

ASHESI UNIVERSITY COLLEGE

NATION BRANDING AS A TOOL FOR THE INCREASE

OF

FOREIGN DIRECT INVESTMENT

By

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Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

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I hereby declare that the preparation and presentation of the thesis were supervised in accordance with the guidelines on supervision of thesis laid down by Ashesi University College.

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Abstract

This research study sought to find out how nation branding can be used to increase foreign direct investment. The study considered the different opinions and views of experts in the area of nation branding such as Simon Anholt's statement that "a nation's identity should stress a reality that resonates with people, both within and outside the country."

This study is especially relevant at this time because of the recent discussion and debate about nation branding and how it can be effectively used to improve a Ghana's economic standing. Most African countries today are competing for the attention of multinational companies that have the adequate resources that can be used to improve some economic sectors.

During the study, information was gathered from members of the Ghanaian public (students and white collared workers) about their perceptions of Ghana. Most respondents provided positive views about Ghana and agreed with the decision to brand the country. The study also found out that foreign investors chose to come to Ghana because they perceived Ghana as a democratic country and a place with significant future prospects in business.

The presence of the existing competition makes the branding process expedient for Ghana as the country seeks revenues from foreign investment and since Ghana hopes to reach middle income status by the year 2015.

Table of Contents

CHAPTER 1	1
1.2 Problem Statement	3
1.3 Significance of the Study	3
1.4 Objective of Study	4
1.5 Outline of Dissertation	4
CHAPTER TWO	6
Literature Review	6
2.1 Introduction to Branding	6
2.2 Brand Equity:	7
2.3 Place Branding	8
2.4 Nation Branding	9
2.6 Branding Ghana	14
2.7 Foreign Direct Investment	15
2.8 Determinants of the flow of Foreign Direct Investment	18
2.9 Poor Perceptions about Africa's Investment Climate	19
2.10 Attracting Foreign Direct Investment	20
CHAPTER THREE	23
Methodology	23
3.1 Cognitive Map	23
3.2 Research Question	24
3.3 Research Proposition	25
3.4 Method of Data Collection	25
3.5 Interviews	26
3.6 Questionnaires	26
3.7 Sampling Technique	26
3.8 Method of Data Analysis	27
CHAPTER FOUR	28
Research Findings and Analysis	28
Demographic Profile of Data	28
4.1 Questionnaires for members of the general public:	29
4.2 Theme 1	30
4.3 Theme 2	31
4.4 Theme 3	32
4.5 Theme 4	33
4.6 Theme 5	34
4.7 Theme 6	34
4.8 Theme 7	35
4.9 Question 1	37
4.10 Question 2	37
4.12 Interviews with CEO's of Foreign Owned Companies	39
4.13 Limitations of the Study	42

CHAPTER FIVE 44

 Recommendations and Conclusion..... 44

 5.1 Recommendations 44

 5.2 Conclusion 47

REFERENCES 49

Appendix 1..... 51

Appendix II..... 54

Appendix III..... 56

Chapter 1

1.1 Introduction and Background

Ghana as a country has experienced various levels of development which has created a lot of employment opportunities for its citizens. However, as a country we have faced some short-comings in implementing some of the programs in our budget because we are unable to cater for some developmental projects and programs due to the fact that we lack the required funding. In as much as this problem is one that persists and is pertinent in the country, it can be solved if the government can take advantage of foreign direct investment (FDI) in Ghana.

Over the past few years, Ghana has experienced an influx of foreign direct investment in sectors such as telecommunications, mining, and the recent oil sector. The presence of foreign owned companies and multinationals not only creates job opportunities for the citizens but also increases the income of the nation through taxes. Therefore, if the country is going to be able to meet some of the goals it sets for itself, it is essential that investment is encouraged as a source of national revenue. However, it is vital to note that before a country can become a place that receives foreign direct investment, it must be strategically positioned in terms of its appeal and attractiveness and this is exactly what nation branding seeks to accomplish.

Recently, the government of Ghana instituted a "Brand Ghana" office with the main purpose of creating a compelling image for the country. In line with this, Ghana hosted the Nation Branding Africa Master Class in

September 2009. This event created the “opportunity for participants to learn the tools to help create outstanding reputations and economic success for their nations. It was led by the leading expert on managing national reputation, Simon Anholt” (Dogbevie, 2009).

Nation Branding encompasses the marketing techniques and strategies that a nation uses to improve, enhance and strengthen its image and reputation across the globe. The theory of “Nation Branding” was propounded by Simon Anholt, a British government advisor who is also a specialist in “national identity and reputation, public diplomacy and the 'brand images' of nations, cities and regions. Anholt developed the concepts of the 'nation brand' and 'place brand' in the late 1990s, and today plays a leading role in this rapidly expanding field” (Anholt, 2009). To Simon Anholt, “places can only change their images by changing the way they behave” (Anholt, 2009 pg 1).

In recent years, countries such as Singapore, Ireland and the USA are no longer “countries merely found on the atlas. They have become ‘brand states’ with geographical and political settings that seem trivial compared to their emotional resonance among an increasing global audience of consumers” (van Ham, 2001 pg 2). Many other countries have managed to develop their national images through deliberate attempts in marketing and branding. Furthermore, the “power of the brand is being applied to all kinds of products and services and is crossing national and cultural barriers with astonishing ease” (van Ham, 2001 pg 3).

Countries all over the world are now seeking to coin for themselves exclusive images in their attempt to increase revenues from tourism and

investment. "It is well known that brands such as "America" and "made in the USA" stand for individual freedom and prosperity. For Germany, BMW, and Mercedes – Benzes drive with the message of efficiency and reliability" (van Ham, 2001).

Ghana is also quickly emerging as one of the African continent's most popular nations. However, the strides of this country are subtly overshadowed and sidelined by the prevailing problems of African continent. High rates of poverty, unemployment, and internal conflicts have contributed in creating skewed and negative perceptions about the continent which have given rise to derogatory labels such as the "dark continent"¹. This has made it difficult for singular countries like Ghana to break out of the negative myths and perceptions about Africa. Any attempt to change these skewed perceptions will require sustained and strategic efforts at improving the positive image of the country.

1.2 Problem Statement

The main purpose of this study is to find out how developing a brand for Ghana could lead to long-term economic and social benefits in areas such as tourism and especially foreign direct investment.

