Oulu’s brand as one of the two best radio technology developers in the world. This existing knowhow and expertise, as well as the impact and commitment of the companies in the ecosystem, were the key factors that led Broadband to proceed with its investment project in Oulu.

Facilitated by the IPA, a group of Oulu-based companies prepared a sales proposal for Broadband’s main office. This proposal was ultimately successful. This approach was completely unique for the company and differed significantly from the approach followed in its previous investment projects. Broadband sought to expand its wireless development unit to meet the revolutionary growth in wireless network capabilities that the company expects from IoT.
The new site establishment was announced in early 2012, approximately six months after the decision to invest was made. Today, Broadband has broad cooperation network in Oulu. The IPA played an important role in the preparation phase of the investment; however, the role and active engagement of the ecosystem of company networks was crucial. The IPA focused more on building the ecosystem and identifying the new business areas. In other words, the IPA played an aggregating role. The facilitating actors in research were approached in order to develop new opportunities in both business and education.

**Case 4 (Platform)** was a venture capital-funded company that was established in Oulu at the end of 2014. The company developed and industrialised a consumer electronics product and sought to brand the product internationally. The platform had a European background and European investors. The business operation grew quickly in 2015; however, a lack of funds resulted in bankruptcy in early 2016. The company did not have any other sites in Finland or elsewhere.

Platform invested in Oulu because it sought easy access to developers with Nokia background. When Nokia closed down its Oulu operations in 2015, it left behind a large talent pool willing to work for reasonable salaries. However, it was important to proceed with investment right away, as, only a year later, it had become much more challenging to find talent. Thus, without Nokia, Oulu offered no investment value for this case.

The reason for Platform’s bankruptcy was a disagreement among the investors, as new investors were joining the company with more competitive deals. The company was running late on projects due to delayed funding, and the financial situation could not be resolved. The company did not have a chief executive officer (CEO); it only had a site manager with no board position who also participated in the investment. Platform’s investors had a background in industrial investment and had previously invested in approximately ten other start-ups. Platform did not use any of the IPA’s softlanding services because it saw no value in them and had been encouraged by a third party not to use them. Furthermore, place marketing had no impact on the company’s investment decision. Instead, Platform approached the facilitation actor in research to allocate funds to its operations. It also worked actively to build a service company network that included engineering and design services. Platform had access to all necessary subcontracting services (e.g. test facilities) through its own local personal networks.

**Case 5 (Mobile)** is a multinational company that invested in Oulu in order to gain expertise in technology development. Its second objective was to reinforce its European customer interface. The primary motivation for Mobile’s investment was
access to the right talent; without this, the investment would not have taken place. Therefore, although the company was also screening other locations in Europe, it ultimately chose Oulu due to the sudden release of talent following Nokia’s demise.

Mobile’s main customers are global mobile phone manufacturers. Mobile does not have a specific site manager in Oulu, indicating that Mobile is less visible and an active networker. The Oulu site focuses on assignments given by the main office and is unlikely to respond to initiatives prompted by the ecosystem.

The IPA provided Mobile information and materials on the local resource pool and general cost levels when required. This access to economic figures and information was crucial in Mobile’s investment decision. The initial project was run by someone with an Oulu background and practical expertise in the process related to setting up a company. Additionally, this individual was connected to several key individuals and was contacted directly by persons looking for new career opportunities.

The investment decision was made at the end of the summer of 2014, and in September, a small team of possible team leaders visited the headquarters and made the final decision concerning where to establish the Oulu site. The Finnish limited company was established at the end of 2014, and most of the personnel were hired by the beginning of 2015. The establishment process was fairly smooth and took only a few months, despite bureaucracy.

Local networks and partners were not a high priority for this case due to the ongoing scope of Mobile’s business activity. Mobile did screen some potential cooperation projects with the facilitating actor in research; however, as of the writing of this paper, no match had been found. It is likely that the importance of these factors will grow as the company begins to exploit regional expertise in start-ups.

Case 6 (Digital) is a multinational stock exchange company that works not only with mobile applications and integration, but also with the entire value chain. The company engages in development from the web down to all integration layers and main frames using available digital tools.

In 2014, the CEO of the group company published the annual results, which showed that current investments did not correspond with the fact that 60% of the company’s touch points were digital. A team was appointed and funded to investigate the matter. The team took a clinical approach, analysing where to grow and where to locate Digital’s software development activity. However, the team also had other business plans in mind for the company’s next steps. Specifically, the team members looked at London and Helsinki as two alternative relocation
places. They chose Oulu mainly due to its proximity to hardworking and ambitious talent, its salary costs and its IT infrastructure (including its Internet connection). The fact that Oulu was ranked the 7th most innovative place in the world in 2013 by the Innovation Community Forum had a great impact on the planning phase.

*Digital* now has a proper site with proper office facilities. The company’s ambition was to create a digital hub in Oulu where traditional management would be replaced with R&D management and traditional marketing would be replaced with integrated digital marketing. The core of the operation was customer interface development. Despite having established development centres, *Digital* lacked previous experience with this scale or scope of operations or with own employees. By the time *Digital* talked with the IPA for the first time, the investment decision had already been made. The role of the IPA was to provide regional data for the company management to use following the investment decision. *Digital* was given the opportunity to present its case and extend its network during different events organised by the IPA. *Digital* was also interested in accessing funds from the facilitating actor in funding; however, these discussions did not involve the IPA. The role of IPA was limited due to *Digital’s* security and confidentiality concerns.

**Case 7 (Wireless)** opened a wireless communication R&D centre in Oulu to complement its existing technological know-how. *Wireless* looked at Finland in 2014 when it saw the opportunity to gain access to cellular expertise following the global Broadcom lay-offs. The investment decision was made during a weekend and executed the week after. *Wireless* had executed some previous investments in both R&D and sales, but not on the same scale as it did in Oulu. *Wireless* quickly found a management group and team leaders in Oulu and assigned them to hire people, set up the team and start working on a very specific project as soon as possible. The company already had a project plan; it only needed the requisite skillset. This entry was similar to an acquisition because the company had clear targets and intellectual property. The staff were recruited during the fall of 2014, and most started to work for the company in the beginning of January 2015.

*Wireless* had very clear investment objective for Oulu. The company knew exactly what it wanted to do with its new team and what the team would be working on. The project was something the company had talked about for a long time and was finally able to execute. The wireless solutions developed in Oulu enable *Wireless* customers to build wireless connectivity into everything from mainstream consumer devices to the most advanced wireless devices.

Both the chief financial officer (CFO) and the chief technical officer (CTO) of *Wireless* worked on the investment project. The CFO played a more practical role,
making the business case, planning the project, getting the project plan approved by the board and evaluating opportunities. The main project leaders that Wireless hired were based in Oulu, which was one of the main reasons Wireless chose Oulu over other potential locations. Wireless also contacted the IPA very quickly to seek help in recruiting legal support to set up the company and find suitable office premises. Additionally, the IPA helped Wireless look at various financing alternatives. It also helped the company with its recruitment process. Finally, in the beginning, the IPA helped the team with various practical arrangements. However, the fast set-up of the management team allowed the IPA to step back. Once the management team was set up, the company took responsibility for networking directly with the facilitating actors in research and funding. The IPA invited Wireless to different networking events and provided its members opportunities to present their case.

Case 8 (Consultant) launched operations in Oulu in 2016. This company innovates and manages R&D projects in order to accelerate and scale-up its customers’ businesses. Consultant came to Oulu due to the area’s pool of talent with skills in digital technology and producing end-to-end products for the mass market.

Consultant’s Oulu operations are unique in the investor’s history. Despite its relatively long business track record, Consultant has never before used this kind of investment approach consisting of both R&D project management and internationalisation of start-ups. However, the company is looking forward to replicating this concept—or at least parts of it—in other sites around the world.

Consultant believes that Oulu’s offerings related to world-class high technology research and competencies are excellent and that the area offers expertise in multiple emerging technology areas, such as 5G, IoT, artificial intelligence (AI), printed intelligence and Big Data. Consultant is well networked and works closely with research institutions run by the Finnish government and Finnish innovation ecosystem organisations that bridge universities and start-ups.

Oulu’s is home to the world’s first 5G test network and several other test networks, providing a unique ecosystem for high-tech companies and Consultant’s customers. The labour costs are reasonable, and the employees are committed. There are established companies in involved in the IoT and 5G, as well as a very active start-up scene. Additionally, Oulu offers a unique environment for academic, private and public sector co-operation, thereby providing a great platform for Consultant. One of Consultant’s international customers expressed his enthusiasm by stating: “My god, the whole of Oulu is like a big university.”
The IPA played a major role in facilitating the investment process from the beginning and has maintained an intense level of cooperation ever since. The main objective has been to build Consultant’s network and facilitate new business creation with the help of facilitating actors in research and funding.

Case 9 (Component) is a multinational company specialised in chip design with three product categories. Its Oulu site focuses on mobile connectivity functions used in mobile phones, tablets, smart watches and sport computers, among other things. Another product category consists of home and entertainment electronics, and, in fact, Component is a market leader in smart televisions and Blue-ray, DVD and CD players. Their third product category involves connectivity in the areas of short-range radios, NFC, Bluetooth, GPS and Wifi in game consoles and watches. The company is also growing in the IoT field, specifically machine-to-machine communication. Component’s turnover in 2016 was 6.7 billion USD, and the company employs approximately 15,000 people worldwide. The Oulu site employs 130 people with several dozen subcontractors, and it is growing.

The IPA played a role only later in Component’s investment process, when the investment was already completed. This was because Component prepared its investment using a consultancy team with good regional networks. Component mobilised not only the IPA, but also the facilitating actor in research and funding, to support research activities during the post-investment phase.

6.2 Place brand identity

The purpose of data analysis is to outline, analyze and understand the situation of place marketing in practice from the viewpoints of both investors and facilitating actors, and then to generate an understanding of place marketing in the FDI process. The empirical data have been sorted and coded according to place brand identity, place brand positioning and place brand image (Appendix 1): that is, how the brand wants to be perceived, what the communicated value proposition is and how well the brand is, in fact, perceived in practice.

This chapter and the following subsections will analyse the brand identity from three different perspectives: element, management and assessment. Each perspective contains three topics, and each topic contains one to three different subtopics generated through theory. All of these subtopics are analysed. Hence, brand identity differentiates a place from its competitors by highlighting its superior qualities to a target group. The theory chapter suggests that brand identity comprises different features and attributes, one of which is the role of ownership.
The data were coded according to the a priori model, and the topics emerging from the data were given new codes. The codes were then categorised according to the element, management and assessment perspectives on brand identity. Some topics raised more discussion than others; therefore, not every interviewee commented on every perspective. The time dimension of each interview is indicated with an abbreviation (pr/du/po) after each interviewee comment, denoting the pre-/during-/post-investment phase. The interviewee is specified after each comment in parentheses.

The last subchapter 6.2.4 summarises the brand identity themes that emerge from the data but are new to the theoretical findings. The summary of emerged themes is presented at the beginning of the chapter, and each theme is then analysed separately.

6.2.1 Place brand identity elements

Elements through which the place is recognised

Part of market planning and intelligence is understanding that access to people with skills can function as a future guideline for FDI work. Oulu’s strong technology profile is a globally differentiating factor. If there is a technology match between an investing company’s profile and a region’s profile, then the investment is likely to succeed.

“My own out-of-the-box thinking is that Oulu can be regarded as a technology and high-tech place with a strong university and many students with lots of start-ups with expertise.” (Mobile, site manager) pr

“We saw an opportunity to invest, as there was expertise in a specific product service which our company wanted to develop.” (Broadband, site manager) pr

The elements through which a place is recognised constitute the reasons to invest for any company. Oulu is a place with a strong technological core and the skills to produce end-to-end products for the mass market. Both its technology expertise and product quality level are frequently mentioned aspects and are regarded as unique. These aspects form the objectives and guidelines for investment policy, and this objective-setting impact how IPA resources are allocated among different customer projects.
“The Oulu brand is among the two toughest radio experts in the world. When broader investment decisions have been made in other parts of the world in order to find out where a similar composition could be found.” (Broadband, community facilitator, company) pr

“There are a lot of technological start-ups in Oulu that can fulfil many of the digital visions of large corporations. They have such good technology. The secret is that you can make anything. This is also a pilot market, far away and a perfect hub: a combination of large corporations and start-ups.” (Consultant, investor) dr/po

Features, beneficial attributes and superior qualities of the place

The features, beneficial attributes and superior qualities of the place form its brand identity and unique selling point for marketing.

“We were looking at London and Helsinki, and we chose Oulu due to the proximity of talent and salary costs, and also we have all the plans in mind due to datacentres and cost per megabyte and electricity cost. Oulu was a very attractive place. It still is.” (Digital, site manager) pr

The key point for all interviewed companies was access to expertise and talent in a specific product category. Analysis of a company’s own position and the position(s) of its competitor(s) was also important during the pre-investment phase. This information can be considered market intelligence and can be used for promotional FDI messaging. The argumentation in messaging is highly important. Therefore, it is necessary to share detailed information on what kind of talent is available, how many persons there are in each specific technology category and how salaries compare to salaries in, for example, other Scandinavian countries.

“If you want to do something secretly, it is possible in Oulu. The [other] options are New Zealand or Iceland, but the technology is not as advanced as here. That is the meaning of the place. The working ethics here is that if this is the objective, we will go there. If there is a will, there is a way. That kind of culture does not exist anywhere else. We are forerunners in making an idea into a product... A Finnish engineer can be thrown into any job, and he is able to design, build and execute.” (Facilitating actor, research) pr
When asked about the reasoning behind this competitive advantage, a facilitating actor (research) explained that the capability is based on university teachings related to computer science and electronics, as well as university teachings concerning applied sciences. Students are provided a wide and challenging basic skillset, including a wide context of digital technology, analogue and electronics skills, as well as skills in a range of coding and programming fields.

The capability to design a product based on an idea should be included in the pre-investment phase argumentation package.

“Companies come here due to know-how. That is how companies are attracted here. No one comes here due to natural resources or due to conditions, but because of the competence, which [plays] a key role. The toolkit includes talent, an ecosystem, education and research infrastructure-type services, a test network and a test lab.” (Digital, community facilitator) pr

A facilitating actor (research) claimed that companies are attracted to Finland because of its strong network and knowledge. State R&D funding provided by Tekes and the Finnish ecosystem are well known, and Finland strives to communicate its investment promotion message not only through Business Finland, but also through the spirit of Tekes. Companies investing in Oulu typically focus on wireless communication and have a growing interest in 5G technology.

“The region seems to have importance in such a way that it has a strong network and knowledge base, and that is what brings companies to Finland. And additionally, those who have more of a telecommunication focus with related products and services, and not chip design focus [come to Finland].” (Facilitating actor, research) pr

If a technology match exists, and an investor can access the right talent, then the IPA’s commitment to customer service can be a game changer and enable the investment. The financial and infrastructure services facilitate the investment process. Additional softlanding services provided by governmental authorities and various private players in the network are equally important, but are not regarded as unique to or superior in Finland (compared to other places).

“One knew very clearly where in Finland and in the world there is the expertise that they needed. The generic marketing supported the messaging that there was a pool of experts, different testing facilities and some tailor-made
educational products on testing. We were able to find an excellent team due to free talent in the subcontracting business.” (Broadband, IPA manager)

“Oulu is a very important place for us due to product development. Our biggest challenge is to find competent staff in product development, and in Oulu, we were able to collect this team. We already have a need to double the team’s size.” (Software, investor)

Place can also be a negative aspect that can prevent investment. The empirical data indicate that, from a business perspective, there are more negatives than positives to investing in Oulu. An investor needs to come to Oulu for a “deep wash” before even considering establishing a site in Oulu. Moreover, the number of newcomers suggests that only a few remain interested in Oulu after all the requisite effort. On the other hand, Oulu’s peaceful environment, which includes legislation related to intellectual property rights (IPR) protection, offers a good setting for project work that requires the utmost secrecy. This can be highlighted as a positive in place marketing.

“...In a way, it is very important to showcase the ecosystem thinking. Our operations in the area stay here as long as it [Oulu] provides commercial benefit. The region is competitive compared to the rest of the world.” (Broadband, site manager)

In other words, an investor will stay in Oulu as long as it can derive commercial benefit from the location. This creates a challenge for the IPA. During the post-investment phase, it is crucial for the IPA to manage customer relationships and be aware of any new challenges that require action.

**Brand ownership roles**

Brand ownership roles need to be clear and specific to ensure that all brand activity has a common aim and focuses on all points of customer contact. In order to succeed, a brand requires long-term commitments from its owners. Companies should have a single point of contact with overall responsibility for managing the different investment phase processes and servicing the FDI customers. The responsibility of this point of contact should include setting objectives and guidelines for investment policy and nominating key account contacts with authority in the pre-investment phase. Furthermore, this point of contact should have capabilities related to and responsibility for FDI marketing. It
will then network with other key regional actors pursuing FDI investments on a daily basis.

“There has to be one place called ‘Welcome to Oulu.’” (Facilitating actor, business) pr

“In my opinion, one clear actor that would do it, and other actors could participate, but there would be one responsible body.” (Facilitating actor, government) pr/dr/po

During the investment phase, it is important for an investor to identify and network with key local contacts for the business. This effort can facilitate the everyday operations of the business. If the investor wishes to engage in local sales, it must start with a good local network. Having a local site manager who is familiar with the networks enables investors to create their own networks without the assistance of an IPA. However, this can also be a risk, since it requires the site manager to rely on his or her own contact network, which may be narrow or even outdated.