1.3 Significance of the Study

This study is important because it shows how Ghana can brand itself appropriately by considering its most important and attractive sectors and

¹ Dark continent denotes a place of doom, without civilization and lacking basic amenities like food, shelter and clothing. (Stanley, 1878)

putting in the right branding techniques in order to draw attention from the rest of the world. It also reveals how Ghana can use the simple marketing technique of branding to coin a favorable image for itself with the main objective of promoting economic progress and development. This study also seeks to underscore the fact that branding Ghana will help the country reap significant benefits from foreign direct investment.

1.4 Objective of Study

This paper also seeks to explore the unique benefits that will be reaped from a concerted initiative and implementation of a unique branding strategy for the country. It will also take into cognizance the intentions of the Brand Ghana office to lead the drive to develop a unique identity for the country. This paper will recommend the optimum ways in which Ghana can brand itself as a country by considering the different factors that can be used to enhance its image and create a unique identity for itself among the nations of the world.

1.5 Outline of Dissertation

The subsequent parts of this dissertation are divided into four main chapters. Chapter two examines "Nation Branding" as well as perspectives on using "Nation Branding" as a source of revenue. It will specifically consider what experts have said about branding as a general concept and how it relates specifically to countries. Chapter Three which is the Conceptual Framework and Methodology section of the study will detail how the investigations were conducted. Chapter Four will focus on research

findings as well as the limitations from the analysis and lastly, Chapter Five will end the dissertation with recommendations and the conclusion.

Chapter Two

Literature Review

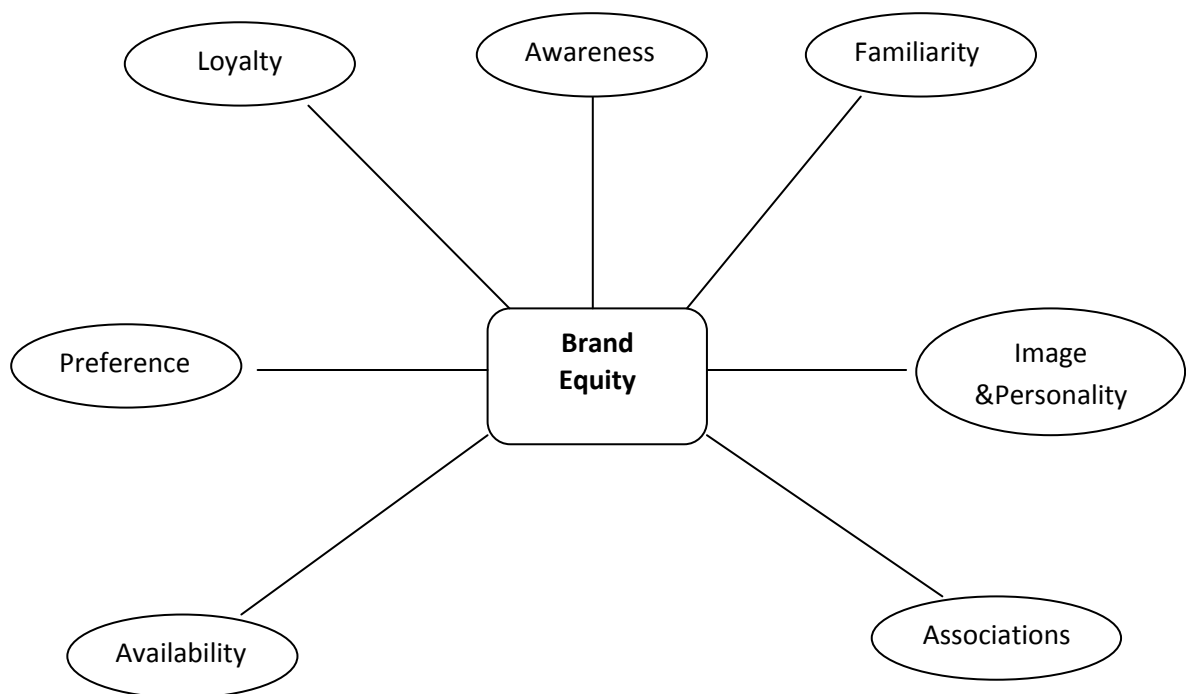
2.1 Introduction to Branding

A brand is a symbol, name, design or logo that is used to identify a product or a service. Brands help to create unique attributes for products and services and further differentiate them from competing ones. Also, brands to some extent control the psyche of individuals as they incite beliefs, evoke emotions, and prompt behaviors (Kotler.P, 2002). The process of branding is the consistent effort to make many more people identify with the brand that has been created for the particular service or product. "Branding helps create distinct images which are formed in the minds of the recipients by the messages that the images resonate" (Kavartis M, 2004).

"Branding is added to the list of developments that bring marketing theory and practice closer to the nature and characteristics of places. It provides a base for identifying and uniting a wide range of images intended for the location and meanings attributed to the location in one marketing message, the country's brand" (Kavartis M, 2004 pg 63). Branding is an effective marketing instrument that helps to identify and project the unique attributes of a place or a product. Branding Ghana would require a close observation of the outstanding cultural values and practices, social norms and economic strides that the country has secured. A combination of all these very different features would have to be specially combined to create the most suitable brand for the country.

2.2 Brand Equity:

Traditionally, the concept of branding has been explained by the brand equity model which was developed by Brandt and Johnson. According to the researchers, "Brand equity is the unique set of real and/or perceived distinctions attached to a brand by customers. Brand equity lives only in the hearts and minds of customers"(Brandt and Johnson, 1997)



According to the Brand Equity model, a brand is only strong when it can be associated with the attributes in the diagram above. To have a strong brand, people must be aware of its existence and must be familiar with it. The brand must have a personality and must be a preferred choice over competing brands. Also, the brand should be able to generate a strong

sense of loyalty from its users to the extent that they will be unwilling to accept closer substitutes.

2.3 Place Branding

Since branding deals with the process of getting a lot more people acquainted with a label or name of a product or service, place branding is the process of getting more people acquainted with the image and label of a place (town, city, or country). With regards to Place Branding it is essential to note that "a branded place makes people aware of the location and connects desirable associations. It is possible to discover for each place a combination of unique attraction factors to make it different from the competing ones" (Rainisto, S. 2007). However, "marketing theory suggests that it is problematic to develop a brand on a promise that cannot be fulfilled. When expectations are shaped on the basis of a clearly articulated brand promise, anything short of that expectation will lead to dissatisfaction" (Simonin, 2008 pg 31).

In recent times, individuals, firms, cities, regions, countries, and continents all market themselves professionally, often through aggressive sales techniques. Indeed, having a bad reputation or none at all is a serious handicap for a state seeking to remain competitive in the international arena.

2.4 Nation Branding

Nation Branding is the attempt to define the image of a country through the use of suitable marketing principles. It not only consists of the application of marketing principles but also of the determined outlook of governments to facilitate the branding process through the establishment of institutions and bodies responsible for enhancing the image of the country.

The branding process has been approached differently in several countries. Whiles, some countries have focused mainly on taglines that have made their names resound across the globe, others have internalized their brand operations and attempted to build their nations trademark based on what they actually do, for example improving security, reducing corruption, building infrastructure and ensuring political stability.

Nation Branding has introduced several arguments and viewpoints, "many have concluded that nation branding must start at home before it can be done abroad" (Simonin, 2008 pg 20) others also believe that efforts in country branding should focus more on creating a good external image for the country. "In spite of the differences of opinions and controversies on the subject, the relevant question today is not whether to pursue nation branding but rather how to do it right" (Simonin, 2008 pg 20). Country branding expert, Jose Filipe Torres agrees with the notion that in their attempt to brand the countries, many governments focus more on traditional advertising, public relations, and cosmetic makeup. Filipe Torres argues that "governments need to understand that branding should be used as a strategic development, literally, to create an impact on the country's

GDP. It is a tool to establish what the vision of the country is and a tool to increase economic development.” (Markessinis, 2008)

Countries all over the world are battling for attention and prominence in order to improve their tourism industries and also to increase Foreign Direct Investment and national revenue in general. In the words of Simon Anholt, “the traditional boundaries of our geopolitical –economic world maps are being challenged. We have entered an era of hyper competition and globalization where the new frontier is found and won in our mental and emotional spaces” (Simonin, 2008 pg 20). This situation automatically places Ghana in a position that will require a consistent effort to brand itself effectively in order to draw significant attention from the rest of the world. “According to the World Tourism Organization, worldwide tourism revenues in 2007 reached \$856 billion. With 10 countries accounting for nearly 50 percent of the market share on international tourist arrivals, active branding has become a necessity for many countries” (Simonin, 2008 pg 24).

Given that “countries do not want to be left behind, many have jumped on the bandwagon of nation branding with a sense of urgency, despite the fact that they lack great marketing savvy or success” (Simonin, 2008 pg 20). Due to the advent of technology and improved systems of communication through the internet and other improved channels, information can be easily and effortlessly carried to different parts of the world at the same time. Citizens of different countries do not necessarily have to travel to other

countries to know what is happening, they can find out more often than not through the television or internet services.

As a result of these changes the world seems much closer and sophisticated and products and services easily move from one location to the other. Competition today, not only remains among individuals and companies but also among countries who seek to take advantage of the new technological paradigm that exists.

The issue of nation branding is pertinent in our time because of the easy transfer of information concerning what countries are doing to improve themselves and is also due to the increased learning and knowledge that exists about marketing. Today "the unbranded state has a difficult time attracting economic and political attention. Image and reputation are thus becoming essential parts of the state's strategic equity" (van Ham, 2004 pg 3). Furthermore, "increased globalization and economic competition have created the need for nations to actively brand themselves in an integrated way on what are considered the four pillars or critical dimensions of nation branding: public diplomacy, tourism, exports, and foreign direct investment" (Simonin, 2008 pg 23). However, to be effective, a country must not tackle all dimensions at the same time but must consistently and in a strategic fashion approach each dimension independently over a period of time in order to reap the substantial results that it seeks. This study encourages Ghana to adopt the fourth critical dimension of nation branding - foreign direct investment.

Over the years, countries have found themselves competing for recognition and attention in the global arena. Many nation states have feverishly implemented various image building programs in a singular attempt to appeal to the rest of the world as worthy of investment, tourism, and trade. Peter van Ham has coined this new age of marketing, the "Rise of the Brand State" (van Ham, 2004 pg 1). Malaysia successfully brands itself as the real and best destination for world tourists who would want to visit the Asian continent. This is established through their "*Malaysia, Truly Asia*" tag line. South Africa, although stricken with some of the world's largest HIV infected patients, shines its ray of hope with "*South Africa, Alive with Possibility*". Ghana however lacks a clear definition of the image it seeks to create for itself. Whiles many call the country the "*Black Star of Africa*" others refer to her as the "*Gateway to West Africa*" and to others Ghana is not for the "*hospitality*" and "*friendliness*" of her citizens. It is important that as a country the branding process takes a form that resonates not only with what the country seeks to attract but also with what actually exists on the ground. This process however, has not been done for Ghana and needs to be handled well if the nation is going to reap any benefits from its brand.

2.5 Branding Nation Image and Nation Identity

The nation or country image is the mental representation of a country, it encompasses the sum of beliefs, and impressions people hold about it. The nation identity, however, is what a country believes it is or wants to be (Simonin, 2008). This identity is attractively coined in a manner that will

attract the attention of the target group that the country seeks. "This identity is projected onto the rest of the world through marketing and communication efforts such as advertisements in order to attract tourism and foreign direct investment, boost exports, and carry out effective public diplomacy" (Simonin, 2008 pg 22). The country's brand image refers to the current perception of the country in the "marketplace"² while country brand identity corresponds to the perception the country seeks to create.

Branding is a powerful tool because it is all about perception and if used properly can influence the way in which a person, a product or a place is perceived. In as much branding can be used to influence perceptions people hold, it must be backed with supporting evidence. This means that the branding process must be objectively organized and implemented without flaws such as deception and misrepresentation.

According to Simon Anholt, "a nation's identity should stress a reality that resonates with people, both within and outside the country" (Simonin, 2008 pg 22). Country images are likely to influence people's decisions related to purchasing, investing, changing residence and travelling and must therefore reflect the reality on the ground so that individuals who make important decisions based on the image are not deceived or misguided. In the words of Kotler P., strategic place marketing concerns the enhancement of a country's position in the global market place (Kotler, P. 2002). This

² Market place: Denotes all potential tourists, investors, and citizens of other countries.

encapsulates a rigorous attempt to make the country the preferred choice among several other countries on the globe.

This study proposes that the nation identity and nation image come together to form the nation brand. After the nation brand has been created, the nation branding process begins as the country attempts to get more and more people to hear about it through the use of advertisements, documentaries and other marketing tools. The nation branding process creates a positive perception about the country and this generates economic benefits from the increase in foreign direct investment, tourism, and popularity.