“There are several characters in Oulu you should know: of course, the city hall [staff], the mayor [and] Technopolis; also the academic, public and private sectors. BusinessOulu has had a very critical role. The Hilla programme and VTT, Tekes, Invest in Finland, Finpro—they have all been very active and helping us.” (Consultant, investor) dr

6.2.2 Place brand identity management

Brand identity management consists of visibility in the global market place, visionary leadership and political unity

The constant competition in knowhow and skills requires a more versatile ecosystem, rather than a concentration on a single technology. This was the lesson learned from the Nokia era. Cyclical changes in the economy create challenges in FDI attraction. A versatile ecosystem creates more opportunities when setting objectives and guidelines for investment, prioritising projects and allocating resources during the pre-investment phase.

“...The competition of ‘how to do’ is constant. It is the knowhow.”(Facilitating actor, business) pr
“Can an ecosystem or company cluster be too strong? It would not be too easy to make it too strong. The lesson learned from Nokia is that the more versatile, the better, in a certain way. It is not as dominant as the finance tech industry which has developed to become quite big.” (Facilitating actor, government)

Leadership is important in place brand management. The data indicate that Oulu has visionary leadership in hard core technologies in both business and research. Investors appreciate the research capabilities that have accumulated both in individual start-ups and in the broader talent pool. This information is important when planning for the market during the pre-investment phase and when monitoring and evaluating capabilities and performance during the investment phase.

“Oulu is the place with the hard core technology and the skills to do end-to-end products for the mass market. The vision is here and the research here which can help your company with a technology roadmap. And, on the other hand, it is people with the existing technology who can also help.” (Consultant, investor)

Developing a brand strategy and committing to the brand

Brand management requires not only visionary leadership, but also strategic commitment during the brand identity phase. It is important to secure this overall commitment from the start, since excluded groups might resent any brand that is imposed from above without prior consultation or commitment. A brand should be based on a strategic analysis of a place’s future position.

When setting goals for an operation, the pre-investment phase also requires careful strategic analysis and market intelligence relating to future opportunities. Where are the opportunities for future global growth? There is a need for foresight and to learn from both the past and the future to understand where the next business and research opportunities lie and what the unique selling point is for the region.

“There is a need for a joint strategic approach. What is the Oulu region, and what are the target groups? ...The region also needs a future program... The place management should be committed. So should the companies in the region [be committed]. Do they know us? What are we known for? We should think of
the next big thing and make choices... What is the next turning point? We should invest in that.” (Facilitating actor, business) pr

Understanding customer needs and tailoring the most suitable solution to meet those needs is a key aspect of FDI softlanding services. Positioning a place in relation to other ecosystems and designing a sales kit for branding are pre-investment phase activities. Since regions are in constant competition for investments, it is necessary to be alert and to benchmark competing regions by screening what they are doing and which processes they are using. A region can then develop its own softlanding services accordingly based on customer needs and feedback from competing regions.

“A key thing in every case is to understand the needs of a customer and to find the most sensible economic solution so that we can cope against the other world-wide ecosystems. FDI work is ongoing from one year to another, and we have to consider new approaches—how to work more effectively—all the time.” (Broadband, IPA manager I) pr

The comments indicate that FDI work requires a long-term commitment. Moreover, when developing the branding strategy, it is important to identify and understand the targeted customers. Prioritising customers, including separately targeting mergers and acquisitions investors and greenfield investors, is done during the pre-investment phase. Professional softlanding services are then developed accordingly. The packaging of these services has a direct impact on the IPA’s positive resource allocation. In this context, the promotion of softlanding services is a largely straightforward approach.

“We should be able to develop tool packages which enable us to do similar things. Is it that we enable companies, which are attractive buy-in targets? Is it a networking-like operation which enables us to get some bigger company to bring activity to this region?” (Broadband, IPA manager I) pr

Digital’s investor discovered multiple new branding opportunities. He appreciated Oulu’s working culture of getting things done, which he considered superior to the cultures of a few other competing locations. Oulu workers’ attitude of setting targets and getting things done creates a positive circle for site management and pulls more projects into the Oulu site from other parts of investors’ organisations. This takes place during the post-investment phase, once the site manager has
proved that the new site is able to deliver as expected or even beyond investor expectations.

“A lot of things that could be marketed and branded—which, in a sense, maybe it is that I consider myself to be from Oulu. I think that marketing people do not know how good this place is. If just keeping in line with the interview—work culture—I have worked in Silicon Valley [and] Italy. This is something else. The capabilities of people... if there is something in the water, I do not know. People have the attitude of getting the job done. That is hard to brand and generalise in this day of political correctness. It is risky, too. But to me, I have it hardwired into my head, so... That would be good a marketing headline: If you want to get something done, come to Oulu.” (Digital, site manager)

**Building partnerships and alliances**

Partnership-building is considered important not only for external partnerships but, also for customers. If an FDI investor has a small operation, it is more likely to fade away. It is therefore important to build a good basis for investment. If an IPA has a good partnership with an investor and potential site manager who is able to communicate the proposal to headquarters and get management buy-in for the project, then a case is much more likely to become a success. In this case, the role of the IPA during the pre-investment face is that of a facilitator delivering the information necessary to make investment decisions according to the investor’s needs. The ongoing dialogue between the investor and the IPA allows the IPA to regularly monitor the investor’s status to take action if needed.

“Generally, Mobile was such a case [i.e. a successful case]; and there are some others who lean on that they are in the right place and understand the investment possibilities and communicate them to their own employer. We have had discussions lasting decades, but they have not succeeded in convincing the management that it would be worthwhile coming here. This is an example of a successful case. The person knows the location and sees the opportunities and gets the plan approved.” (Mobile, community facilitator)

External brand identity consists of both internal and external partnerships and alliances. Internal brand identity refers to an organisation itself, whereas external brand identity consists of strong alliances and partnerships. It is important to engage partners in the branding process from the start. The role of networks is important
not only regionally, but also globally. Personal relations are important and can be
decisive in partnership-building. Personal relations are built on trust, and they
enable direct communication with prospective investors during the investment
process.

“Those persons who had personal relations with some of the key players inside
the company and their [IPA] and the [CEO] had a strong role.” (Broadband,
site manager) pr/dr

“In other words, the smaller the group and the smaller the investment, the
bigger the risk that it does not spread, and the group is encapsulated and stays
alone. They do not call anyone, and no one even notices that they are there,
and the more they are isolated the riskier it gets that they will disappear with
no noise.” (Facilitating actor, research) po

The IPA’s role is to build regional and international partnerships as part of its
softlanding services in order to secure the initial FDI investment and additional
investments. Regional partnerships and alliances with the research network
facilitate investment and enable research collaborations between FDI customers
and research organisations during the investment phase. The state research
organisation, VTT, is closer to product development in its operations. Therefore, it
has proven to be fairly successful in attracting the attention of FDI companies’
attention and engaging them in joint research projects. For example, the Hilla
project at the University of Oulu is closer to product development than typical
university co-research initiatives and is, therefore, of interest to FDI companies.
Marketing capabilities are critical when research organisations are approaching
FDI customers with cooperation proposals.

“Prior to the investment, we do marketing; during the investment, we provide
softlanding services; and after the investment, we support the local
management in getting additional investments from headquarters. The
university research is a bit further from actual product development. Of course,
there are exceptions, like the Hilla concept, which is quite close to product
development... Hilla has raised interest and is experienced as an interesting
project and, in some location decisions, is an important factor. It also depends
on that, in Hilla, there are a few persons who can market the concept.” (Digital,
community facilitator) pr/dr/po
6.2.3 Place brand identity assessment

Brands are rooted in reality and connected to people and credibility

Brand credibility is crucial in FDI place marketing. A brand should be solid, rooted in reality, based on true facts and supported by local people. Brands support fact-based argumentation, since FDI investors make decisions based on facts and numbers. However, naturally, they also evoke softer values and emotions, since these also have a tendency to affect people’s decisions. For example, an investor’s previous personal positive experiences may trigger a decision to invest.

Oulu’s brand identity includes hard core technologies and the capability to produce end-to-end products. The hard core technology capability is based on the radio technology knowhow centred at the University of Oulu. The end-to-end capability is also a unique selling point for the region.

“Oulu is a place with the hard core technology and the skills to do end-to-end products for the mass market.” (Consultant, investor) pr

There are several reasons the Oulu brand has achieved only limited success in FDI promotion. On one hand, for a long time, Oulu was the “best-kept secret” in the sense that it did not welcome competitors of existing companies. This was a strategic policy made by business leaders and supported by municipal decision makers whose goal was to protect existing companies’ businesses. However, this decision prevented Oulu from developing an ICT ecosystem beyond wireless telecommunication before the economic downturn.

“What piece is missing from us—and why no one comes here—and we discovered that no one can come here because this is a protected community. The mayor and Nokia said no, or anyone could come, but no service was given directly to competitors. This was foolish. We made the mistake collectively. Everyone was thinking that this will continue forever.” (Facilitating actor, research) pr

Branding requires promotional tools. Good spokespersons and success stories to which investors can relate are of great value in place promotion. Identifying and engaging spokespersons and collecting success stories can help build awareness, and these kinds of promotional tools are part of IPAs’ duties during the pre-investment phase.
“Known in their own field, from an image point of view, Oreck, Vanjoki and, like, alumni, and, in addition to others, a luminous person to do something at least nominally. Place marketing starts with good examples.” (Facilitating actor, business) pr

People with technological backgrounds who are able to contribute to the FDI promotion process prior to and during investment were a valuable resource for the IPA. These individuals had the capability to respond to investors’ technical questions in a satisfactory way. They also had hands-on experience in Oulu’s ecosystem and were able to provide a realistic picture of the possibilities ahead.

“Those employees who were unemployed and had been working for Microsoft were the best sales persons, as they knew how and had been doing this for so many years. Discussing with them directly, listening to their stories and their knowhow [were helpful].” (Hardware, IPA manager III) pr/dr

Investors’ visits to Oulu were fruitful and resulted in several good contacts during the pre-investment phase. In general, investors visiting Oulu saw the opportunity to engage in innovative and future-oriented development in a remote location.

“The brand is a quiet place: people devoted to new things that bring you some time and isolation to look for the future. This is what we are here for. This was so far and so risky in the beginning. They showed us an easy, quiet, safe and constant approach, and we realised that it was a very good thing. [We experienced a] high quality of visits and contacts.” (Consultant, investor) dr

**Holistic Brand**

A holistic brand provides a comprehensive image of a region and secures equal potential in all target groups. The brand promise is the most important aspect of a holistic brand.

Only one informant, the facilitating actor of research, commented on this topic. The facilitating actor of research suggested that economic targets should guide brand management to support FDI promotion. Brand management is typically understood as pure marketing that does not relate to sales. However, to achieve success, brand management should be seen as a tool to support the sale of the region.

“Everything that you do has to be for sale.” (Facilitating actor, research) pr
6.2.4 Place brand identity themes emerging from the data

This subchapter discusses themes related to brand identity that emerged from the data:

- Place marketing messaging lacks sufficient quantitative information
- FDI marketing promotion content is generic
- Joint FDI strategy lacks sufficient regional communication
- Brand identity is focused on wireless telecommunication
- Aftercare facilitation and management lack sufficient skillsets

The first theme emerging from the data concerned the amount of quantitative data. There were several suggestions for how to improve FDI marketing promotion content. Firstly, big company investors care whether there are five or 50 available engineers, and there is currently no detailed information available on the company database regarding the capabilities and competences of each technology sector. Instead, this information is tailor-made for each customer and shared only upon request. Secondly, the ecosystem R&D infrastructure and its different elements and facilities is not described, clustered or commercialised. Instead, the infrastructure is often marketed as part of a research project; however, companies sometimes simply want to be able to use the infrastructure in ‘normal’ R&D projects. Another important point related to marketing concerns language. It is difficult for an FDI investor to cope with everyday issues if all official documents are written in Finnish.

The structure for promoting FDI is important. Key actors and organisations in regional business and research development were not familiar with a joint regional FDI strategy. However, they recognised their role in the FDI process and wanted to participate in the execution.

Another theme that emerged from the data concerned the current brand image of Oulu. Currently, this image is very one-sided, in that it focuses heavily on wireless telecommunication. The interviewees suggested that the current brand image may not service future spearhead technologies, such as virtual intelligence, big data or the IoT, which can become a challenge.

Place marketing messaging contains relatively little quantitative information or comparable data during the pre-investment phase. The messaging is severely lacking in detail and can therefore leave many open questions. Due diligence is conducted for mergers and acquisitions, but there is no similar process for
greenfield investments, even though greenfield investors follow a similar decision-making process.

Aftercare facilitation and management were regarded as important to secure the necessary skillset. Since many investors want to grow their business, they have an urgent need to resolve the resource allocation problem. Access to a skilled workforce can become a challenge, reducing the regions’ competitiveness for investments, and the IPA plays an important role in solving this problem. This is likely to be a focal point in the region’s future growth.

6.3 Place brand positioning

The following subsection analyses the next phase of branded elements: namely, brand positioning. A brand consists of the value proposition communicated to a target. Hence, brand positioning is the process or activity of creating the brand offering for the target customer.

The following subsections analyse the elements, management and assessment of brand positioning (Appendix 1). Each of these subsections, in turn, will highlight three different topics. Thus, each of subsection contains and analyses three subtopics generated by the theory.

The a priori model sets the scene for the coding of the data. The brand positioning is coded from the element, management and assessment perspectives and seeks to understand the communicated positioning content, how the positioning is managed and, finally, how the positioning is assessed. As in the prior chapter on brand identity, each informant is indicated after the comment, and the time perspective is indicated by the use of pr/du/po (for the pre-/during-/post-investment phases) after each interviewee’s comment. Subsection 6.3.4 summarises the themes emerging from the data.

6.3.1 Place brand positioning elements

Reasons to buy the brand

Access to a skillset was the most important reason to buy the brand during the pre-investment phase. Nokia Siemens Networks decision to concentrate its subcontracting on key corporations, leaving out other subcontractors, gave Broadband a good opportunity to access the talent it needed.
In terms of technology companies, Oulu’s market cannot compete with the global market in size. Thus, it is unlikely that an ICT investor would invest in Oulu in order to gain a share of the market. Instead, the place has a strong R&D focus that requires the promotion of a talent pool.

“We found an excellent team that was free when Nokia Siemens Networks had given up all subcontractors.” (Broadband, IPA manager) pr

“They came after the release of competence. I cannot imagine the kind of international companies that will come here because of the market.” (Facilitating actor, business) pr

Access to skills means access to ICT and mobile talent. The growth in financial sector FDI investments in Oulu can be traced back to high-quality teaching and research in the areas of ICT and mobile technologies. There is a window of opportunity for Oulu in the financial sector. Thus, the IPA’s decision to focus on the financial sector is part of its market planning and intelligence approach during the pre-investment phase.

“They need more investments in the mobile and digital channels in general.” (Digital, community facilitator) pr

Within its roadmap, Wireless lacked certain knowhow that was essential to its future development. This knowhow came from people who had worked in the technology companies in the region. Most of the management was familiar with the Oulu brand and Nokia; however, they had never worked in the cellular or mobile phone business. The management team’s connections with key decision makers at Broadcom facilitated their approach and gave them the confidence to make a quick investment decision when needed. However, this need for speed precluded Wireless from taking the time to consider the brand, since if the company had not moved quickly, it would have lost its desired skill to a competitor. Due to the company’s tight schedule, Wireless made the decision to invest before contacting the regional IPA.

“Luckily for us, Broadcom closed down business here in Oulu… and the ball started rolling… The project plan was there, so we just needed the people. It was almost like buying a company because we knew what we wanted and we knew IP [investment promotion] and everything.” (Wireless, investor) pr
Platform was also interested in the quality labour force released by Nokia. In particular, the company was focused on Android expertise. Platform emphasised that the main criteria in its decision was the Nokia brand, not the Oulu brand.

“The profile of persons released from Nokia in Oulu was appropriate. [They had] Android expertise. There was plenty of staff available when the decision was made.” (Platform, site manager)

In Component’s case, the company’s home country lacked sufficient skills. That is why Component wanted to get more insight and knowledge and to build relationships within Oulu’s cellular industry.

“In Asia, growth has no longer been possible.” (Component, site manager)

Access to an experienced skillset convinced investors to invest in Oulu and increased their confidence in their decision. The investors experienced personal interaction and mutual trust, they learned to rely on the staff and softlanding services of the IPA and community facilitating actor and they felt connected to the IPA and its staff. Personal relations can have a major impact on a positive decision to invest. Therefore, when an IPA’s key account contact is nominated during the pre-investment phase, it is important to consider the personal relations factor as a selection criterion. Additionally, the key account contact must have the authority to pursue the investment.

“These guys saw the product experience—what was around—and knew that there was a true skilled outfit, and it came through: the confidence that this can work.” (Consultant, investor)

“We are in Oulu because of [IPA]...I think it was [community facilitating actor] who contacted [us] with [CEO]. [The CEO] convinced [us] that we should be here. Trust is everything for us. Prior to the investment, we needed to see the ecosystem. [IPA] gave us what we needed, and that is the reason why we are here.” (Consultant, investor)

However, network feedback on IPA activities is not always positive, and one interviewed investor was encouraged not to contact the IPA. Specifically, due to negative rumours related to the IPA’s work, Platform contacted the IPA only after the investment decision had been made and the operation was already up and running.

The importance of communication and marketing material in setting the scene is highlighted during the pre-investment phase. Marketing materials include
information on competences and the ecosystem environment. They also include a concrete proposal on how the cooperation between the investor and the ecosystem should. A good material kit builds confidence in FDI professionalism and enables a straightforward approach with the investor. As a result, the discussion on the matter itself can be started immediately.