2.6 Branding Ghana

The president of Ghana, President John Evans Atta-Mills announced the establishment of a new branding office in the country in September 2009. According to the President, the sole responsibility of this office is to establish a unique and compelling image for the country. With the right implementation of this objective, the country seeks to increase its rate of tourism and revenue from Foreign Direct Investment.

According to Kotler, "the attraction of foreign direct investment (FDI) in the creative industries can be considered to be of importance for economic development" (Kotler et al.,1999). Indeed foreign investors constantly look for the best opportunities that would provide the best returns on their investment. In as much as they benefit from these returns, the countries in which they invest also reap returns in the area of employment and taxes.

"The potential benefits to the country are numerous and include an additional equity capital inflow, a strengthening of the technological base, access to scarce skills and an improvement in the quality and quantity of local employment opportunities" (Duggan, 2000). In order to attract such investment, Ghana must highlight such creative industrial sectors that may carry significant appeal foreign investors through its branding process.

Most multi-national companies all over the world seek to capture competitive business positions in their attempt to set up branches in various geographical locations. Ghana also seeks to be a location in West Africa and Africa which would be the best choice for multinationals and other foreign investors to invest their financial resources. The most essential point of consideration therefore is how the branding process can be conducted effectively to ensure that the country reaps the greatest benefit from this strategy.

2.7 Foreign Direct Investment

Foreign Direct Investment (FDI) "is one of the most dynamic international resource flows to developing countries. FDI is particularly important because it is a package of tangible and intangible assets and because firms deploying them are important players in the global economy. There is considerable evidence that FDI can affect growth and development by complementing domestic investment and by facilitating trade and transfer of knowledge and technology" (Holger and Greenaway, 2004).

Most developing countries today seek the influx of foreign investment because it creates the opportunity for increased employment and also to reap some revenues from the taxes that these companies pay. Several countries in Africa seek to position themselves effectively for the influx of FDI because of the “contribution it can make to economic development and to the integration of countries into the world economy. Over the past decade, African countries have made considerable efforts to improve their investment climate. They have liberalized their investment regulations and have offered incentives to foreign investors” (United Nations Conference on Trade and Development [UNCTAD], 1998).

Below is a table showing the amount of revenues that a number of African countries received from FDI in 2007. It is arranged in descending order with the top five coming first, the average five following and the bottom five at the end. This information was retrieved from the Organization for Economic Co-Operation and Development (OECD).

Country	Revenue from FDI (\$ mil) in 2007
Egypt	11578
Nigeria	12454
South Africa	5692
Libya	2541
Equatorial Guinea	1726
Madagascar	997
Zambia	984
Ghana	855
Kenya	728
Namibia	697
Sao Tome and Principe	35
Niger	27

Burundi	0
Guinea Bissau	7
Eritrea	-3

This table shows the intense competition that is currently taking place for FDI in the continent. However, it is clear that Ghana is not part of the top five countries that are performing very well. Countries like Egypt, Nigeria and South Africa are doing much better as they are able to attract significant amounts of FDI into their respective economies. In 2007 Ghana earned 855 million dollars as compared to Egypt's 11,578 million dollars in revenues from foreign direct investment. A number of reforms and policies that were introduced by the Egyptian government between 2007 and 2008 may be the reason for their impressive performance.

According to the German-Arab Chamber of Industry and Commerce, the reforms carried out to attract FDI included "the reduction of customs tax from an average of 14.6% to 6.9% in February 2007. Additionally the number of tariffs required by customs was reduced from 27 to 6 and the customs ceiling for capital assets was fixed at 5%. Tax reform also brought down company tax to 20% and income tax to a maximum of 20%. Financial sector reform was implemented by strengthening banking operations and promoting the supervisory role of the Central Bank of Egypt (CBE)" (Mahmoud, 2009). The reforms that Egypt introduced within this period were quite broad and focused on areas that foreign investors consider very important.

2.8 Determinants of the flow of Foreign Direct Investment

There are several things that foreign investors look out for before they make a decision to invest in a particular country. A country stands a better chance of receiving investment if it positions itself effectively with these factors of consideration in mind.

2.8.1 Political Stability/Security

Political stability is very important in the decision of investing in a particular country or not. Despite the fact that investors may be interested in the resource available in the country in question, they may also be interested in investing funds in place which is safe, secure, and stable.

In general, so long as the foreign company is confident in being able to operate profitably without undue risk to its capital and personnel, it will choose to invest. "Surveys carried out in South Asia and sub-Saharan Africa appear to indicate that political instability, expressed in terms of crime level, riots, labor disputes and corruption, is an important factor restraining substantial foreign investment" (Overseas Development Institute [ODI], 1997).

2.8.2 Infrastructure

Infrastructure covers many dimensions, ranging from roads, ports, railways and telecommunication systems to institutional development (e.g. accounting, legal services, etc.). "Studies in China reveal the extent of transport facilities and the proximity to major ports as having a significant positive effect on the location of FDI within the country"(ODI, 1997).

Although poor infrastructure has its negative effects on investment, it may also play a significant role in attracting foreign direct investment. "Foreign investors point to the potential for attracting significant FDI if host governments permit more substantial foreign participation in the development of infrastructure sector" (ODI, 1997).

2.9 Poor Perceptions about Africa's Investment Climate

The perception about the continent of Africa as an unsuitable place for investment is very detrimental to the chances of it has to receive potential investment. Many foreigners are of the view that the region of Africa is not politically or economically stable. "One of the most urgent tasks is to change the prevailing negative perception concerning the investment climate on the continent by providing potential investors with correct and balanced information as regards the opportunities and risks of investing in African countries" (UNCTAD, 1998).

Despite this fact, "Africa should not be considered as a continent with poor investment opportunity. Grouping together 54 countries and projecting the same image on to all of them conceals a complex diversity of economic performance, including FDI performance" (UNCTAD, 1998).

If the image of Africa will be changed, then it will have to be done by individual countries like Ghana. Issues of major importance to investors such as infrastructure, security and external debt must be effectively dealt with to make foreign more confident in making decisions to invest in the

country. "African Governments need to continue their efforts to improve their investment climate and economic performance, or, if these are already sound, to sustain them" (UNCTAD, 1998).

This process can be further enhanced by a conscious effort of nation branding which takes into consideration all the factors which make a country an attractive spot for tourism and foreign direct investment.

"To realize the potential for increased FDI flows, more needs to be done by African governments e.g. Ghana. The measures to be taken are country-specific and depend on an individual country's political as well as economic situation and on the progress it has made in the improvement of its investment climate, in the liberalization of its FDI policies and in its promotion activities" (UNCTAD, 1998).

2.10 Attracting Foreign Direct Investment

In designing a successful and effective nation brand strategy to attract FDI, countries must define industries to target in the hope to build industry clusters. "Companies looking to invest tend to seek out networks of interconnected organizations-producers, suppliers, contractors, and research and development institutions-and highly skilled labor that increase productivity and foster innovation" (Simonin, 2008).

If the above submission is anything to go by, then the branding office in Ghana must begin to focus on promoting industries that are interlinked with

facilitative organs that ensure that doing business in Ghana is much easier than it is in other countries. Additionally, agencies that support investment promotion activities have been found to have significant impact on nations seeking increased FDI. "Investment promotion is therefore an essential component of attracting inward investment, and there has been a rapid growth in the number of Investment Promotion Agencies (IPAs) across the world" (Loewendahl, H. 2001).

Ghana has experienced several faces of the influx of FDI, since the flow into the country has been fluctuating over the years. Apart from the fact that Ghana may seek FDI to improve its economic status and to develop some important sectors of the economy, foreign direct investment can also be very instrumental in reducing poverty. "The importance of FDI in eradicating poverty is echoed in the New Partnership for Africa's Development (NEPAD) declaration, which stipulates that in order for the continent to achieve the Millennium Development Goals (MDGs), Africa needs to fill an annual resource gap of US\$64 billion, about 12% of GDP" (Ajayi, S. 2006).

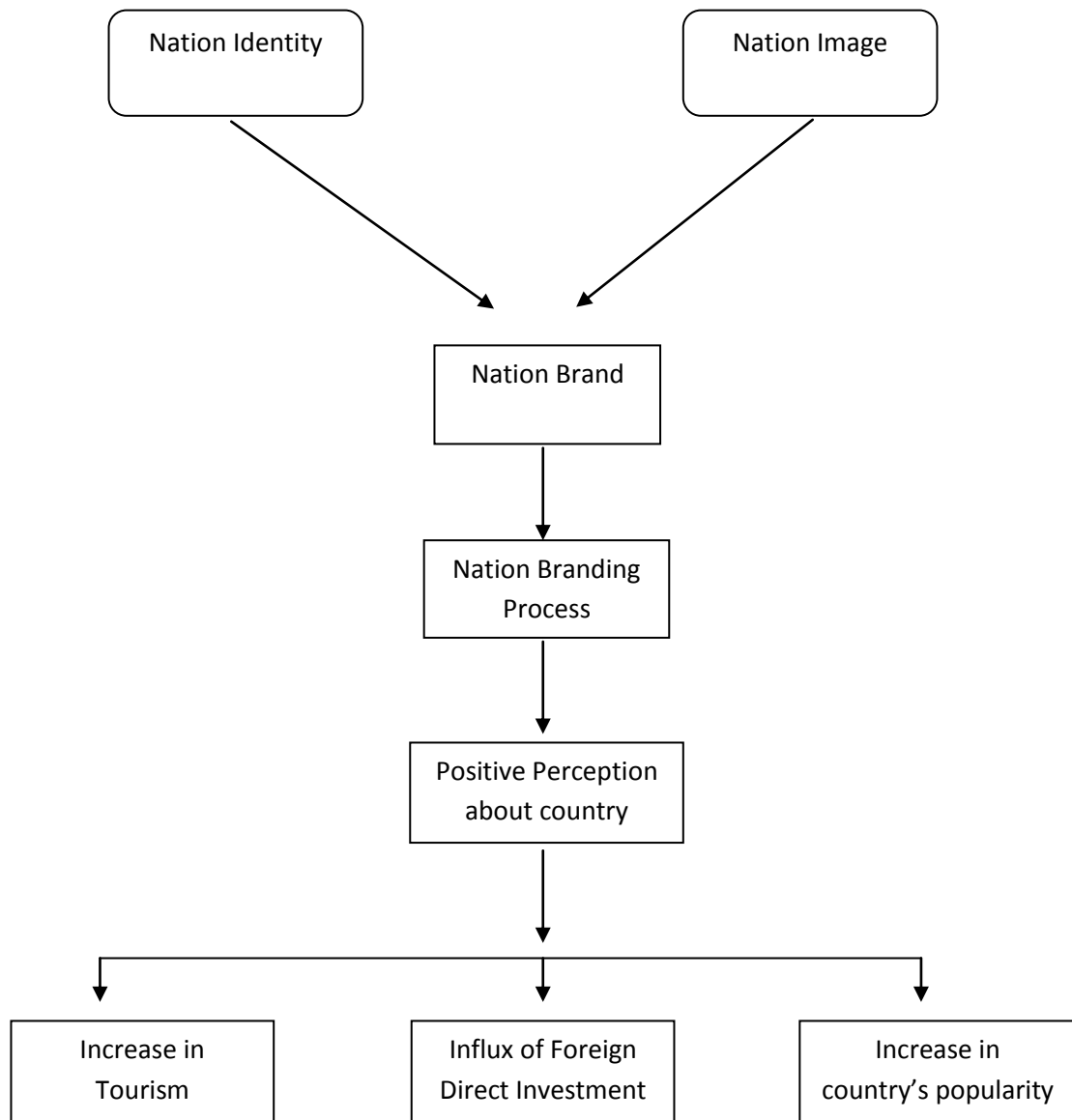
There is an urgent need to ensure that Ghana achieves the millennium development goals and also achieves middle income status by 2015. Aside this, resources and revenues must be channeled to areas which need a lot of progress and development such as the rural areas who suffer from the lack of certain basic amenities that are necessary for survival.

In order for the issues discussed to be dealt with effectively, there is the need to inform the study with relevant information about the general perceptions of Ghanaians, tourists and managers of foreign owned companies. This would help to provide a true picture of the actual situation on the ground and thereby aid in the process of choosing the appropriate strategy to brand Ghana. Chapter 3 talks about the methods and tools that were adopted in this study to acquire relevant information to the issue of nation branding and how it can be used to increase foreign direct investment.