“[A good material kit was] an essential aspect of marketing that resulted in a set of good material of our competencies and environments. We had market messages that were clear on what it [the competence and environment] is, and it was thoughts, phrases, entities and thought out designs for how cooperation is carried out. This was all done by marketing. At the same time, there was a good reference list, lists of experience, the knowledge lists...” (Broadband, IPA manager I) pr

Potential partners prepared a tailored product concept proposal for Broadband during the pre-investment phase, when competence in the specific product segment was released from Broadcom and there was a window for investment. The reason Broadband bought the brand was a combination of needs: the need for a product concept solution and the need for a particular skillset. In order to secure the investment, the IPA, in cooperation with a group of potential partners, engaged in intensive Oulu marketing promotion.

“Investments were heading out to be done when we saw that, in the Oulu region, there is expertise in the product segment that... wanted to start developing. I would say that the activity of business people was of great significance and explicitly for the reason that the product concept was bought from here as a proposition. Oulu sold itself.” (Broadband, site manager) pr

The Hardware site manager brought up additional factors, such as the CEO’s previous personal experiences with Oulu. He was of the opinion that brands are not important during the pre-investment phase but become more important during the investment and post-investment phases.

“The best marketing in this case was the other company's summer vacation trips to Oulu, good weather and [that] he had a positive image of Oulu. Another decisive cause, I understand, were human reasons. Brands and these [other considerations] came later.” (Hardware, site manager) pr

Mobile was interested in Oulu’s expertise in electronic modem development. The company was entering the European mobile market and wanted to reinforce its
customer interface specifically for the European market. Site managers were of the opinion that Oulu marketing had little impact on the company’s investment decision during the pre-investment phase. This was especially the case because the site manager had his own Oulu background and local networks.

Oulu marketing actions had little effect on Digital’s investment decision. The company’s management did not know Oulu’s location prior to the investment. In other words, the investment decision had already been made when the site manager marketed Oulu to the company management. The company was able to benefit from the site manager’s good industry network during the pre-investment phase, as the site manager had already been working in Oulu for many years and was well acquainted with the ecosystem.

“The main objective was to get expertise in the modern development of chipsets. The resources were freed... Another objective was strengthening the European customer support... Oulu marketing seemed to have little effect on the investment decision. The biggest thing was the available resources.” (Mobile, site manager) pr

“Oulu marketing effect: I would say no direct effect. The investment was already made prior to the slides from the place: on the top of the 7th most innovative place, inventions made in Oulu, Oulu [has] the most significant people.” (Digital, site manager) pr

Software and the facilitating actor from the government brought up another reason to buy the Oulu brand: the importance of local networks. Software described partner networks as subcontractor companies and product houses that could support product development and pilot manufacturing. Highlighting the network aspect during the pre-investment phase, therefore, is important.

“We have an important goal in Oulu to find employees. The market is not here, but it is somewhere else. It is the simplicity of it. It, of course, is also associated with a working space and environment where the work is done. The partners also.” (Software, site manager) pr

“Foreign companies appreciate the network and the know-how in Finland. Public funding is not the most important thing; instead, it is the expertise and networks.” (Facilitating actor, government) pr

The facilitating actor from research saw great value in the location of Oulu. He would have liked the Oulu brand to take advantage of certain locational aspects.
Oulu is far away from the main global markets, but close to the Arctic, which is an exotic region that should be highlighted. These selling points should be taken into consideration when setting guidelines for FDI promotion and defining aspects that support the unique selling point of the pre-investment phase.

“That we are far away has only bad sides to it. We are not even on the BBC weather map. The only significance this place can have is that we switch this the other way around: that we are very exotic, and we would be seen on a map. We are Arctic, and Santa is here. In other words, we should take advantage of this more. In other words, one comes here because there is some exoticness.” (Facilitating actor, research)

Finally, there were investors who commented that the brand had a significant impact on their investment decision. These investors appreciated the local skillset and employees’ backgrounds with the world’s leading mobile companies.

“It [the brand] had [impacted us] very much. The Nokia experience and MS experience, for investors, confirm that they have the right skillset, [which is] so very important.” (Hardware, investor)

**Differentiation between competing places**

The need to differentiate among competing places encourages regions to define their unique selling point in relation to their competition. In particular, the informants identified the skillset relating to a specific product category as the most important differentiating factor. Consultant valued the numerous good technology products offered by Oulu-based companies. The interviewee noted the unique opportunity to match international corporations with Oulu-based innovative companies and explained that the company had been able to find this unique offering—the ability to mix start-ups with large companies—anywhere else. On the other hand, the company also saw opportunities to boost the internationalisation of start-up community by offering start-ups a global marketing and product approach.

*Digital* was able to scale up its operations relatively quickly at its Oulu site. *Digital* compared Oulu to London in terms of technology management project skills.

“Oulu is the place with the hard core technology and the skills to do end-to-end products for the mass market. This is also a pilot market: far away, and you can test new models.” (Consultant, investor)
“We went to the Linux curve. The most popular open source projects are led by Oulu people. That is something that not all capitals have. Even London does not have [this].” (Digital, site manager) pr

Informants also highlighted the return on investment (ROI) of Oulu as a differentiating factor. Mobile came from a country with lower costs. For them, it made a difference to know that the country offered investors competitive financial instruments. This fact, combined with Oulu’s competitive price level, had a positive impact on Mobile’s decision to invest.

“Both local and national governments support new companies substantially in Finland compared to many other places. [There is] access to facilities with reasonable prices. In our case, this makes a difference, as the cost difference between our home country and Finland is remarkable.” (Mobile, country manager) pr

Investing companies tend to make their investment decisions based on such facts as access to suitable engineers. However, softer reasons can also have a major impact on the investment decision. If the IPA and its network cannot deliver what an investor expects, it may jeopardise the entire investment. When setting objectives and guidelines for investment policy, therefore, places should consider not only the investment ecosystem, but also investors’ personal preferences.

“...the other stuff—what is an ecosystem, how many engineers have graduated in town, what firms are there in the same field, what is the level of rents and wages—all such things are a bit like icing on the cake. But in a certain way, it is a pretty good metaphor in that sense, if you think that technical issues and suitable individuals are the dough inside there. A filling cake does not come without frosting, but the icing alone does not make the cake... With those things, one can ruin the case, but you cannot get the company with those things only.” (Wireless, community facilitator II) pr

Investors rely on softlanding services, such as help setting up a business, the arrangement of R&D support, and other public financing and fiscal aids, during the pre-investment phase. Networking services are provided from many directions, and it can be difficult for an investor to choose among the many options relating to what to do and where to be. This process can be both challenging and time consuming. It is therefore important to have is one key account interface who provides the services or makes a list of suggestions for the investor.
“Financial and networking [services] are the most important.” (Hardware, investor) pr/dr

“Digital’s staff in Oulu gets things done and delivers when needed. Overall, therefore, Digital identified cost as the differentiating factor. But the ratio of cost and what you get out is above the average, so it is a really good place to get work. When drive hits there is always a phone call to Oulu, and the guys will do it. [They have] the competence and the attitude. These guys are pretty hard core.” (Digital, site manager) dr

Selection of target groups, communicated brand, communication channels

FDI communication channels are often personal and rooted in a one-on-one approach. This was the case for Consultant, which was contacted by the IPA during the pre-investment phase. Personal promotional techniques are seen as important when the investment is being set up and the IPA has a lot of direct contact with the investor.

Wireless also experienced the investment process as a straightforward activity. The decision to invest was based on a personal relationship and the talent pool available in Oulu.

“All information was available; it was an easy process. We did not use the marketing to make the decision because the decision was based on the talent. Luckily for us, [large wireless company] closed down business here in Oulu, and my boss, again, he knew [large wireless company] director from California, and the ball started rolling. We hired him, and he knew some really good people in Oulu…” (Wireless, investor) pr

In the case of Hardware, an invitation to an investor event was of importance. The company’s product development required significant funds, and after a few financing rounds, the company was looking to access additional capital from venture capital investors. The IPA also provided Hardware with media visibility through its own communication channels. As a result, the company experienced hits in both regional and national media.

“We had an investor event in [place], and [Hardware] was there. We made the media story together.” (Hardware, IPA manager III) pr
Managing and maintaining existing relationships are part of the IPA’s work during the investment phase. For example, Broadband was given speaking slots at different events to facilitate its investment set up and support regional networking with potential employees and business and research partners.

“Broadband was offered the opportunity to be present at events to highlight the needs, the development side of things, [and] what the public sector can do to make their recruitment and activity easier.” (Broadband, IPA manager) dr

Commitment to customer service, including quick responses to the investor’s inquiries, was seen as important. Consultant appreciated the professionalism shown in promotional marketing material and the documents produced by the IPA and its network.

“The IPA took care of the whole thing. For example, all the material you produce here, it is a seamless experience.” (Consultant, investor) dr

6.3.2 Place brand positioning management

Involvement of local people, articulation and communication of value proposition

During the brand positioning phase, when the value proposition is communicated to a target group, management includes the involvement of local people and the communication and articulation of the value proposition. It also involves word-of-mouth communication.

Several individuals who were working for Microsoft when the operation was getting close to being shut down began to engage in personal marketing. This was the case for Hardware’s site manager, who contacted companies and made them offers to set up a team. One of these companies was Hardware.

“I contacted companies around the world, and some took the bite... At the coffee table, I heard about a company, and I contacted the company and I made the proposal directly by e-mail, and, shortly, [I was asked] to set up a team. Many did personal marketing. I asked what company it was, and I Googled it and I e-mailed the CEO. I made 50 similar contacts.” (Hardware, site manager) pr
The region’s global media visibility is also seen as important when marketing the region’s opportunities as an investment location to the executive management team prior to the investment.

“I remember that, at that time, there was quite a bit of Internet movement around the 7th most innovative place in the world. That had a huge impact. I remember making a really brief key note for executive management, and the CEO was there…. What is Oulu and jobs and energy and Nokia? And we do the 5G, and they had no idea that those things were in Oulu. Definitely, that was a good pool that helped, and we were saying that Nokia organisational changes were just happening.” (Digital, site manager) pr

Articulating the complete ecosystem with different softlanding services and information sets is considered important during the pre-investment phase. Information is needed to build up a case, to market investment opportunities to company decision makers and to support initial decisions. It is also needed to evaluate opportunities and compare them with other competing sites.

“Before investment: …[we] needed to learn about the business ecosystem, what kind of potential sub-contractors or partners they have here... and here, the know-how was the key. [We] needed information on research and education, cost level, wage level, as well as the people that held the premises. [We] needed information on premises. (Digital, community facilitator I) pr

Communication of softlanding services during the investment phase is more targeted than it is during the pre-investment phase. Investing companies had a need for more detailed information to help them get started with their investments. Meetings took place with various ecosystem representatives, both public and private. The IPA was no longer the sole regional contact point for the investing company; instead, the contact sphere was broader.

“During the investment: [we needed] the same things, but more specific. When in the early stage, a long list of companies is needed, but when an investment decision is being done, discussions take place with a few companies, deepening and lightening the information sector.” (Digital, community facilitator I) dr

After the investment, the general objective is most often to secure business sustainability and look for opportunities to grow the business in the region. Daily business operations are seen as “business as usual” and are run by site management. Here, there is typically no role for the IPA. Instead, the IPA tends to search for talent
and seek out new opportunities for business development with the research community. In this context, the IPA can provide visibility for the investor.

“...research and education is an essential thing to understand. What is worthwhile doing here? What are people are being trained for? And what research can be found in this place? The ecosystem, also: They evaluate potential partners, and the testing and laboratory potential is of interest.”

(Digital, community facilitator)

“Then, the events coordinated by the IPA, and [Wireless] has been involved in some of them and will be involved in the future as well. But [with regard] to actual development of the business, I have not seen [the IPA] play a terribly big role... Maybe the picture was complemented with what kind of technology place the Oulu region is and what is a continuum—perhaps an influencer in the background in that way.”

(Wireless, site manager)

The cost factor cannot be undermined; in fact, it is usually an important part of a place’s value proposition. The investor receives cost-level information during the pre-investment phase, but gets hands-on experience at the cost level only when the operation is ongoing or has been ongoing for some time. For those companies with more cost-conscious cultures or that come from developing countries, price levels in Finland may seem relatively high.

“Yes, we even went through that could we find cheaper real estate. It seemed to be a pretty sensitive thing. I found out, in the meanwhile, whether this is the biggest obstacle in the whole story. Wireless said they were a start-up company.”

(Wireless, community facilitator II)

“Labour costs are lower than those in the US.”

(Software, site manager)

“I did a good decent benchmark study because I did not want to pay people too much, but I did not want the risk of people leaving when other companies set up in Oulu.”

(Wireless, investor)

A monolingual environment can be a challenge for someone not speaking Finnish. As the data reveal, there is a need to lower the language barrier of FDI companies through softlanding services in order to improve the living and working conditions of FDI companies and their staff.
“...it is pretty difficult for foreigners to live in Oulu because everything is in Finnish. We are not very international from that perspective. There are no laundries...Secret: survival kit with tips.” (Consultant, investor) pr

Involving local business people to articulate and communicate the offerings of a place and to give their views on opportunities in the region can add value for the investor during the pre-investment phase. The IPA can give one side of the story, but often, more credibility is required. This can be provided by the local talent pool of individuals looking for employment and local companies looking for new business opportunities. Such an approach guarantees that the two parties are on the same level, have the same business and technology focus and are capable of discussing the topic in detail. The discussion that takes place is target-oriented rather than general, and good stories and references can be used to spice up the conversation. Trust is also an important factor during the pre-investment phase. When there is trust, an investment is more likely to happen; however, without it, an investment can be difficult to execute. The data prove that it is important for the IPA to be familiar with the personal networks of individuals who can facilitate the investment process.

There is a need for the IPA to prepare well for meetings so that the companies seeking to sell their products to the investing company have a clear view of what is needed and what they can provide. Without preparation, meetings are less likely to be successful. The data reveal that the IPA must guide the local company through the needs of the investing company so that it knows what is expected of it.

“Those employees who, at the time, were unemployed and had been working for the [Microsoft] were the best sales people when they knew so much and had been doing this for so many years. Discussing with them directly, to hear their stories and their skills: It was a tangible thing that there is real know-how here.” (Hardware, IPA manager III) pr

“..Then we invite them here, and we had a habit—and still have today—to arrange an unlimited number of meetings with local companies, and we leave in the morning, moving with pretty ridiculous speed, and circulate the interested company in a number of companies with no guarantee of what they say there.” (Facilitating actor, research) pr

The role of IPA during the brand positioning management phase may be limited, particularly when the investor sets up a local team to run its operation. Prior to this, the IPA is seen to play an important role in the place marketing context. The IPA
offers a neutral perspective on regional facts to support the investment initiative and provides visibility to boost recruitment activities in regional media. At the same time, investment plans are public information, and it is difficult to issue retractions.

“Pretty fast, we set up the management team… We did not need help from [the IPA] that long. Since we were able to get these really good people fast, they took over and continued the work. This fast facilitation helped us choose Oulu, not Turku.” (Wireless, investor) pr

“First, we attracted them here, and the IPA was involved and perhaps gave the Wireless’s management another image. The first image came from employees who sold the idea to them, and the second image came from the IPA in general. The IPA was involved in the first meeting when Wireless came to recruit people. It was organised by the community facilitator.” (Wireless, site manager) pr

From the individual perspective, a meeting can be a success if there is trust and if the investor is interested in employing the individual for a position in the new business operation (e.g. as site manager). Through such opportunities, local people can play an important role in making an investment happen.

“The country manager was trusted by the CEO and had almost two years of experience in consulting Mobile. He was the person who made the investment happen in Finland. Without him it would have been unlikely.” (Mobile, community manager II) dr

For multinationals with backgrounds in industrialised, developed countries, the cost level in Finland was considered very competitive.

“…and from the pure investment point of view, cost of office is extremely reasonable compared to other capitals. Salaries are competitive, transportation is very affordable commuting from the airport… Oulu has a really good price range compared with other places.” (Digital, site manager) po

Urban planning and design associated with the building of local identity

A local identity consists of both hard and soft facts, and both aspects need to be included in the communicated value proposition.

“Definitely, because Oulu has a reputation of having valuable education programmes, the history from the Nokia plant, and they have the international
presence of many international companies. My little knowledge of Oulu [shows that] they have a strong presence of large international corporations there.” (Hardware, investor) 

Brand positioning differs across different stages of the investment decision. During the pre-investment phase, more generic remarks and facts related to local identity are of value. The investor may be triggered by a place’s overall positive economic development and growth trends.

“Before an investment decision, more general marketing and branding is discussed. We create the brand and image of the area [and consider] whether it is worthwhile to go there and see what happens there.” (Digital, community facilitator I) 

Investors discover a place’s local identity during the investment phase. Because they have different backgrounds, they may have different insights into what the local identity is, what its ingredients are and its true values are. In brand positioning, it is necessary to consider investors’ different backgrounds. What triggers Westerners may not necessarily trigger Asians, and vice versa. Place marketing must be adjusted accordingly.

Investors from different parts of the world with different backgrounds are a good reference group when building a brand, and they are likely to be engaged in the brand-building process. These investors, who may have experience investing in different countries, are seen to be credible.

“Oulu is a quiet place with people devoted to new things: A place with a local identity which is not very international, but could be promoted more.” (Component, site manager) 

“We should have clusters of services. We have the infrastructure; we should market them better and make companies able to use them commercially.” (Consultant, site manager) 

Place branding can influence spatial planning and urban restructuring. Conversely, urban planning and design may have an impact on a place’s brand. This impact can be either positive or negative.

“Every time I come here, I see a new construction. Growth is also a new opportunity for everyone.” (Consultant, investor)
“The development of the place centre has been beneficial. The start-up genre is a huge thing.” (Facilitating actor, business) dr

During the investment, generic information on urban planning and design may no longer be of value to the investor, since it is looking for specific data to support the investment decision.

“During the investment, marketing changes from more general marketing to one-to-one marketing, where good materials and good arguments give the IPA ways to encourage the investment decision when meeting the firm.” (Digital, community facilitator) dr

Success in building a local identity may require not only innovation, but also an ongoing dialogue and cooperation between the investor and the ecosystem. This is how an investor can become part of the ecosystem.

“It is positive that the Oulu region has been profiled as an active 5G player. What we do not yet see at the enterprise level [is that] companies do not actively raise their thoughts about how they can prepare the market with Broadband. Is it a secret, or that there are no thoughts? Long-term strategies do not match up.” (Broadband, community facilitator, company) dr

Creating synergy between values and the segmentation of a target group

The IPA’s values create a guideline for segmentation, which involves finding out what kinds of target customers exist and what their needs are. Segmentation can optimise FDI softlanding services by identifying communicating each segment’s choice of distinguished value proposition. Segmentation can be done in multiple ways, such as by FDI entry mode, business activity, business sector and investment decision makers.

The interviewees did not offer many reflections on the topic of creating synergy between values and the segmentation of a target group. However, it became clear that the existing business community’s values can have a major impact on FDI, creating a set-up in which the IPA’s customers are evaluated on a case-by-case basis and not everyone is approved. Another challenge arises when the talent pool is shrinking and companies start to compete for the same resources. This puts pressure on labour costs and has an overall impact on a region’s competitiveness. Together, these impacts create challenges for place marketing, as the same value proposal is used in every case. When the saturation stage is met in a specific industry subsector,
the IPA is likely to change its segmentation group and place a greater emphasis on after-care marketing activities in the saturated sector.

“…found that no one can come when this is a protected community. The mayor and Nokia say that no, or anyone can come, but no assistance is given directly to competitors. It was stupid. That is, we made a collective mistake.” (Facilitating actor, research)

“I was wondering, [as] the place is full of our competitors, is it worth much to attract competitors?... That it would not go so far as to compete for the same people, and people will not stay in these firms, and the cost level will rise, and we will lose a large part of the competitiveness, which is not just cost or persistence.” (Component, site manager)

6.3.3 Place brand positioning assessment

Collaboration with key partners, use of ambassadors and degree of regional and international cooperation

After the pre-investment phase, the FDI companies become local and, thus, part of the business community. This means that they can access the same regional business development services provided for Oulu-born companies. These services include both regional and international networking.

FDI investors have a need to cooperate with key partners when developing slightly more complex solutions with a commercial value. They do not necessarily have to create their products by themselves; instead, they may engage the support of a partner, purchase from others or launch a joint project. From a local viewpoint, such actions strengthen and are included in the network. The search for and discovery of partners can be a decisive factor for the overall investment decision.

As the data show, regional and international access to a partner network is highlighted in the FDI value proposition communicated to the IPA’s target group. The activity of matching an investor with a local start-up and research community, including various public organisations, is also considered an important part of the IPA’s service portfolio. For the IPA, international cooperation can provide access to networks that can assist in reaching out to potential investors.
“The modern solution models are so complex that no company—whatever the solution, product or thing—is able to do it alone in practice.” (Facilitating actor, research) pr

“We had an investor event [in a place], and Hardware was there. They need financial assistance.” (Hardware, IPA manager III) pr

The IPA plays the role of facilitating the identification of partners and making the necessary introductions during the pre-investment phase. It needs to be a neutral actor in order to be trustworthy. All case companies engaged site managers with local backgrounds. Once the site manager was engaged, the companies were able to start to build their own networks of start-ups and decision makers from different research, funding and public authority organisations. Thus, during the investment phase, networking increased, and the IPA began to play a more consulting-oriented and advisory role.

“[The IPA] has had a very critical role. The Hilla programme and VTT, Tekes, Invest in Finland, Finpro: they have all been very active and helping us. This was after [The IPA]. With a site manager, the situation is very different: She is local; she knows everyone. [The IPA] is a critical partner, not a middle-man organisation.” (Consultant, investor) pr

“I personally went through 20 companies. It is less likely, in a way, to dare even, based on a [IPA] type actor recommendations. You listen, and it can have an effect, but you want to get to know the subject yourself.” (Software, site manager) pr

“We have identified the hubs of the network—the people who affect other people’s opinions—and met them. There are several characters in Oulu you should know. Of course, [these include] the city hall staff, the mayor, Technopolis… So, the academic, public and private sectors.” (Consultant, site manager) d

When an investor with an R&D focus gets settled, it tends to have a business mission to accomplish that requires its full attention. This means that it does not have the resources or capacity to collaborate during the early investment phase, and it instead concentrates on building internal organisational capabilities and the business case. Collaboration and networking can take place later. If a company is looking for R&D human resources, it is likely to be interested in collaboration activities. Access to funding can be a guiding force for collaboration and
networking because these are among the criteria for state research funding. A lack of human resources or an inappropriate product development lifecycle stage can also be reasons not to collaborate, since there is no one in the company to coordinate the research project, and all human and financing resources are concentrated on internal R&D activities.

Therefore, reasons for collaborating with partners can vary remarkably. People with the same background can form a network. Some cases were active in cooperating with university graduates. They saw it as their duty to be involved in creating a new generation of workers, and they recruited summer interns and dissertation students for internal research work. Some companies sub-contracted from the region’s existing start-up network.

“In our current scope, networks and partners do not have terribly great significance for us today. Their importance will probably continue to grow.”
(Mobile, site manager)

“My experience with the Centre for Economic Development, Transport and the Environment (ELY) and Tekes cooperation has been outstanding. They have demonstrated flexibility and upfront information—what can we [apply and] qualify for? They turn around in days. I have not seen that in other places.”
(Hardware, investor)

Investors are typically continuously seeking new business opportunities. They rely on the support of IPAs and facilitators to scout university-related research activities, build cases around the ecosystem and co-operate with local businesses on new opportunities. Investors often feel a sense of urgency during operations in the investment phase. An investor’s financial situation and the time span can impact proceedings with facilitating actors of research. If the facilitating actor of research is unable to respond to an investor within the expected timeframe, the investor may lose interest in cooperating. The fact that publicly financed projects often require partners can also pose challenges for investors (e.g. due to IPR reasons). Therefore, a more flexible, straightforward approach is preferred.

“We have some projects with the research institutes. Discussions have taken place with the University of Oulu and VTT [to see] if there was a project which would be of interest in both directions. Then, there are some startups with which we have had discussions.”
(Wireless, site manager)
“...discussion on university research projects, but the university action is shocking. If one answers after a half a year or in one year, it does not make any sense... Thus, [as] a small company which operates from hand to mouth, we cannot make use of research funding.” (Hardware, site manager) dr

Those individuals in the local ICT talent pool who have their own regional and international networks and who can do place marketing can become brand ambassadors. This means that place marketing is executed not only in an outward direction (i.e. away from the region), but also locally toward the regional talent pool. Investors who have invested in a region are also potential brand ambassadors, as they can form a network of spokespersons with relations in the community. They can also share their experiences and promote the place brand. A third group of potential brand ambassadors is the group of persons with good reputations. Such sponsored brand ambassadors often have contracts with the IPA; however, not all ambassadors are motivated solely by rewards.

“Known in their own field, from an image point of view, Oreck, Vanjoki and, like, alumni, and, in addition to others, a luminous person to do something at least nominally. Place marketing starts with good examples.” (Facilitating actor, business) pr

“Marketing should be directed locally.” (Hardware, site manager) dr

“It is a clear thing to be involved in this and in university research and in 5G with the Centre for Wireless Communications (CWC) and VTT...The CTO has been to a few BusinessOulu events praising Finland. Those are much more credible marketing men than anyone Finnish...” (Wireless, community facilitator II) po

The case data do not highlight the degree of international cooperation. A multinational company tends to have a good network of its own that is coordinated by the company’s headquarters. Start-up investors may, however, rely more on the IPA’s contact network and welcome new initiatives. During the post-investment phase, investors have settled in the place, and site managers have built their own local networks, many of them based on Nokia contacts with whom they are very familiar and from which they benefit. The role of the IPA during this phase is to look for new introductions beyond those already familiar to the investors.

Most interviewees appreciated the relaxed, easy-going networking atmosphere of Oulu. Many of the site managers had a Nokia background and knew each other
from the past. Oulu is also relatively small, with relatively few actors. Such factors are important, since confidence in the development of the business, local partners and prospects may encourage investors to make additional investments.

“New partners will be almost familiar in such a way that you call an old partner, and if it cannot help, a wink comes from another [one].” (Software, site manager)

“We have a very good network. Nothing very official, but they come here and we have a coffee and talk business in a very relaxed way with all the companies in Oulu. We go to see them. [It is] very low-key and excellent: one of the reasons why I like Oulu very much. [It is a] very professional way to work and a relaxed way of being. [We have] very good relationships with official institutions…” (Digital, community facilitator)

“Partner network in the region... It has been quite a fruitful cooperation. Through this cooperation, we are increasing investment in Oulu, and [Component] has invested more in Oulu than was planned.” (Component, site manager)

Developing a network of collaborators is important for an investor. Cooperation may lead to opportunities to identify flexible ways of running joint projects, and the sale of high-quality solutions requires company interaction and collaboration.

**Passion, energy, skills and vision through a body that coordinates, communicates and handles shareholder actions**

The communication and handling of shareholder actions may require a front desk operator with responsibility and resources. Big investors have their own mechanisms and structures to take care of practical matters; however, smaller investors and start-ups may require a one-stop shop to deal with such issues. For example, when an investor is working on its own business tasks, it may not have much time to think about how to better benefit from its community. Such an investor may need someone who knows its business to be its relationship officer. This can be arranged through a position at the investor’s office. The investor can make use of the IPA’s contacts and knowhow to explore business opportunities from which the investor could benefit, identify funds that could be accessed prior investing, identifying promising start-ups and businesses to work with and finding ways to collaborate with the research sector or get in touch with relevant venture
capitalists. The IPA can assist in building a reasonable package of benefits and wages, taking into consideration individual conditions and competitiveness.

It is important for the IPA to understand how companies operate when resources are limited. What actions can take place, and how must they be prioritised when access to both human and financial resources is scarce? This information can then be shared with the other parts of the public sector, and FDI softlanding services can be developed accordingly.

“[The IPA’s] main focus is the development of the operating environment and the support of competencies, and from the marketing point of view, it is the marketing of the place that is essential....” (Broadband, site manager) pr

“[The IPA] is a smart relay that markets outwards that we have such a great thing, and this relay can be contacted and, in the interior of the place, knows the operators reasonably well and gives [the brand] an interface.” (Facilitating actor, research) pr

“It is very important for people who work at [the IPA] to understand how companies work during start-up phases.” (Hardware, CEO) pr

“[The IPA’s] role [is] absolutely a middleman role. We almost set up a project there with BO. We would have done it if we had not been able to hire the admin so fast.” (Wireless, CFO) pr

The interviewed cases were mainly satisfied with their softlanding services; however, the data show that there were challenges with the FDI activities from the facilitating actor perspective. FDI softlanding services are a relatively new concept, and many activities related to these services were project-funded. This arrangement required not only project staff, but also someone to take full responsibility for the delivery of overall services. There was a need to prolong projects or seek additional funding, as services tended to extend until the investor was settled in the new place with a solid partner network and arrangements to grow the business locally.

Another viewpoint concerned the lack of resources. Joint marketing requires funds, and the fact that the IPA has limited resources sets certain requirements on facilitating actors. The need to secure the commitment of all facilitating actors was considered important.

One additional issue concerned the various and unclear responsibilities of the IPA. The IPA has multiple functions related to providing softlanding services, not only for investors, but also for local companies in multiple industries, companies
of different sizes and companies in different phases of their development lifecycles. As a result, the IPA is unable to allocate much time to individual investors.

“The shrapnel of joint marketing is far too small. There is a need to 10-fold the current bet. How do we get investors, companies, and the best stuff here?” (Facilitating actor, business) pr

“Getting investments here is a hobby.” (Facilitating actor, research) pr

“BO has some customer responsibility, but they look awhile at every place and everywhere and with everyone.” (Facilitating actor, research) pr

“[The IPA] could be a bit better going inside the company.” (Digital, community facilitator I)” pr/dr

“There is certainly a lot of help here that we do not know.” (Software, CEO) dr

**Effectiveness of resource mobilisation**

Effective resource mobilisation requires an IPA’s resources to be arranged in the right way. The IPA sales manager needs a network.

“I would like to solve that: from what we have to do to make the 5 companies sign up for investment, and then we will have to have at least 10 companies in the tunnel constantly rolling. It means that we should have 10 champions of people who, with their own work and spirit and body, that the only thing they have to do is get them here.” (Facilitating actor, research) pr

The data show that investors benefit from trainees and graduates during the investment and post-investment phases. They employ undergraduates and train them. They also approve of significant age diversity and employ retired people who have come back to work on particular projects. Investors must be open-minded and cannot discriminate, particularly since access to talent is such a critical issue for them. Given these considerations, the IPA requires new measures to attract talent from elsewhere.

“There is so much finance tech in Oulu that software experts are needed. Acquisitions have been made on the software side, [but] not direct investments.” (Facilitating actor, government) pr/dr
For an investor, effective resource mobilisation signifies effective access to a skilled workforce. Since many investors moved to Oulu following the local release of a skilled workforce, they were able to build and select management teams in very short periods of time the pre-investment phase. Access to the management team determined the site selection. In a normal case, a potential new site manager would have had a notice period of several months and would have started much later.

“We hired managers, and so one leader on software (SW) management and one analogue, one integrated circuit (IC)... so four team leads. So, because we were slightly lucky, since all these people were left off, it was easy to find my admin easily, find my IT person and all these people. I found them on Friday, and they started to work on Monday.” (Wireless, investor)

6.3.4 Place brand positioning themes emerging from the data

This chapter will highlight the themes that emerged from the data when discussing the three brand positioning phases: elements, management and assessment. The themes are as follows:

- FDI activities were focused more on communication than on closing the IPA’s deals
- FDI attraction and value proposition communication was not one of the IPA’s core activities
- Investors would have liked quantifiable information on capabilities
- Investors would have liked tailored value propositions
- The IPA expert’s personal networks affected what was promoted
- The IPA focused on the pre-investment phase

Another observation from the data is that the IPA’s activities focused not on closing deals, but on sessions with potential investors. There was no clear view of what the investor was targeting; therefore, the place’s sales pitch could not be built accordingly. Several potential investors were lost because of this procedure.

FDI attraction and value proposition communication were not among the IPA’s core activities. Such activities were not institutionalised; instead, the marketing was outsourced to a registered association that later became part of a governmental organisation. The registered association consisted of engineers with technology knowhow, regional talent networks and a global network of partner companies and
subcontractors. The IPA representatives, who had neither the technology competence nor similar global networks, followed up on the activity and participated in investor negotiations; however, they did not manage operations. Instead, this task fell to the community facilitator. As a result, neither the IPA’s FDI competence nor the networks were optimally developed.

The IPA’s current value proposition was too broad, lacked figures and facts and was not sufficiently concrete. The FDI target was not acknowledged when the value proposition was built. Access to talent formed the core of the value proposition, and softlanding services were supplementary. The interviewees emphasised that the value proposal was not sufficient with the core only, and that softlanding services were also required (and vice versa).

There is a need to quantify capabilities and competences and make them more visible to investors. Investors rely on facts and figures, and critical mass makes a difference when they make investment decisions. It seems, currently, the IPA is lacking or has not properly commercialised its argumentation. For example, an R&D infrastructure exists, but it is not fully marketed. That is, companies are not able to profit commercially as part of a research project or in a normal R&D project context. Successful use of an R&D infrastructure requires argumentation and commercialisation.

The IPA’s marketing experts were not educated in FDI promotion, and they lacked expertise on how to build messaging for FDI targets. There was a belief that the old Nokia structure would last indefinitely, and this impacted what was promoted and to whom. The IPA’s personal contacts also had a major impact on what was promoted and to whom.

The IPA plays an important role during the pre-investment phase. Typically, however, the IPA plays a more minor role in the development of the business case, which is more focused on processes inside the business and is generally led by site management.

### 6.4 Place brand image

The following subsections will outline and analyse the third element of the overall place brand: namely, the brand image, which is formed based on investors’ perceptions of a brand. A place brand reflects a distinct image that differentiates the place from competitors, and this image develops over time due to activities executed in place marketing.
The following subchapters introduce the elements, management and assessment perspectives of brand image. They follow the same analysis formula as that used in the subsections on place brand identity and positioning. The coding is executed from the element, management and assessment perspectives (Appendix 1). As in previous sections, the time dimension is indicated with an abbreviation (pr/du/po) after each interviewee’s comment, signifying the pre-/during-/post-investment phases, respectively. The last subchapter summarises the themes emerging from the data that are new to theoretical findings.

### 6.4.1 Place brand image elements

**Identified brand elements**

The interviewees perceived Oulu brand as being technology- and engineering-driven. Place marketing had already created this particular brand of what Oulu is and what it is known for during the pre-investment phase. It was easier for the studied companies to invest in technology because the place was known for its experience, robustness, technology and innovation. Since Nokia’s modem expertise had been sold many times around the world, nearly all industrial partners and competitors were well aware of what was available in Oulu. There were hundreds of skilled software workers and other skilled individuals, as well as new start-ups visible in both marketing and the ecosystem. It was clear that no investment would have taken place if investors had not found that Oulu’s proven knowhow and skillset matched their technology profile. After all, investors came to Oulu due to its release of technology manpower. This was Oulu’s unique selling point during the pre-investment phase.