Chapter Three

Methodology

3.1 Cognitive Map



This research study is based on the conceptual framework above. According to the framework, this study proposes that the nation image which denotes how the nation is already perceived and the nation identity which focuses on how the nation wants to be perceived comes together to form the nations brand. For example, Ghana's national image has to do with the fact that the country is peaceful with hospitable citizens and a democratic government. The national identity is the new image that the Brand Ghana office in Ghana seeks to create for the country, however, this new image does not relegate the initial positive image that the country has but may improve on it or borrow from it to create a unique nation brand. After the nation brand has been created, the branding process takes place. This has to do with the continual attempt to ensure that many more people here about the nation's brand. According to this framework, the new nation brand creates a good image and perception in the minds of those who come in contact with it, investors who may also be seeking for countries to make new investments may choose to invest in the country as they may find it profitable to do so.

This research hopes to find out the different perceptions of the general public especially that of foreign investors and the issues they considered before choosing to invest in Ghana. It will also seek to find out whether nation branding affects their decisions to invest and thus show the relationship between nation branding and the increase in FDI.

3.2 Research Question

The research question is for this study is; "Can nation branding be used to increase foreign direct investment?" Several studies on nation branding have

not considered the direct relationship between nation branding and foreign direct investment. Studies by researchers like Bernard Simonin have considered "Nation Branding and Public Diplomacy" while Kotler P. Asplund and Heidler have considered "Marketing Places Europe: Attracting Investments, Industries, Residents and Visitors to European Cities, Communities, Regions and Nations". Since nation branding is now a new area of study not much research has been done in this area and that explains why it has been difficult to uncover data that considers the direct relationship between nation branding and FDI.

3.3 Research Proposition

This study proposes that nation branding can help to create a good image for Ghana that can attract and increase foreign direct investment in the country.

3.4 Method of Data Collection

This study gathered data from managers of Multinational Corporations or foreign owned companies in Ghana, tourists and members of the general public in Ghana, specifically students and the white collared workers.

Information from the foreign owned companies informed the study about why their companies chose to invest in Ghana and pinpoint exactly what drew their attention to business in West Africa.

The data for the study was collected by the following methods:

3.5 Interviews

Five managers of foreign owned companies in Ghana were interviewed. The interviews were aimed at finding out why these companies chose to invest in Ghana, whether their investments are reaping major profits and how they think the investment image and climate of Ghana can be improved through nation branding.

Thirty (30) tourists were interviewed with the main purpose of finding out why they chose to visit Ghana instead of other African countries, how they heard about the country, what their perceptions were before coming to the country, whether those perceptions had changed and what they suggest Ghana can do to create an outstanding image for itself abroad.

3.6 Questionnaires

Thirty questionnaires were given to members of the general public (fifteen students and fifteen white collared workers). The questions investigated the general perceptions that Ghanaians have about their country, the ideas they have about how to enhance the country's image abroad and how they suggest we use nation branding to draw more investment into Ghana.

3.7 Sampling Technique

The study used purposive sampling because it wanted to target specific groups of people (selection of respondents for interviews and questionnaires). The questions focused mainly on foreign direct investment and nation branding; questions were directed towards foreign owned companies in the country and individuals from the Ghanaian citizenry. The

multinational companies for the study were conveniently selected from the Accra Mall because most of the companies located there are foreign owned. Most of the student respondents were from Ashesi University; this is because most of these students engage in debates and discussions about development in Ghana and have strong interests in issues that have to do with Ghana's image. The student respondents were conveniently selected from business administration department since they have received some tutoring in branding and marketing studies.

White collared workers were also selected because of the fact that they have a good educational background and could provide a clearer perspective of their thoughts on Ghana's image. The respondents were randomly selected from the Methodist headquarters in Accra; each person who walked into the building had an equal chance of being selected. Respondents were approached to answer questions as and when they entered the building, this process was continued until fifteen respondents had been interviewed.

3.8 Method of Data Analysis

Responses from interviews and questionnaires will be analyzed separately. The data after being assessed will be related to the study in terms of clarifying the ways in which nation branding can be used as a tool for improved foreign direct investment. The Microsoft excel software was used for the analysis in this study. It aided with pie charts, histograms, and graphs which helped to make more meaning out of the data.

Chapter Four:

Research Findings and Analysis

Social inquiry is a very important facet of a research project in order to come out with effective solutions that would be beneficial to end users. Charles Lindblom author of "Inquiry and Change" argues that social inquiry from the lay mans perspective is very effective in drawing the right conclusions about societal issues. Lindblom "contends that the route to better social problem solving is not through either scientific or popular consensus or agreement, however much they are valued in the world of science and social science, but through a competition of ideas" (Lindblom, C. 1992). This analysis made use of this approach to understand the views and perceptions that Ghanaians and foreigners have about the country's image and how they think it can be improved.

The research question for the study; "can nation branding be used to increase foreign direct investment?" was answered by the different responses gathered from respondents. It was clear from the data that most foreign investors had considered several issues about Ghana before finally deciding to invest. Also, Ghana's image as a peaceful country has played an important role in attracting tourism and foreign direct investment into the country. The details of these findings are discussed in the following pages.

Demographic Profile of Data

Fifteen white collared workers were selected for this study because responses were sought from individuals with a sound employment status

and a good educational background in order to provide the study with well informed views.

Five managers of foreign owned companies provided the needed information for this study since they have the required expertise and knowledge base to make good investment decisions.

Fifteen students from Ashesi University were also selected since they have received some basic tutoring in marketing. They were included in the study because they reflect the perceptions of the youth in Ghana and would also provide educated views about the issue of branding and foreign direct investment since they are exposed to information in their various institutions.