Many of the informants also mentioned local work ethics, the persistent attitude of making things happen and the capability to produce new products from scratch. Many site managers were able to deliver projects successfully and receive more responsibility and tasks in order to grow their business. This initiated a new search for additional talent in Oulu.

“*Lot of technological start-ups can fulfil many of the digital visions of large corporations: hard core technology and the skills to do end-to-end products for the mass market.*” (Consultant, investor) pr
“Three of four leading LTE [long-term evolution] operators are in Oulu. In the world, there are not many places where LTE radio can be done. Oulu is one of them.” (Wireless, community facilitator II) pr

“The profile of people released from Nokia in Oulu was appropriate. Android expertise and staff were well available when the decision [was made].” (Platform, site manager) pr

“It was not Oulu's brand, but the Nokia brand [that was] why the company came to Oulu.” (Hardware, site manager) pr

“Oulu is not a big thing, but people's knowhow is, and Oulu has nothing to do with it. Old Nokia people and their professionalism were a sales item.” (Platform, site manager) pr

“The brand was a strong technology knowhow combined with attitude.” (Broadband, IPA manager I) dr

It became obvious that the Oulu brand was somewhat unclear to the investors and that the brand image was limited from the technology competence point of view. It was not clear whether Oulu wanted to attract talent to Oulu or whether its objective was something else. For example, Oulu did not offer any clear target orientation on Google.

“The brand of Oulu is a little bit fuzzy: something to work on a little bit. What is the mission for Oulu? What is Oulu good for/[at]...This is a very honest country—sell it.” (Digital, site manager) po

“In my eyes, it is a [well-known] fact that Oulu has long and hard skills in radio technology, which is a pretty narrow view of the whole Oulu brand.” (Component, site manager) po

Perceived differences among competing places and their ability to deliver long-term competitive advantage

The most important perceived difference among competing places was their access to ambitious talented people who were able to respond to investors’ technological requirements. The Oulu brand was perceived as being technology-driven. Many innovations related to wireless networks and mobile phones had been developed in Oulu since the 1970s. The data revealed that Tampere is a Finnish city with a similar profile; however, Tampere was seen as having a more hardware- and systems
design-based focus. By contrast, Oulu’s perceived brand focus was seen as originating from the Nokia legacy and the University of Oulu’s long-term strategy of investing in telecommunications research.

“In our experience, without begging, just being very objective, when we have approached the same discussion in other places, we always found that the ambitions of the people were not aligned with what we wanted.” (Digital, site manager) po

“The actual competition issues that stand out: 5G and circuit design have been those things. Software and financial engineering and productivity.” (Facilitating actor, government) pr

One of the IPA’s post-investment activities is managing networks. Networking services provide investors necessary visibility and access to talent and expertise in the region. The data reveal that the networking was both efficient and valuable. On one hand, the importance of investors and facilitating actors, particularly as lenses through which the place brand could be seen, was emphasised. The place brand was also shown to support other regional brands. On the other hand, no single company was emphasised. Instead, broader brand items were introduced. The data reveal that the differences in opinions depend on actors’ backgrounds. Those who were involved heavily with specific products and companies saw the place brand through these lenses, while those who had worked in several companies did not attach the brand to one singular entity, but instead saw the whole ecosystem.

“We have been told many times that no other country has a similar system: That is, you can get directly to the ecosystem, you will get direct partners, you get connected, you will be brought into high-tech and you will be brought into the circles so that you get this. This is the Oulu offer.” (Facilitating actor, research) pr

Since the investors had launched R&D-based activities in Oulu, workforce and facilities costs were of interest. Salary competitiveness was highlighted as a differentiating factor.

“From the point of view of product development, I would say that if we have experts here, yes, for reasons of cost, because of the wage level, it is worthwhile to continue this. Maybe in the future, some maintenance jobs might be elsewhere.” (Software, investor) pr
Product and technology testing facilities were also highlighted as supporting the payback of investments and access to information on standardisation. The investors were able to gather information about standardisation and make use of it in their own product development work.

“There is a lot of testing and field testing here that can influence the company's development work.” (Platform, site manager) pr/dr/po

However, some informants perceived the Oulu brand as rather peripheral. These interviewees saw the distance to headquarters or visits to customers as matters of cost that required extra resources in terms of both time and finances. The lack of direct international flight routes to Central Europe and the fact that flights always require a stop in Helsinki means a loss of both time and resources. Investors who were operating as start-ups considered these issues to be significant cost challenges, especially when several members of their staff had to travel every week. On the other hand, Oulu’s advanced ICT infrastructure and extensive Internet connection allowed investors to operate from distant sites and keep their skillsets distributed.

“One of the challenges we have [is that] it is pretty far from... to Oulu. Maybe not in business, but the fact [is], we have a lot of teams travelling back...” (Wireless, investor) po

“In a sense, we are trying to make sense of the digital tools, and today, we have a really good phone connection and computers and Skype, and we are one hour from Helsinki, the place we just so happen to be run from... That does not have any effect on how we run things.” (Digital, site manager) po

All interviewees belonged to at least some regional network, and they noted that networks in which people know each other can be quite powerful. Network members form independent and invisible connections with which investors locating to a region are often unfamiliar. Despite their invisibility, however, these networks can have a strong influence on new investors. Since many connections are hidden, their impacts can be either personal or organisational. It may be problematic to pursue a particular investor’s interests if it means narrowing the network. Several factors in this may not be visible and may appear only gradually and after a company has invested in the place.

“Oulu's advantage [comes] before the company's interest. [Various] cliques are dangerous. If you hire a representative, be aware that he does not hire a
group in the same [network], and thereafter, there are only [certain kinds of] subcontractors.” (Platform, site manager) po

“The proximity and the ability to touch the network and [to] network is important compared to our competitors.” (Digital, site manager) po

6.4.2 Place brand image management

Managing networks by interacting with recipients

Investors want to make sure that the recruitment process runs smoothly and that teams are set up for professional reasons and not personal motivations; however, these goals might be jeopardised in a relatively small region with smaller networks. The local site manager must manage the recruitment process without much external control. The investor trusts the IPA to provide an independent service without ties that might affect the investment outcomes. In this way, the IPA was seen as having a critical role in the recruitment process.

“The challenging part with Oulu is that it is small and everyone knows everyone, and it was difficult for me to know [if the site manager] hired a friend or you want to help the firm, because everyone knows everyone.” (Wireless, investor) pr

The provided good testimonials of the IPA’s FDI softlanding services and can serve as interesting proofs of concept during the post-investment phase. The investors’ presence and presentations in meetings with potential new FDI customers or other important reference groups could make a difference in how the IPA and the Oulu brand are perceived. Investors can share their practical experiences and speak to the value of softlanding services.

“...[IPA] type of organisation can use us as a case to show others, ‘This is what we did with [government],’ and then we can make ourselves available.” (Hardware, site manager) po

Interaction and information sharing between the IPA and investors, however, may be problematic without an agreement during the pre-investment and investment phases. Typically, ICT sector representatives are careful about information sharing and require written agreements before sharing any details during business conversations. An agreement may be particularly important for talent profile-
related issues. Investors can participate in discussions with competitors organised by the IPA, but they may be unable to share much information, especially related to talent profiles. Another problem may arise if an IPA signs an agreement systematically with all entering investors. In this case, the IPA becomes a “banker” of information, but has no way to use this confidential information to promote a particular investor’s targets to grow its business.

“For [the] place of Oulu, it might be tricky, as you are catering to many companies. If you are signing NDAs [non-disclosure agreements] with everyone, you could become bankers of information.” (Digital, site manager)

Developing image

Positive media coverage was seen to enhance investor awareness during the pre-investment phase and even trigger interest later in the investment. Media can affect a region’s outlook and help shape its image. Freedom of the press increases investors’ confidence because they know that news stories have been written by independent persons.

“Significant investment decisions increase, and people who make decisions themselves cannot get to know the subject, and then the brand, visibility and recognition will help them make the decision when they have read good news in the media.” (Digital, community facilitator)

In most cases, investors’ perceptions of Oulu did not change from the pre-investment phase to the post-investment phase. Oulu was generally able to deliver what was expected with respect to talent and networks. The Finnish informants did not see value in Oulu’s location, but emphasised the quality of its business and talent pool.

“What you see here is that everything works very smoothly, and this keeps you confident. What we fell in love with turned out to be reality.” (Consultant, investor)

“Primarily Broadband and, secondarily, the venue. The place itself does not increase business value. In marketing, we say in a suitable way where we operate. I am quite convinced that, on a larger scale, the Oulu brand has
developed positively for Broadband.” (Broadband, community facilitator, company) po

“...you can succeed in Oulu, and people can rely on people in Oulu, and things are not lost here, so a Finnish engineer does not steal the firm’s property, software or technology.” (Component, site manager) po

Image development can take place through an investor’s own international networks. These may serve as cooperation channels for developing the region’s image.

**Handling of unexpected events and coincidences throughout the process**

The data reveal that, with good preparation, it is possible to handle unexpected events and coincidences. Interactions with investors require professionalism and a capability to market softlanding services and answer difficult technical questions on the part of the IPA. Both a business background and a technical background, including sufficient practical experience in international business, are required. A lack of such expertise may cause the first meeting with an investor to fail. Furthermore, sales pitches require professionalism and careful preparation.

Even when an investor’s visit to Oulu is successful and the IPA and investor agree on how to proceed with next steps and a follow-up visit, results can differ. Changes in investor management, economic and political changes and changes in the environment can all prevent an investment from being realised or delay its implementation.

During the pre-investment phase, an assigned consultant should be responsible for running the project and should be in regular contact with the investor. The success of a given project depends on this consultant’s ability to build trust with the investor and run the investment process. If the assigned consultant lacks a connection to the overall regional ecosystem or is not familiar with the region’s highlights, place marketing may be completely lacking from the pre-investment process.

In the event of unexpected situations or coincidences, the IPA must be ready and able to react to the changes. The IPA must be well aware of investors’ particular settings and challenges. If an IPA has little or no dialogue with an investor, it is possible that it will intervene too late, resulting in negative consequences.
“The management of the firm decided that we would go elsewhere. We cannot do anything about that.” (Facilitating actor, research) dr

“The company is dead and buried. Not related to Oulu. Money was not found through other channels. The question was that no more money was accepted from others [the other owners] because of the dispute between them. There would have been money, [but] because of the controversy no more money could have been invested.” (Platform, site manager) po

6.4.3 Place brand image assessment

Pride in the place and brand robustness (despite bad press)

Pride in the place affects the robustness of a brand. Pride consists of several things. In Oulu, the place’s pride stems from hardworking, talented people in the technology sector. According to informants, these people are committed to and focused on their work. Another reason for pride in Oulu is its large population of young people, which should enable a future growth. Oulu can be considered a small metropolis with a university and an accessible and agile environment.

“...for people who work in technology, it was very well known. I believe [the IPA] does a good job in marketing in that base.” (Wireless, investor) pr

The informants appreciated Oulu’s agility in reacting to the post-Nokia era. Oulu’s image has improved, and it has the potential to engage in more business activities than many informants expected. The legacy of Nokia mobile phones is alive and appreciated, particularly since the post-Nokia era was somewhat challenging and turbulent. Radio research represents a strong focus at the university level, and the universities cooperate well with industry, building a future on 5G technology.

“This was actually one of my fears: that the Nokia culture was here. The Nokia culture is probably here, but it is not a start-up culture. So we were afraid [that] we were sitting with the Nokia legacy and had to spend time to transfer people to the start-up culture. But that has been very simple, and people have been very adaptive.” (Wireless, investor) po

“We have exceeded the expectations of what an Asian company thinks of Europeans: [that we] come to work at 8 and leave at 4 and that we are lazy and we will not make anything happen.” (Component, site manager) po

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The IPA’s ability to spark significant industry activity was appreciated by many of the informants. This activity enabled Oulu to maintain a positive brand image despite bad press. Moreover, since the “bad press” occurred during the shutdown of mobile operations, it was not all bad, since it increased the visibility of the released labour force.

There was a clear cultural difference between how Finnish and non-Finnish informants reacted to the topic of pride in a place. The Finnish informants (i.e. site managers with mobile phone backgrounds) believed that it is better to keep a low profile with respect to pride. By contrast, the non-Finnish informants wanted to promote the place to their colleagues during company summer parties and other events.

“Better be silent. Parochialism may irritate others. There are those who shout, and those who get things done.” (Hardware, site manager) po

“I have my Oulu pins, leaflets, t-shirts. Everybody knows about the Northern Lights and Superparks. They are now trying to replicate this in other places. Hopefully, they will not succeed, so that we can still keep the edge.” (Digital, site manager) po

Informants also mentioned being proud of Oulu’s active start-up activity and the remarkable recent growth in the start-up community. According to the Software investor, Oulu is home to a lot of expertise that can be exported to the rest of the world.

“Oulu has a lot of entrepreneurship. Suddenly, there are start-ups, like mushrooms after the rain. Start-up events.” (Software, investor) po

The question concerning the availability of talent is one that investors cannot answer in the media or in discussions with competitors. It is a question of a strategic nature and cannot be discussed, even when developments are positive. Conversely, problems with talent availability could lead to bad press, which could negatively affect the promotion of investment opportunities. Investors who read such press may become unwilling to invest in the region because there are no guarantees that they will be able to access requisite talent.

“...then firms are not so willing to say that they hired subcontractors whose workload effect is 100 man-years. You cannot always go public.” (Component, site manager) dr
“We are beginning to [have] a bit of a shortage of experts, and certainly, it is one of the limiting factors for growth: the availability of experts.” (Digital, community facilitator I) po

Sustainability of businesses, Local business promotion of the place and cooperation with place strategies

Business sustainability requires each investor to have a long-term vision of new regional projects and expansion opportunities. From an IPA perspective, an FDI is not a “hit and run” project; rather, it is a project that requires commitment on both sides: from the investor and from the regional IPA organisation. Eventually, investors turn into Finnish limited companies (i.e. Finnish Oy) with foreign owners who should commit to the region (since it is not sufficient for only the site manager heading the local team to commit). There is little negative short-term entry to Finland, and few investors would stay for only a short time. Typically, product development units grow once they are past the pre-investment phase and have successfully completed the investment phase.

Access to financing and talent impact the sustainability of an investor’s business. Regional and national financing authorities play a major role in facilitating investor development and providing both grants and loans to SMEs. Investors cannot recruit teams until funding is secured; thus, the IPA’s venture capital network introductions are valuable. However, these networks need to develop and grow. Nearly all informants commented that they were ready to recruit more people if the right competences were available in the region. The biggest hurdle for both SME and multinational investors is the shortage of skilled professionals, which increases the need for both talent attraction programmes and the local retraining of professionals.

“Now, we are stabilising and building maturity for the set-up. We have a three-year plan for that. So we keep stabilising, maturing, boring it down slowly like an oil machine that will deliver... It is working actually very well. In the whole of the Nordic region, we are looking at diversifying a little bit—not growing necessarily, although it might require growth... empowering more people.” (Digital, site manager) po

“Looking for a specific type of talent is tricky. We have been speaking with our vendors and with our partners and competitors [and] we all seem to be in the same boat: We need people who get things done and are also good to do a
proper escalation of a problem without exploding, instead of running around, and saying, ‘Hey, in three weeks, this will be an issue. Maybe let’s do some adjustments [and] get it fixed.’” (Digital, site manager) po

Oulu has been the “best-kept secret” in the R&D business for many years, largely because Nokia did not want to promote the place because it was afraid that competitors would be interested in its skillset and start to compete for it. Industrial espionage was also a frequent problem. Nokia required a low subcontractor and university profile, to the extent that its competitors were not allowed to invest in the place. This was done in a delicate way, but was not a wise decision from the perspective either Nokia’s or the ecosystem’s development, according to an interviewed facilitating actor of research. Specifically, this decision limited the development of FDI activity in Oulu.

This low-profile culture continues among ex-Nokia staff, as site managers tend to promote Oulu only within their own networks. From an IPA perspective, if a site manager and investor do not cooperate with respect to place strategies and place promotion, investment promotion will suffer.

There are also good examples of promotion cooperation: cases in which the IPA could benefit from investors’ place marketing materials on the ecosystem and the company’s talent pool. Investors’ feedback is appreciated and valuable, and various materials (e.g. videos, slide sets or brochures) serve as good reference materials for future investors during pre-investment screening process.

“This type of company does not want to advertise where R&D is done because it is a security issue. They would rather hide their product development centres than they would publicly talk about them due to security threats and social engineering threats. Certainly, it can be found in their information, but they do not appear publicly.” (Digital, community facilitator) dr/po

“We travel to meet partners, such as operators and vendors, and use Oulu’s special knowhow and long technology history. We advertise it. Oulu is one of the few places in the world where the knowledge really exists.” (Wireless, site manager) po

“The situation has turned the other way: that is, [the IPA] uses materials which we have produced from Oulu.” (Component, site manager) po

Oulu’s Nokia legacy is important for promoting investment sustainability. The local talent is rooted in the Nokia legacy, including specific working mentalities,
redundancies and changes that have impacted working habits. Teams are told to be pragmatic and goal-oriented. They have a habit of giving constructive feedback and experience in executing projects with an innovative approach and out-of-the-box thinking.

“Even if we have the same mentality—that we want to make the latest new or interesting engineering work—so we do not have that attitude, but we guide the discussion in that direction: that we get to do interesting things.” (Component, site manager)

Repeated cases

It is critical for the IPA to understand investors’ requirements and to identify the most economically viable solution to match them within the Oulu region. It must also help create a competitive edge to ensure that Oulu can compete with other ecosystems.

“The European situation as a whole is not terribly good… In Europe, there are no phone manufacturers, except 10 companies, with a maximum of 100 employees, but no big ones. One of the question marks is IoT. Is that where Europe plays a major role? The development of the market and the customer base dictates the role of the product development, pretty much.” (Mobile, site manager)

IPAs play an important role in helping investors determine why and how to grow regional investment. Such arguments are directed toward company headquarters, and they consider such issues as screening new business areas and regional players. The IPA can identify the missing links in infrastructure development, introduce new facilitating actors and initiate new development projects.

“…the new entrants to the locality will rejuvenate the community and improve the community credibility in the investment...” (Software, site manager)

When the investor is confident in an investment and sees that the investment is developing positively, it is likely to give site management more product development and other responsibilities. Similarly, when the site management is pleased with the talent pool’s ability to meet targets, key people advance rapidly through their careers. Furthermore, staff may see opportunities for add-on projects and benefit other parts of the investor organisation.
On the other hand, if a project does not proceed according to plan, then the operation typically does not grow or develop any further. The worst case scenario becomes true when an operation is shut down. Such failures can be prevented by after-care services.

“So, the easiest way to get more jobs is by helping existing companies invest more.” (Digital, community facilitating)

“They know that there is a risk that [if] the project is not a success; we can quickly pull the plug. Everyone knows that. It is a fair play. So the project has to be a success, and we are pretty confident that it will be a success, but you never know. We have been open to people with that.” (Wireless, investor)

Repeated cases depend on investors’ ability to gain access to the Oulu workforce. As the market situation has tightened, investors have begun to recruit from one another, rather than to employ the remaining talent. Thus, though several projects have been outsourced to Oulu due to the place’s expertise, the growth of these projects depends on whether new talent will be available in the future (as well as on investors’ investment capabilities).

When investors start to hire from one another, there are negative consequences. An investor that wishes to employ 100 to 150 persons may complicate the business growth of existing investors. When investors are competing for the same human resources, salaries tend to increase.

“The situation goes according to the market situation, and Oulu cannot be proud because the experts are no longer free. In this sector, newcomers are slow to enter. The experience requirement varies from 0 to 20 years. Oulu needs to have special know-how and to embody it in order to stand out in the world on a larger scale. For smaller companies, [a city with] million inhabitants is not the option to start a site.” (Wireless, site manager)

“At times, it seems that the IPA could stop getting our competitors here.” (Component, site manager)

Even minor things can determine the trajectory of business growth. For example, Hardware claims that the ability to invest and grow regionally depends on an investor’s access to support and facilitation.

“We have to grow roots and become the best place to work in Finland, [and] we have a couple of initiatives on that. That is our goal for sure. The rumour
says that we are attracting even more... initiative to Oulu, which is good.”

(Digital, site manager) po

6.4.4 Place brand image themes emerging from the data

This section summarises the new themes emerging from the data relating to previous discussion of brand image. The themes include the following:

- Investors commit to project investments, but not necessarily a long-term presence
- The IPA has a longer view of investment to support local site management
- The Nokia legacy impacted Oulu’s brand image
- The media influences the region’s brand and how investors think
- Technology-oriented talent is a powerful element of Oulu’s brand image

The importance of after-care facilitation cannot be stressed enough. During the post-investment phase, the IPA tends to rely on site managers for information sharing and does not necessarily engage in direct contact with the investor. This set-up can be problematic, particularly if there is a risk that a site will be closed down. Site management may require regional support for screening new business areas and opportunities; however, without direct investor contact, the IPA cannot react fast enough. If a discussion is initiated only once a problem is already at hand, it is often too late. It is also important to note that IPAs have a long-term commitment to investment, while site managers have a more project-oriented approach.

Another theme that emerged from the data was the impact of the Nokia legacy on Oulu’s brand image. The interviewees considered Nokia to be a strong part of Oulu’s brand image. In fact, the impact was so strong for the interviewed site managers with a Nokia background that they did not see any value in Oulu’s brand without Nokia. The era after the fall of Nokia mobile phones was considered challenging and involved multiple changes in the local ecosystem, including massive lay-offs. However, Nokia’s fall also led to several positive results, such as new investors and FDI, adaptive people and hundreds of new start-ups.

A region’s brand image can be developed through media, since the media plays a significant role in impacting how investors think. Thus, positive media visibility can improve a region’s brand image, increasing investors’ confidence and building awareness of the region’s capabilities. More credible media have a more powerful impact. Media visibility plays a significant role during the pre-investment phase.
In later phases, the majority of the interviewed investors had a positive approach toward the media and were pleased with the visibility Oulu had received, which helped them promote their business. However, a few investors preferred to keep a low profile with their R&D activities and chose not to speak to the media.

Access to technology-oriented talent was the most powerful identified brand image. This talent consisted of hardworking people who were devoted to their work and had the capabilities necessary to perform the tasks required by the investor.

Unexpected events and coincidences can be handled with a professional approach and preparation. Such preparation includes creating back-ups of appropriate investment policy guidelines, developing a robust brand image and continuously training the FDI marketing team on customer interfaces and marketing promotion.

6.5 Summary

The context summary provides an evidence based discussion on the findings related to the ICT, FDI and individual case perspectives on place marketing. The sub chapter then continues with findings on time dimension to investment activities. Finally, the sub chapter aims to summarize, by proposing an empirical model illustrated in Figure 8, the model of place marketing in FDI.

6.5.1 ICT context perspective on place marketing

This chapter focuses on the ICT context perspective on place marketing, discussing the highlights of the development of the ICT sector. It is important to discuss the ICT context perspective because this constitutes the content for place marketing.

Oulu has a reputation as one of the most innovative tech centres in Europe. It is in its own class, with an active role in standardising wireless and mobile technologies. In fact, Oulu has one of the highest R&D intensities not only in Northern Scandinavia, but in the whole of Europe. Together, the research community and the private sector have played a major role in standardising new technologies. In particular, the University of Oulu and the VTT have been critical players. Oulu’s reputation as an R&D hub for wireless technologies has had a major impact on its place marketing.

Oulu has been at the forefront of system integration expertise and telecommunication development since the 1980s, and it is a place of many firsts in ICT innovation development. All major cellular network technologies and
solutions and more than 100 different mobile phone models have been developed in Oulu. For this reason, Oulu is home to a dense population of engineers well-versed in cellular technologies related to wireless information transfer and radio technology. The research communities at the University of Oulu and VTT have provided services to the private sector through their multiple R&D environments and test laboratories. Oulu’s ability to demonstrate a great ecosystem for testing new developments has been a great product for place marketing that has attracted significant attention from international investors seeking access to unique testing facilities.

In recent years, Oulu has undergone significant structural changes following the closure of Nokia’s mobile handset operations, which also had a major impact on the many companies working as subcontractors for Nokia. These previously foreign-owned ICT affiliates had only one mission: to service the Nokia ecosystem. Due to these structural changes and the release of skilled labour, Oulu has recently been a very interesting destination for new ICT investors targeting not only the Nokia network, but also other global companies in the ICT sector and beyond. Access to talent has been investors’ biggest motivator, and in most cases, they have not had time to consider Oulu’s brand image in making their investment decisions. Investment often need to be done fast, or the skillsets may be lost to a competitor with the same mission.

The next generation of wireless development focuses on 5G, the IoT and health. ICT can also open up new opportunities in traditional industries, including energy, mining, infrastructure development, logistics and construction. 5G is currently very much under development. The fact that Nokia has invested more than 10 million euros in two 5G laboratories proves that the company is committed to researching future technologies in collaboration with the region’s key players. In fact, Oulu is one of the first cities in the world to provide 5G testing facilities for both private sector and research entities. This gives the region and its companies several business and research advantages related to the development and testing of new innovations, such as surgery robotics and cyber security (among many others).

The cases examined in this research were in their product planning phase. Their reason to invest in Oulu was to gain access to the place’s specific skillset and competence to enable new product planning and design. In most cases, the companies sought to enter a completely new technology sector or enlarge their current business case to access a new technology space requiring specific software and/or cellular competence. The region’s hard core digital technology was also of interest to the majority of the interviewed companies. The fact that Oulu’s
companies and research sector have competences in multiple emerging technologies, such as 5G, the IoT, AI, printed intelligence and big data, was also a key decision-making factor for at least one investor company.

6.5.2 FDI perspective on place marketing

This subchapter will discuss the pre-, during- and post-investment perspectives on place marketing. The first topic is the pre-investment perspective on place marketing.

According to the analysis, the objectives and guidelines for investment policy set a clear scene for place marketing during the pre-investment phase. The structure for promoting FDI was seen as important. A regional strategy can engage regional business development and research organisations in FDI promotion. There was a lack of a joint FDI strategy or a single body with a regional mandate responsible for executing such a strategy. Key actors and organisations in regional business and research development recognised their roles in the FDI process, but were not familiar with any joint regional FDI strategy: correctly so, because no such regional FDI strategy had been developed or communicated. Without a single interface and matchmaker, FDI promotion was a challenge. The number of leads in the pre-investment funnel phase was numerous, though it represented only a fraction of the leads that could have been realised.

During the pre-investment phase, the IPA’s actions and focus were seen to depend on whether the investment was a greenfield entry or merger and acquisition investment. In mergers and acquisitions, the IPA plays a less visible role because of the execution of due diligence and the lack of a need for local assistance or place marketing promotion. In the case of a greenfield entry, however, an IPA can offer the investor quantifiable and detailed information regarding the capabilities and competences of interest. This information must be provided in the right language, be tailor-made and packaged for each customer and be shared upon request. Typically, investors with no previous networks in Oulu contact the IPA during the pre-investment phase for further assistance. By contrast, investors with existing network rely on their own local contacts. Partner and technology negotiations take place when the investor is ready to visit the site. The IPA must facilitate these negotiations to ensure that the participating parties are well-targeted and prepared.

Place marketing takes place during the investment and post-investment phases, after an investor decides to invest. Like the IPA’s role, the place marketing approach depends on whether the investment is a greenfield entry or a merger and acquisition
investment. IPAs tend to have long-term commitments to investment. However, this is not necessarily the case for investors, who are often seeking a more project-like approach. Another observation drawn from the data was that the activities focused not on closing deals, but on sessions with potential investors. Since there was no clear view of what investors were targeting, sales pitches could not be built accordingly. Several potential investors were lost to other locations both inside and outside Finland because of this. Thus, the investment phase demonstrated a need for more professional IPA services, since every investment case represents a competition among one or multiple sites.

FDI attraction and value proposition communication were not among the IPA’s core activities. Such activities were not institutionalised. Instead, marketing was outsourced to a registered association that later became part of a governmental organisation. The registered association consisted of several Nokia engineers who had technology knowhow, regional talent networks and a global network of Nokia mobile phone partner companies and subcontractors. The IPA representatives did not have these technology competences or necessary global networks. Therefore, they followed up on activities and participated in some investor negotiations, but did not manage operations. This task was handled by the community facilitator. This is a somewhat bizarre arrangement, since ICT talent is Oulu’s primary competitive edge and marketing and promotion were the key activities of the economic organisation in charge of the IPA services. Because of the issues related to this set-up, neither the IPA’s FDI competence nor the networks were developed to their maximum potential.

Once an investment is completed, the IPA plays a minor role in the business itself. The management and maintenance of each customer provides new opportunities for additional investments, if the investment is well managed. The importance of after-care facilitation cannot be stressed enough, particularly in repeated cases. However, during the post-investment phase, the studied IPA tended to rely on the site manager for information sharing and did not necessarily have direct contact with the investor. This set-up can be problematic, particularly if there is a risk that a site will be closed down. Site management may have a need for regional support in screening new business areas and opportunities. Without direct investor contact, the IPA cannot react fast enough. If a discussion is only initiated after a problem is at hand, it is often too late to develop a solution.
6.5.3 Individual cases and place marketing

The individual cases represented a wide range of ICT companies, all with the aim of befitting from Oulu’s skillset and building an innovative product, service or technology in the region.

Not all cases were familiar with softlanding services. The interviews showed that brand image was more important to the investors than to any of the regional site managers, who emphasised the importance of the Nokia brand instead of the place brand.

Software had a good network base in Oulu. It invested in Oulu due to existing network relations and the good reputation of Oulu-based talent. Oulu’s technical knowhow and competitive salaries make the region a very important place for the company, which would like to continue its core product development operations in Oulu. Software did not have a lot of experience or engagement with regional softlanding services and did not know which softlanding services were available from the IPA. However, they were confident that the IPA could help them network regionally.

Hardware received concrete assistance from the IPA related to finding the financial instruments necessary to set up operations and search for new talent. The IPA found Hardware through local media and contacted them with an invitation to visit an Oulu matchmaking event. The visit was a success, and Hardware was pleased with Oulu’s level of activity and access to skills and funding subsidies. The approach was fairly easy, since the IPA was able to simply modify existing place marketing materials for its pitch. Later, the IPA continued to assist Hardware, giving representatives opportunities to speak and present the company and product at different high-level events and, thus, giving the company additional visibility.

Broadband engaged in several investigations to identify places to source its needed talent pool. It chose Oulu because of its solid knowhow in wireless development and the fact that Oulu was among the two best radio technology developers in the world. A group of Oulu-based companies, facilitated by the IPA, prepared a sales proposal for Broadband’s headquarters in its host country. The IPA played an important role in the preparation phase of the investment; however, the roles of the partner companies and their networks and activities were also crucial. The IPA focused more on building the overall ecosystem for the investor and identifying new business areas.

In the case of Mobile, the IPA distributed information and materials on resource pool and general cost level. In this case, prior to the investment decision, access to
economic figures and information was also crucial. The initial project was run by someone with a strong history with Oulu. This individual also had practical expertise with the processes related to setting up a company.

Platform did not use any of IPA's softlanding services, since it saw no value in them and had been encouraged not to use them due to negative incidents that had occurred in the past. Platform had access to all necessary services, such as test facilities, through its own personal networks; therefore, place marketing had no impact on its investment decision. The IPA was unable to build any personal relationship with the investor and was not aware of its financial difficulties as they arose.

Digital did not have previous experience with this scale or scope of project or with having its own employees. The investment decision had already been made when the company talked to IPA for the first time. The company now has a proper site and proper office premises.

Wireless contacted the IPA quite early in its investment process. The IPA helped representatives contact legal experts to set up the company and find appropriate office premises. The IPA also looked into different financing alternatives and helped Wireless with its recruitment process. In the beginning, the IPA helped the team with several practical arrangements. Originally, Wireless was considering investing in Turku; however, the IPA's fast reaction and facilitation shifted its preference and secured the investment for Oulu.

Place marketing had a major impact on Consultant's investment decision. The IPA made the first contact in the investor’s host country. As a follow-up, Consultant came to Finland and was connected with a native speaker whom they trusted. This individual convinced Consultant to move to Oulu. The investment decision was influenced completely by Oulu’s brand, and company saw the IPA's support as not only valuable, but also unique. In fact, the company found the IPA's facilitation, particularly its provision of facts on tax rates, employment and budgeting, to be a key decision-making factor in the investment. Consultant perceived Oulu’s brand to be one of a quiet place where people are devoted to new things. It also saw Oulu’s far-north location as an exotic touch and a good story.

Component discovered the opportunity to gain access to skills due to Nokia’s exit from Oulu. It engaged an Oulu-based consultant team with a Noki background to prepare for an investment of several dozen people. Since the Oulu-based consultants had their own local network, Component did not rely on the IPA's help during the pre-investment phase. The consultant team had the trust of the host country management, which was regarded as an important decision-making factor.
After the investment, Component became interested in media exposure and additional local networking with public organisations. Here, the IPA played an important role. For example, the IPA has offered Component speaking slots at different networking events, which the company has used to grow its local network. Component has also participated in co-development projects together with the IPA and other private and public representatives.

The fact that Oulu is known as one of the best places for radio technology development has certainly impacted Component’s investment in Oulu. Moreover, as Oulu is known as the Silicon Valley of the North, and it is well known among all industry partners and competitors simply because Nokia’s modem business was sold and resold so many times. The place, the University of Oulu, the University of Applied Sciences, Nokia and business representatives have all engaged in place marketing since 2009 to 2010.

### 6.5.4 Investment activities over time

Table 4 shows investment activities over time based on empirical research. In this synopsis, the theoretical table (table 1 in chapter 3.2) is complemented with empirical findings relating to the studied actors and activities, with an emphasis on similarities and differences between the empirical findings and the theory. The factors identified through the empirical analysis are highlighted in italic font and in bold for emphasis in Table 4.

The empirical research proves that investors must secure commitment to the investment during the investment phase. Later, during the post-investment phase, investors must secure both business sustainability and collaborator network development. The biggest differences between the theoretical and empirical findings can be found in the pre-investment and investment phases of the IPA’s activities.

According to the data, the pre-investment phase has two phases. On one hand, the IPA needs to execute preparative actions in order to successfully execute investment promotion. Such preparative actions include quantifying capabilities, defining economic targets and securing both the resources and the authority needed to pursue investment. According to the data, there is a need for a single “Welcome to Oulu” service point of contact. It is also necessary to use ambassadors and facilitation the finding of partners for the investor during the pre-investment phase, as both of these actions can have a major impact on the investment initiative proceedings during the investment phase. Regular monitoring of the status of the
investment and working with brand ambassadors were considered important activities for the IPA during the implementation phase. These individuals are capable of promoting the place and can, therefore, impact investment. The empirical data highlight the fact that there is a need to develop the region’s image through investor networks and to engage both investors and investment targets to promote the place in their own networks during the post-investment phase. Such channels can be very valuable tools for IPAs seeking new FDI.