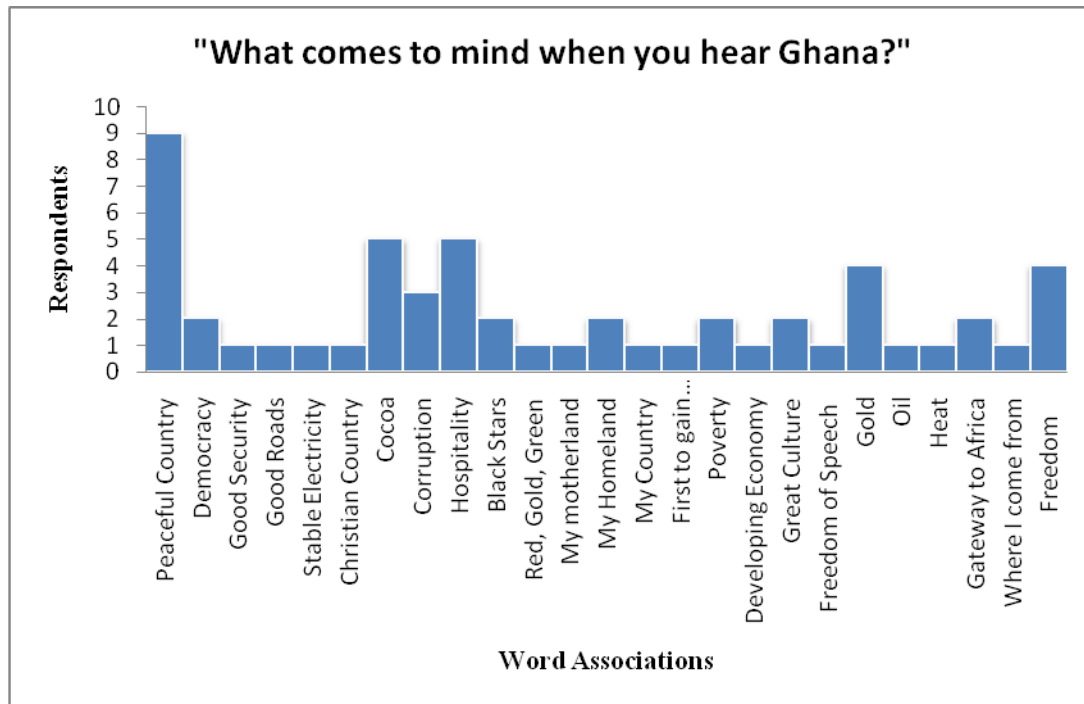
4.1 Questionnaires for members of the general public:

The questionnaires for the study were deliberately made up specific themes that would draw answers needed to inform the choices made in the branding process of Ghana. Themes ranged from perceptions Ghanaians have about the country, the image they desire the country to have, their views on what investors consider about a country when making investment decisions and which sectors of the Ghanaian economy do they think needs FDI the most. These themes were considered important because the custodians of Ghana ought to have a say in the direction of the branding process and especially because the entire perception about Ghana would affect all Ghanaians, it was viewed necessary that citizens have a say about the angle from Ghana should be branded.

4.2 Theme 1 (Perceptions about Ghana):

The first question in this questionnaire found out the general perceptions Ghanaians have about their country. This was done by adopting the concept of word association, where individuals metaphorically identify or describe things or places by using words that encompass their perceptions about it. The question was framed as follows; "What comes to mind when you hear Ghana?" According to the feedback received from 25 respondents, nine of them described Ghana as a "peaceful country", "the gateway to Africa", "Hospitality," and "Freedom". These descriptions were considered intangible since they cannot be held or seen. Other respondents associated Ghana with tangible qualities of minerals and resources such as "Gold", "Cocoa", and "Oil".

The general perception Ghanaians have about the country is quite positive and this is a good place to start the branding process. Once Ghanaians have a good impression about themselves, they will seek to live up to the expectations that they have created. The respondents for this questionnaire were members of the general public, specifically Ashesi University students and white collared workers.



4.3 Theme 2 (How Ghanaians think Ghana is perceived by foreigners):

From the study most Ghanaians are of the impression that foreigners have a very good impression about the country, notwithstanding, other respondents had dissenting views. The data below is categorised into two separate categories of negative views and positive views.

Positive Views:

- "Ghana has a very good grade when rating in its hospitality level to foreigners. Most visitors who come to Ghana appreciate the warm and friendly attitude given to them by the citizens of the country." - A Worker
- "A democratic country with lots of prospects. Its resources attracts investors and new oil discovery boosts its brand." – A Worker

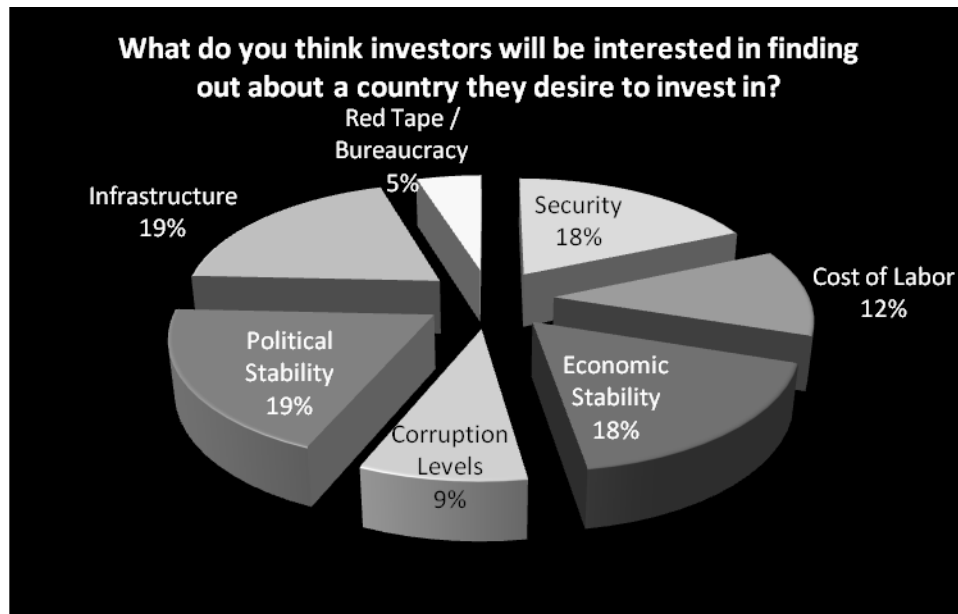
- "Yes, because the countrys name has value in the eyes of other countries if not for anything, for 2008 general election which was classified by the world as free and fair election." - A Student
- "Ghana is known for being a friendly & peaceful nation and a lot of people like and appreciate the behaviours of Ghanaians as they are hardworking." – A students perspective

Negative Views"

- "People just have an awful perception about Africa because of what the media put out there. Even though some know there are good things to offer here." – A workers perspective
- "Some of them think highly of Ghana whiles others do not. Why they do or do not depends on what they're looking at." – A students perspective
- "People from outside Africa have a good perception about Ghana. However, people from other African countries do not have such a great perception about Ghana in my opinion." – A workers perspective

4.4 Theme 3 (What investors look out for in a country in which they seek to invest):

From the data analysis it is clear that factors such as infrastructure, political and economic stability and security are all considered equally important indicators that investors take very seriously before deciding to invest in a country. To find out whether these findings from the Overseas Development Institute are credible, they will be compared with responses from CEOs of foreign owned companies regarding the things they looked out for before deciding to invest Ghana.