The empirical data emphasise that investors need to continue to secure investment sustainability after an investment has taken place. One way to do this may be to develop strong networks. The IPA must stay alert for any new changes taking place in the investor’s business so that it can identify challenges as they arise and react accordingly. It is therefore important for the IPA to have an ongoing direct dialogue not only with the investment target’s site manager, but also with the investor.

Table 4. Investment actors’ roles over time.

<table>
<thead>
<tr>
<th>Actor</th>
<th>Pre-investment phase</th>
<th>Investment phase</th>
<th>Post-investment phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor</td>
<td>Search for opportunities to invest</td>
<td>Negotiate with potential targets and talent on-site</td>
<td>Execute and implement the investment</td>
</tr>
<tr>
<td></td>
<td>Analyse leads</td>
<td>Decide on investment</td>
<td>Monitor performance</td>
</tr>
<tr>
<td>IPA</td>
<td>Built the brand ecosystem</td>
<td>Contact prospective investors directly</td>
<td>Service both the investor and the investment target</td>
</tr>
<tr>
<td></td>
<td>Quantify capabilities</td>
<td>Collect information on investors’ perceptions</td>
<td>Sell new opportunities</td>
</tr>
<tr>
<td></td>
<td>Set economic targets</td>
<td>Provide “Welcome to Oulu” contact point</td>
<td>Promote the investment climate, expertise and networks</td>
</tr>
<tr>
<td></td>
<td>Use individuals for PM networks</td>
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</tr>
<tr>
<td>Actor</td>
<td>Pre-investment phase</td>
<td>Investment phase</td>
<td>Post-investment phase</td>
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<tr>
<td></td>
<td>Secure resources for the work</td>
<td>Regularly monitor investment status</td>
<td>Be alert for new challenges</td>
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<tr>
<td></td>
<td>Have authority to pursue investment</td>
<td>Work with brand ambassadors</td>
<td>Use testimonials as proofs of concept</td>
</tr>
<tr>
<td></td>
<td>Identify investment opportunities</td>
<td>Locate the business</td>
<td>Sustain and grow the business</td>
</tr>
<tr>
<td></td>
<td>Use media visibility to grow network locally</td>
<td>Grow the talent pool</td>
<td>Grow network locally</td>
</tr>
<tr>
<td></td>
<td>Network for new opportunities</td>
<td>Set targets and get things done</td>
<td>Promote the place in own networks</td>
</tr>
</tbody>
</table>

6.5.5 Formation of an empirical model

This subchapter summarises the data analysis for place marketing for FDI in the new ICT era. The practical objective of this research is to understand how place marketing manifests in FDI at different stages of the investment decision-making process. Understanding investors’ needs is the key to servicing them. The outcomes of place marketing in an FDI process, as found in the case studies, have supported the development of an empirical model, as illustrated in Figure 8. The model presents the four cornerstones of successful place marketing: goals, individuals, regional competences and networks. These four cornerstones are illustrated in the centre of the model with the opportunity threshold. The different investment phases form the model’s x-axis, while the y-axis consists of key FDI actors. Furthermore, the four cornerstones impact the investment target, which is placed at the centre of the model (below the cornerstones). The changes that currently taking place in the ICT era are illustrated in an hourglass that contains service and product businesses as well as vertical markets. Together, next-generation wireless competences, technical skills and competences and managerial skills constitute the skillset required in the changing ICT era.

The research does not aim to justify the theoretical background of investment promotion policies in FDI attraction. Instead, it seeks to capture the true meaning of place marketing in the different phases of the investment process. Setting goals for investment promotion can require strategic analysis and market intelligence relating to future opportunities. What is the return on investment, and where are the future growth opportunities? The data reveal a need for foresight and understanding
of both the past and the future. It is critical to know where the next business and research opportunities may lie and what constitutes a place’s unique selling point.

As indicated by the empirical data, individuals who have the right technology background and who are well connected in the region are a valuable source of contact for the IPA. In the case of Oulu, when Nokia was about the close, these individuals actively sought new opportunities in their networks. They also had good connections with the local industry and were able to present turnkey solutions for investor. Through these activities, these individuals undoubtedly contributed to place marketing work. Thus, individuals who are considered brand ambassadors are critical to the investment phase. These individuals the evidence and capability to promote a place and can, therefore, positively impact investment.

The regional ecosystem is built on the regional competences of research and development organisations and private businesses. Articulating the complete ecosystem, including regional competences, is critical to investment decisions. Data are needed to build up the case, market investment opportunities for the investor company’s decision makers and support initial decisions.
Fig. 8. Empirical model of place marketing and FDI.

The data also show global vs. local networks provide good place marketing tools for investors, IPAs and facilitating actors. These networks are not only valuable
sources of finance and competence, but also sources of necessary skillsets that are gradually becoming a major regional asset and, therefore, a critical tool for investment attraction.

The data further indicates that both the IPA and facilitating actors must commit to a common vision and a regional brand. As a starting point, the IPA must know its customers. The key questions are: Who are the customers? What are their prerequisites for investment? and How can each individual process of establishing a site in the host region be facilitated? The facilitating actors promote the place in their own networks using the same message and assist the investment target in networking for new opportunities and business growth.

The investment process of an investor is illustrated in the upper part of Figure 8. Media can be a valuable tool for investor to grow their networks; screen for new investment opportunities; and reach out to clusters, financing authorities and skill sets during the pre-investment phase. As the process evolves, investors commit to specific investments and secure investment sustainability. At this point, the IPA should help to secure the investment and support the investor in making a positive investment decision.

The empirical data further indicate that the investment target connects the investor with the IPA and facilitating actors. The IPA then tailors information to the investor by, for example, providing quantified information on regional competences. The investment target maintains a dialogue with the IPA and facilitating actor; however, sometimes, there is no direct IPA–investor dialogue, and communication occurs only through the investment target. This can create a challenge if problems arise between the investor and the investment target.

During the post-investment phase, it is important for the investor to promote the place in its own networks. The empirical data indicate that, especially in R&D sites, not all investors are actively promoting the place in their own networks. Instead, they try to keep a low profile. The degree to which the investor and the site manager actively promote the place depends on the culture of the company and the site manager’s background. Nevertheless, if activated, such promotion can substantially reinforce place marketing and have a major impact on future investments.

The data further indicates that not all investments are successful, despite the successful execution of place marketing activities. An investor may exit due to company-specific reasons, such as financial, ownership or other strategic issues that cannot be foreseen nor prevented. An exit can take place at any time during the investment process. It is therefore important to maintain an ongoing dialogue
among the investor, the site manager and the IPA, since such communication could help to prevent exits.

The changing ICT era, with its focus on service and product businesses, vertical markets and digitalisation, impacts investors looking for new investment opportunities, including technical skills and competences. Oulu’s focus on next-generation wireless technologies, including 5G, the IoT and AI, has attracted investors. As the competition for investments and talent grows, however, it is becoming more and more important to identify the region’s competitive edge, brand the ecosystem accordingly and focus on the four cornerstones of place marketing in FDI revealed by the analysis.
7 Discussion

*The most powerful element in advertising is the truth.*

William Bernbach

This chapter presents the contributions and implications of the study, first through grounding perspectives, then by discussing the theoretical contributions and managerial implications. This is followed by a discussion of the reliability and validity of the results. Finally, the chapter covers the limitations of the study and offers suggestions for future research.

7.1 Grounding perspectives

The objective of this research was to understand how place marketing affects FDI, what draws the attention of FDI enterprises to a place and how place marketing is performed in FDI attraction. The empirical objective of the research was to observe how specific marketing techniques at different stages of the investment decision-making process have influenced investors who have invested in the Oulu region and other stakeholders.

Each sub-chapter summarizing brand identity (6.2.4), brand positioning (6.3.4) and brand image (6.4.4) introduces each five to six new themes emerging from the analysis. These themes are then categorized under four key topics describing the findings ideally for the final, generic discussion. These topics are: interaction as a heart, inward FDI, place marketing and context. They all are intertwined, and although each key topic is discussed separately, the overlapping of topics cannot be avoided.

*Interaction as a heart*

Interaction in FDI place marketing can be justified in several ways. Between the interaction and the brand lie stakeholder networks and resources and communications. FDI place marketing cannot exist without interaction. Collaborative partnerships involving multiple stakeholders with the same place brand positioning statement are a characteristic of successful place branding strategy (Dinnie 2011).

In the past, active ecosystems with strong cooperation networks have not only attracted FDI investments, but also sustained them. The findings of this research
suggest that FDI attraction and value proposition communication were not among the studied IPA's key activities, although it was commonly understood that inward FDI is a strategic tool for developing the overall regional business ecosystem. The IPA has the key responsibility for running the operation; however, it cannot do it alone. Instead, the IPA needs support from the regional business and research community. Since each FDI case has and creates its own network, it is important to build a dialogue and engage facilitating partner networks from the start.

The empirical results show that there is a need for a joint regional strategy for attracting investments. Place marketing for FDI also requires networking with key regional actors and strong leadership (Hankinson, 2006) to pursue each investment at all stages of the investment process. Additionally, place brand building should include all regional stakeholders rather than limit itself to specific stakeholders. (Moilanen 2008, Moilanen & Rainisto 2008)

The most important interaction takes place between the investor and the IPA representative. The findings suggest that IPA managers need to know who their customers are, what they want and how to create added value in the place. What investors want is mostly quantitative information and information on capabilities. This was highlighted from the brand positioning perspective. Creating customer satisfaction should be the responsibility of the whole organisation (Rainisto 2003).

The work of IPAs often focuses on the pre-investment phase, although the IPAs have a longer view of investment. The results suggest that interactions between FDI investors and IPAs are of great value and should be secured at every step of the FDI process, from pre-investment to after-care, despite the fact that investors often commit to project investments only. Under this approach, the IPA can serve as a one-stop shop for FDI softlanding services, since there is a need for a single contact point with both the skills and mandate for place marketing. This contact point then collaborates with partners in research, funding and business development both locally and beyond to help the investor grow its network. The sharing of responsibility fosters an attitude of getting things done and setting targets together locally to secure the long-term commitment. However, the impact of the IPA's personal networks on what is promoted can limit outcomes and slow down the investment process.

The empirical data show that the joint FDI strategy suffers from limited regional communication. In the studied environment, communication took place to only a limited degree, even though local talent and networks can play an important role in attracting new investments. The findings also show that local authorities are responsible for designing and implementing the development of place marketing.
management, considering the dynamics of local environments. This can then lead to a dynamic brand and, ultimately, success in attracting more FDI (Metaxas 2010).

The findings further implicate that if the IPA has been unable to create a direct trust-based dialogue with an FDI investor and instead operates through a local representative, such as a site manager, it can be difficult for the IPA to take action to improve things when needed. Furthermore, personal communication and efforts by local persons to enable the investment can have a positive impact on the investor’s investment commitment and decision-making process. Aftercare facilitation and management require sufficient skillsets from a brand identity perspective.

**FDI process**

Global FDI growth is expected to continue in coming years. One of the driving forces behind the growth so far has been acquisitions (Bergmann et al. 2007). Transnational corporations can support the growing trend by creating decent jobs, generating exports, respecting the environment, encouraging local content, paying taxes and transferring capital, technology and business contacts to encourage development.

Foreign investors come to a target country because of the actual benefits of its investment environment. Thus, both national and local governments must understand the requirements of investors and target policies to satisfy them. It seems that tailored value proposition communication from a brand positioning perspective is not the core activity of the IPA, although that is precisely what the investor is looking for. Investment incentives—both fiscal incentives and subsidies (Kuncic & Svetlicic 2011)—and motives are among the core policies in the place marketing process. The findings suggest that the interviewees’ most important motive to invest was access to a talented workforce. Multinationals specifically tend to demand relatively skilled qualified labour (Görg & Greenway 2004). Return on investment and a competitive price level undoubtedly have a positive impact on the investment decision. Searching for and discovering key partners can also be a decisive factor in a positive investment decision.

The foreign investment decision process is a long one, involving several organisational levels. The process is often made under uncertain conditions due to a lack of information and the limited capabilities of the human mind (Aharoni 2010). An investigation process begins because of an outside force that prompts a decision to seek investment abroad. The pre-investment phase is followed by the investment
phase and the post-investment phase, and each phase offers opportunities for the IPA to act accordingly.

The research findings suggest that inward FDI activity creates a regional challenge from a brand image perspective, since investors are not necessarily prepared to commit to a long-term presence. IPAs, on the other hand, take a longer view of investment to support local site management. This creates a negative setting around the FDI activity. Despite this, however, none of the facilitating actor interviewees questioned the ROI of FDI work. Instead, all were supportive and emphasised its importance for overall ecosystem development.

**Place marketing**

Place marketing is not only about promoting a place; it is also about delivering services. The credibility of the place brand is important. Marketing materials can serve as tools to help build confidence in a place brand. The study shows that the Nokia legacy had a strong impact on Oulu’s brand image and investors’ investment decisions. By contrast, the place brand did not have much importance in the investment decision. The findings further implicate that the IPA’s FDI marketing promotion content is generic, and its messaging is limited with respect to quantitative information. IPAs often lack a clear view of what investors are looking for during the pre-investment phase. Therefore, their regional value propositions to the investor are too generic: though they serve the purpose of information sharing, they are not sufficiently focused on closing the deal when building the brand identity. The results suggest that the majority of investors require quantifiable information on capabilities and that they expect a tailored value proposition. In other words, investors information that they can quantify and use when comparing a site with other sites.

Place marketing requires both patience and long-term local commitment. The findings illustrate the significance of place marketing and branding as tools for FDI attraction. This was particularly true for investors that lack a Finnish contact point, since these investors rely heavily on the service of the IPA. By contrast, when an investor is supported by a Finnish contact, there is little need for an IPA’s services during the pre-investment phase. FDI investors have different backgrounds and come from different cultures; therefore, each investment case is different. For this reason, brand positioning varies across different stages of the investment decision.

This study argues that the place brand has less value for the investor during the pre-investment phase than during the investment and post-investment phases.
After-care facilitation and management involve a limited skillset, even though the after-care phase often has the biggest potential to grow FDI flows. The information sharing between the investor and the IPA can be problematic unless there is an NDA in place. The potential to develop cooperation with the investor during the aftercare phase is significant and can focus on supporting future IPA activities and attracting other investors to invest. Marketing cooperation with FDI investors can include joint materials; for example, current investors can provide materials for the IPA’s use or work as brand ambassadors. The media also plays an important role, since the media influences a region’s brand and how investors think.

In addition to the prior discussion on place marketing, the relationships among inward FDI, place marketing and place branding can be considered complex. The multifaceted process of building place images and managing place brands relies on place marketers’ skills, innovativeness and imagination to enrich the brand with new ideas, practices and techniques. Marketing capabilities are important, and a skilled workforce is needed to do this work, as this work defines the region’s competitive edge. Technology-oriented talent is a powerful brand image element. A lack of passion, commitment and contribution on the part of the IPA can result, in a worst-case scenario, in investment failure. Local business and research community representatives also play an important role in the process. It is important for them to be engaged and committed and to understand their roles. The findings suggest, therefore, that it is not sufficient to communicate the value proposition to the investor; there is also a need to communicate it locally.

Context

The findings show that positioning against other places and highlighting the competitive advantage are important in FDI place marketing. The context forms the location’s competitive advantage, which is its differentiating factor compared to other sites. In the case of Oulu, the context includes a strong technology skillset, solid expertise and an ecosystem with services and networks, and the brand identity focuses on wireless telecommunication expertise.

New technology lifecycles can last 10 years, meaning that one lifecycle can include many generations. Thus, businesses do not engage in one-time investments or single products, but in the development of global radio technology in general. New businesses require visionary regional actions and the formation of ecosystems and applications that can take over the world. These actions require objectives and guidelines for investment policy.
The increased competition for investments requires a versatile ecosystem. In the case of a single technology focus, the competitive edge can be considered too narrow. The context requires continuous development, which is not feasible without foresight. A place may also have negative characteristics that may prevent investors from investing. In the studied case, the findings show that investors consider Oulu to be as a remote location, but considered also arctic and, therefore, exotic. Oulu is also argued to have an easy-going atmosphere for business people. However, it offers no single competitive advantage to attract investors. For investors who are not familiar with the ecosystem, a site visit can be a game changer and trigger a positive investment decision. After all, investors’ decisions to invest are based on numbers and pure facts.

7.2 Theoretical contributions

This study constructs a conceptual model (Figure 9) based on a theoretical model (Figure 7) and an empirical model (Figure 8). The conceptual model simplifies the outcomes of place marketing for FDI, developing a fairly mechanical theoretical process model into a rather complicated empirical model.
Figure 9. Conceptual model of place marketing and FDI.
The conceptual model emphasises the interactions among the investor, the IPA and the different stakeholders. The place image consists of place elements, place management and the assessment of the place. The conceptual model illustrates how the place marketing for FDI is affected by networks, regional competences, individuals and goals. Through interactions among these four elements during the IPA support process, the place image is transformed into a shared place brand. The different stakeholders become engaged with and committed to the brand. On the other hand, investment opportunities become realised investments through the FDI process, which is also affected by how networks, regional competences and individuals operate and by what goals have been set for the process.

The processes in the conceptual model are ongoing, as a shared place brand can be a source for detecting new investment opportunities, and each investment is expected to shape the place’s image. Time is an important variable in the model, since the FDI process can often be a long one, extending from pre-investment to investment and post-investment. The context forms the competitive advantage for the location, and it is its differentiating factor. This is also an ongoing process.

Compared with the theoretical model, the conceptual model highlights the importance of networks. The theoretical findings indicate (Lim 2008) that the role of IPA in attracting FDI is the subject of only a few studies and that the literature has never clearly shown how IPA activity affects FDI inflows. The IPA as a single operating body in place marketing for FDI is no longer sufficient; instead, the conceptual model emphasises the engagement of the key stakeholders as a whole. I would also like to broaden Rainisto’s (2003) view on the whole organisation’s responsibility for creating customer satisfaction to include a much larger regional network comprising not only the marketing and sales departments of the IPA, but also business and research actors.

Competition and changes in competitive circumstances have stimulated places to become more goal-oriented, proactive and effective in their marketing activities and decisions. These shifts have also encouraged them to set and pursue goals for their activities. (Kavaratzis et al. 2008) Thus, as they benchmark the private sector, places have become more risk-taking and inventive.

Local individuals are the most influential place marketers. They should participate in all levels of decision-making, including formulating, designing and implementing the marketing strategy and brand process. Exceptional individuals and ambassadors with personal stories can help to build a brand based on the sense of place and identity of the local population and societal actors (Gilmore 2002, Govers 2011). Goal-setting requires careful strategic analysis and market
intelligence concerning future opportunities. If these desirable resources cannot be readily transferred to other parts of the company, it is beneficial to develop subsidiaries into competence centres and to use the outputs of these centres to satisfy the demands of all company operations (McDonald et al. 2002, 42). In these circumstances, promotional activities may impact a company’s decision.

There has been an ongoing debate in the literature concerning whether marketing plays an informative or a persuasive role in investment promotion. Successful place branding requires a brand that is rooted in reality and connects with the local people. Such a brand should represent the spirit of both the people and the place, and it will not succeed unless it manages to capture the attention of the locals. (Gilmore 2002) While this debate has not been resolved, there is ample evidence suggesting that marketing efforts pay off (Harding & Javorcik 2011). The existing theoretical literature on international business, economic development and international marketing provides little assistance for researchers in the field of place marketing for FDI. Place marketing and branding are strategically important activities for any place’s inward FDI work, and the previous research on FDI attraction and management discussed above has mainly approached the subject from the perspective of fiscal incentives and subsidies. Today, the question facing places is not whether to brand, but how to brand. Thus, there is a growing need for regional pull marketing instead of push marketing.

The promotional efforts and activities that places use to support their image and their development are considered ineffective by some researchers, who claim that promotional investment activities are not a determinant or an influential factor in FDI generation and that promotion and advertising work only when the potential investor has limited information on a place. These positions completely contradict that of place marketing supporters (Ashworth & Voogd 1990, 45, Kotler et al. 1999, Ulaga et al. 2002), who identify place competitiveness as an aim. The effectiveness of investment promotion, together with the various promotional techniques and structures, has been neglected (Wells & Wint 2000). Pools of skilled labour, access to high-quality products and membership in local networks with organisations and agencies that can facilitate the strategic objectives of the parent company all contribute to attractive locations.

In order to secure the quality of this research, I have executed several different activities. The literature review supported the thematic semi-structured interviews, which were conducted with individuals either directly or indirectly involved in each FDI case. Altogether, 21 persons from nine FDI case companies and their respective networks of IPAs and facilitating actors of business, research and
funding were interviewed. All interviews were tape recorded and transcribed, and Nvivo was used to visualise and understand the causalities among investments.

7.3 Managerial implications

The study findings show that a regional strategy is needed to engage regional business development and research organisations in FDI promotion and to build awareness of a region’s brand identity vis-a-vis competing regions. The engagement and cooperation of regional organisations also enables continuous ecosystem development which is increasingly necessary as new technologies appear and businesses seek new opportunities. Foresighting and continuous ecosystem development can ensure a region’s competitiveness.

Successful place marketing and investment promotion, like any successful sale of products, rely heavily on personal selling and direct contact with prospective investors. It is therefore important to select the right individuals for an inward FDI team and to engage in wise strategic and operational management. Each investor should be captured and have its own IPA sales director, who should be a champion and fully committed to the work. The team requires technological, marketing and sales expertise, as well as sector-specific knowhow. Teams also require personal networks, since FDI work is based on trust, and networks are a valuable asset.

In the summary section, when comparing the theoretical and empirical models, it was demonstrated that there is a need to develop marketing and communication services focused on investment targets already located in a region. Place marketing is just as important during the post-investment phase as it is during the pre-investment phase due to activities’ positive impact on regional employment development. The findings show that allocating sufficient resources for aftercare facilitation and management is considered important. Oulu has been successful in attracting multiple inward FDI investments in ICT in recent years, following the release of skilled experts from the local industry. It is now important to allocate resources to follow-up with these investments and to help existing FDI investors grow their businesses in the region. Aftercare of investors takes place during the post-investment phase and is considered a more powerful investment tool than new investment attraction. Furthermore, aftercare services typically require less resource, since they emphasise the local region. Therefore, it is possible to use less resources to increase investments and employment by helping investors.

The empirical data suggest that the current organisational structure does not support the FDI activity of the place of Oulu. The reason for this is that the lack of
a local FDI tradition means that FDI has not traditionally been considered a strategically important activity. Instead, the region has relied more on existing start-ups and big corporations. When Oulu has needed revitalisation, the place and its economic development organisation and its predecessors have initiated projects to support FDI activity. These projects have been outsourced under temporary arrangements, and responsibility for ensuring end-to-end service—that is, for ensuring that FDI investors stay in the region and grow their businesses—has never been assigned. Clearly, the outsourced project management has done its best in each case; however, its activity has not been strategic in nature. The latest case occurred after the Nokia mobile phone plant closed down and the area experienced an excess of skilled workers. FDI activity was outsourced to a project organisation that later became part of a national FDI organisation. FDI expertise, contacts and networks were transferred to this national organisation. However, to make inward FDI activity strategic, there is a need for a long-term commitment and allocation of sufficient resources to build a team of experts in both business and marketing.

7.4 Recommendations for further research

The current place marketing literature is full of qualitative descriptive case studies. This is yet another case study; however, it offers a strong multiple case selection and a good number of interviews, which gives it more scientific credibility and weight. In order to move forward, the fields of place marketing and place branding must develop theoretical frameworks and determine whether and how the brandings of communities, cities, states/provinces, nations and other types of places differ.

The case studies in this research were based on 21 interviews. The fact that only four interviewees were native had some impact on the results. Of the native representatives, three were investors, and one was a site manager with global experience in both research and business. The native interviewees had a more objective approach to their investments, and they also had a need for the IPA’s softlanding services, especially during the pre-investment period prior to employing local or regional staff. They were also more likely to discuss the role and importance of place marketing in the investment process. Furthermore, the native interviewees were more familiar with the place marketing approach, due to their previous similar experience. Many of the regional managers with corporate backgrounds in the ICT industry were confident using their own networks and personal relationships in their work and, therefore, worked relatively independently.
They did not value the place brand itself, but emphasised the corporate ICT legacy and brand.

This study has shown that place marketing can be used in multiple ways in inward FDI activities. An interesting path for future study may be to research why some investment cases have not been realised or have failed from a place marketing perspective. Several investing companies are on the move, visiting different regions with a mission to invest. However, a majority of these investments are not realised. It would be interesting to find out why. It would also be worthwhile to research the “hit and miss” ratio of the investors who have visited a target location and to determine how many of them actually make a positive investment decision and why. Such a comparison and individual case study approach would further our understanding of investors’ decision criteria and offer valuable feedback for adjusting place marketing activities. The support of regional and national inward investment organisations is needed to identify the right research targets for further research. Another interesting future research area would be to focus solely on failed FDI cases and their approaches to place marketing.

Yet another avenue for further study could be to focus on a few IPAs, paying special attention to their internal characteristics and external environment. An evaluation of their particular promotional techniques, such as image-building, investment services, investment generation and policy advocacy, should add considerably to the evidence on the influence of promotion on investment flows and to an understanding of the kinds of investors likely to be influenced by promotion efforts.

One final avenue for further research could be to focus on the impact of the ecosystem on place marketing in FDI. Specifically, future research could consider the following question: What does the ecosystem consist of in the place marketing context, and where are the opportunities?
8 Conclusions

You are never too old to set another goal or to dream a new dream.

C.S. Lewis

The role of place marketing within the FDI processes and the role of IPA in attracting FDI have been the subjects of only a few studies, and the literature has failed to clearly show how IPA activities affect FDI inflows. By revisiting the place marketing and FDI literature, this research explores place marketing activities in the context of a new ICT era in which technical skills and the competence pool play a crucial role. The service and product business in vertical markets creates new demand and opportunities for next-generation wireless talent with technical skills and competences. Thus, along with technical skills, there is also a need for a managerial skillset. Furthermore, the IPA as a single operating body in place marketing within FDI is no longer sufficient; instead, the present situation requires the engagement of key stakeholders.

The work began with a literature review. Chapter 2 provided knowledge on the new ICT era, and Chapters 3 and 4 framed the theoretical literature on FDI, place marketing and branding and offered a conclusion outlining how place branding and FDI are related. As a conclusion to the literature review, an a priori model was created to explain place marketing and the place marketing and FDI process.

A qualitative multiple case study method was used to understand the place marketing phenomenon in the context of FDI. Altogether, 21 representatives from nine FDI case companies and their corresponding IPA and facilitating actors of business, research and funding were interviewed. The interviews started with FDI company representatives and continued with interviews with representatives from the companies’ respective networks (as referenced during the first interviews). Each interview was properly analysed from the perspective of place branding element, place management and place assessment and then compared with the other interviews. The outcomes of place marketing in the FDI process, as identified in the case studies, supported the creation of an empirical model grounded in the data. This model represents a new model for place marketing in FDI from the new ICT era perspective.

In the discussion chapter, the grounding perspectives were highlighted. A subsequent comparison of the a priori model and the empirical a posteriori model supported the development of the conceptual model as a final outcome of this study.
According to the conceptual model, the place marketing manifests in FDI through goals, individuals, competences and networks. The context creates a framework in which the brand vision, goals and ideas are developed and the place marketing work and investments take place. Increasing the attractiveness of the ecosystem as a target area for investment is important for securing economic growth and further developing a region’s competitiveness in the context of growing competition for investments and skills. Investors’ and investment targets’ active promotion of a region can trigger new investment initiatives.

This study has proven that place marketing also manifests in FDI through a group of individuals with a technology background and good regional networks. The engagement of these individuals and their contributions to place marketing are key objectives of successful place promotion.

This study has also shown that place marketing manifests in FDI through competences. In the changing ICT era, competences consist of the next-generation wireless and managerial skills of regional research and development organisations and private businesses. Articulating an ecosystem’s complete competence supply is important for any investment decision, and this information is necessary to build up a case, to market investment opportunities to the investor company’s decision makers and to support initial decisions.

Place marketing manifests in FDI through networks. Stakeholder engagement forms a strong ecosystem network that can serve as a major regional asset to attract and sustain investments. Each FDI case creates, develops and sustains its own network, which is strategically wise to retain. However, an important interaction takes place between the investor and the IPA. In developing a place’s attractiveness and attracting investment, both the place and its business development-oriented organisation play a significant role. Neither the place nor the organisation managing place marketing can conduct work alone; instead, there is a need for engaged facilitating actors and regional networks on both the strategic and the operational levels. In order to set a vision and name regional targets for place marketing within FDI, facilitating actors in regional business and research development and promotion must commit to place promotion. Thus, it is necessary to implement a “Welcome to Oulu” office authorised to pursue investments.
References


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## Appendix 1. Place brand elements, management and assessment

<table>
<thead>
<tr>
<th>Element</th>
<th>PLACE BRAND IDENTITY</th>
<th>PLACE BRAND POSITIONING</th>
<th>PLACE BRAND IMAGE</th>
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<tbody>
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<td></td>
<td>How the owners want the brand to be perceived</td>
<td>Value proposition communicated to a target group</td>
<td>How the brand is perceived</td>
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<td>1.</td>
<td>elements through which the place is recognised</td>
<td>1. reasons to buy the brand</td>
<td>1. identified brand elements</td>
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<td>2.</td>
<td>features and beneficial attributes of the place</td>
<td>2. differentiation between competing places</td>
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<td>3. selection of target groups</td>
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<td>3. communicatied brand</td>
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<td>maintaining visibility in global market place</td>
<td>1. involving of local people</td>
<td>1. managing the networks</td>
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<td>ensuring visionary leadership</td>
<td>1. articulating value proposition</td>
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<td>maintaining political unity</td>
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<td>3. building of local identity</td>
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<td>3. segmentation of target group</td>
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<td>1. collaboration with key partners</td>
<td>1. pride of the place</td>
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<td>brand connected with people</td>
<td>1. use of ambassadors</td>
<td>1. robustness of brand (despite of bad press)</td>
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<td>credibility of brand</td>
<td>1. degree of regional and international cooperation</td>
<td>2. sustainability of businesses</td>
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<td>2. passion, energy, skills and vision for branding</td>
<td>2. local business promoting the city and cooperating with city strategies</td>
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1. 179
Appendix 2. List of interview questions for case informants

List of empirical questions

Theme I: Background information; company’s headquarters, product, headcount, turnover, number of sites, previous investments

1 What kind of expectations and objectives did you have regarding the investment in Oulu?
Reasons to locate/to invest
Locational requirements
Other relocation requirements
Expectations regarding the relocation
Corporate strategy affecting the investment/relocation
Human resources—investment team?
Number of earlier investments?
Locations of earlier investments?
Type of investor (starter or experienced)?

2 What are your experiences from previous investments?
What types of experiences have you had with previous investments?
Are they positive or negative?
What have been the challenges and problems?
Why have you had challenges?
Have you engaged in an exit?
Have you failed? If so, why?

3 What kind of cooperation network you have in the region?
What is the investment ecosystem/network like in the target place region?
Who are the key actors on your side?
How about the key actors in the target place region?
Which Oulu-based actors participated in your investment case?
How do you see the role of the third-party IPA?
Do you see a limited ecosystem/network, or do you see a larger ecosystem/network?
Does it matter?
What do you think about this research objective?
4 What kind of investment lifecycle do you have?
When does the investment lifecycle start, and how long does it last?
What does the investment lifecycle contain, and when does it end?
Will your company become a “native Oulu” company, or will you always be a foreigner in Oulu?

Theme II: Place marketing

5 What kind of meaning did the Oulu brand have in your investment decision?
What was the influence of the Oulu brand on your investment decision?
How did you find Oulu?
What was the reason you selected Oulu?
How do you define the Oulu brand?

6 What kind of role did BusinessOulu have in the investment case?
What was BusinessOulu’s role in the investment case?
How did you experience BusinessOulu?
When did you contact BusinessOulu/were you contacted by them?
What did BusinessOulu do? Was something left undone?
What softlanding services did you receive from BusinessOulu?
Did you consider BusinessOulu to be a middleman organisation?
What is your satisfaction with BusinessOulu’s services?
Was marketing part of BusinessOulu’s activities?

7 What kind of information/softlanding services did you need a) prior to the investment, b) during the investment and c) after the investment?
What type of information would have been valuable/necessary for you a) prior to the investment, b) during the investment and c) after the investment?
What was the most valuable investment in services?
Did anyone else have a similar role to the IPA?
Were you active in the investment process, or was there some other actor who was active?

8 Who participated in the investment process and what kinds of roles did they have?
Who was your first contact? What did they do? What was their role?
How did the investment process proceed?
How did you make the investment decision?
Was any aspect of the investment process unnecessary?
Did you miss something in the investment process?
Was the process useful or you?

9 How did Oulu’s marketing affect your investment decision?
Did Oulu’s marketing impact your investment decision? If so, how?

Theme III: Future activities

10 What kinds of experiences did you have during the investment process?
What were your experiences and views of the investment process?
How will your work in Oulu continue?
How has the investment process added value to your company?

11 What kind of role did communication and Oulu marketing play in your own network?
How does your network in Oulu communicate?
Who plays an active role in communication?
Is anything missed?
How do you see and experience the communication?
Do you consider yourself part of the place marketing communication?
How do you communicate that you are in Oulu and that your product development is in Oulu?
Are you doing place marketing for your own purposes? If so, how?
Is the potential of Oulu communicated in your organisation? If so, how?

12 How has your image of Oulu developed during the investment process?
Has your image of Oulu changed during the investment process?

13 What kind of plans do you have regarding investment?
What are your plans regarding investing in Oulu in the future?

14 Can I interview other key persons in your organisation?

15 Have I forgotten something essential?
Appendix 3. List of interview questions for facilitating actors

List of empirical questions

1. Do you recall any FDI companies by name?
2. What kinds of companies are they, and why would they invest in the Oulu region?
3. Were you in contact with the companies prior to the investment/during the investment/after the investment?
4. If you were in contact with the companies, what kind or companies were they, how did you contact them and why?
5. If you have not been in contact with the companies, could you tell me why?
6. Would you like to be in contact with investing/relocating companies? In what role and how would you like to be in contact with such companies (considering the relocation process)?
7. What thoughts do you have regarding FDI companies investing in the Oulu region? What are the motives of such companies, and how do they invest? What is their impact, and who is involved? What is the role of intermediary organisations? How long is the investment impact? What is its influence? What are the key challenges with FDI companies’ relocation? What opportunities do you see with FDI investment in the Oulu region?
8. Does place marketing have an impact on FDI investments? If yes, can you tell me how? Does Oulu have a special role as an investment location? How should one promote this role, and who should promote it? Has this role been promoted (and if so, by whom)? How does Oulu differ as an investment location today compared to the year 2000? How do you think it will change in the coming years?
9. Who does and who could play a key role in place marketing the Oulu region to FDI companies?
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84. Iivari, Marika (2016) Exploring business models in ecosystemic contexts
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