4.5 Theme 4 (Do you think Ghana has a good image that can attract FDI?)

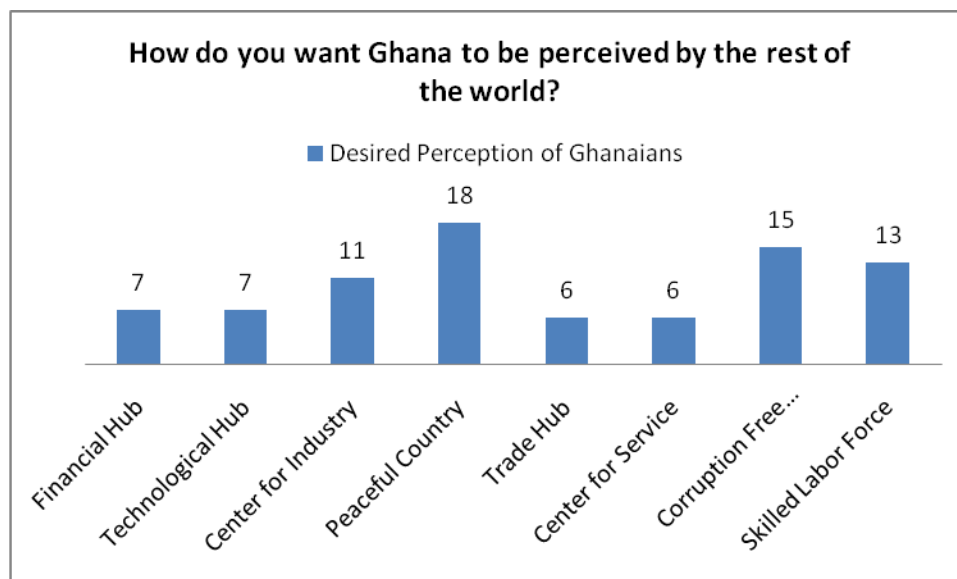
The fourth question found out from Ghanaians whether they think Ghana's present image has the ability attract FDI. Eighty – six percent (86%) of the respondents were of the view that Ghana's image is strong enough to attract FDI. This was not very surprising since most of the respondents held the opinion that Ghana has a good image externally and could therefore enjoy revenues from Foreign Direct Investment.

According to the General Manager of SilverBird Entertainment Gh. Ltd. , the company decided to invest in Ghana because they realised that Ghana had a "perfect economy, with all indicators ripe for investment as well as a begging quest for the cinema business to revived in Ghana."

4.6 Theme 5 (“How would you rank the level of necessity for an attempt to brand or improve the image of Ghana?”)

For most of the respondents, the branding process is highly necessary if Ghana is going to access any revenues from tourism and FDI. Approximately 60% of the respondents found the branding process very necessary at this time. This goes further to show that the goal of the Brand Office in Ghana is supported by Ghanaians and the attempt to effectively brand Ghana is a step in the right direction. Out of the thirty (30) respondents that were interviewed, 18 people who were in support of the fact that the branding process should be tackled right away.

4.7 Theme 6: (How Ghanaians want the rest of the world to view Ghana).



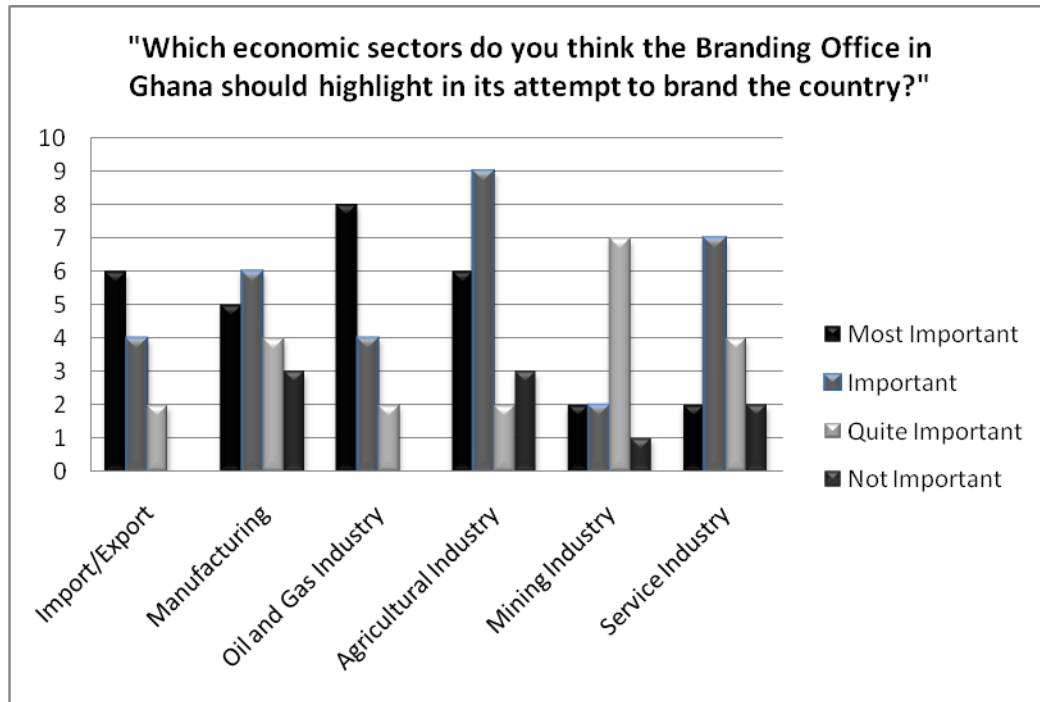
From the data collected, most respondents want Ghana to be perceived as a peaceful country. In as much as this is a perception that already exists, many more people would prefer that this perception is continually drummed

into the branding message that goes to the rest of the world. Furthermore, the research

also indicated that people would want Ghana to be portrayed as corruption free nation and as a country with a skilled force. This point links back to the assertion of Simon Anholt (an expert in branding) that it is essential that a brand portrays what actually exists and not what it hopes to achieve. If Ghana is going to gain a good reputation as a corruption-free nation and a nation with a skilled labor force then it would have to work at achieving these objectives so that they would become realities and not mere hopes for the future. A branded place that does not offer what it claims only shoots itself in the foot because visitors would feel deceived and misled when they realise that the information they received was inaccurate.

4.8 Theme 7: (Essential sectors to be highlighted in the branding process)

This question requested respondents to rank in order of importance the sectors that they think the branding office should highlight or focus on in the branding process. Out of the six economic sectors that were selected, respondents considered the Oil and Gas industry as the most important industry that should be targetted.

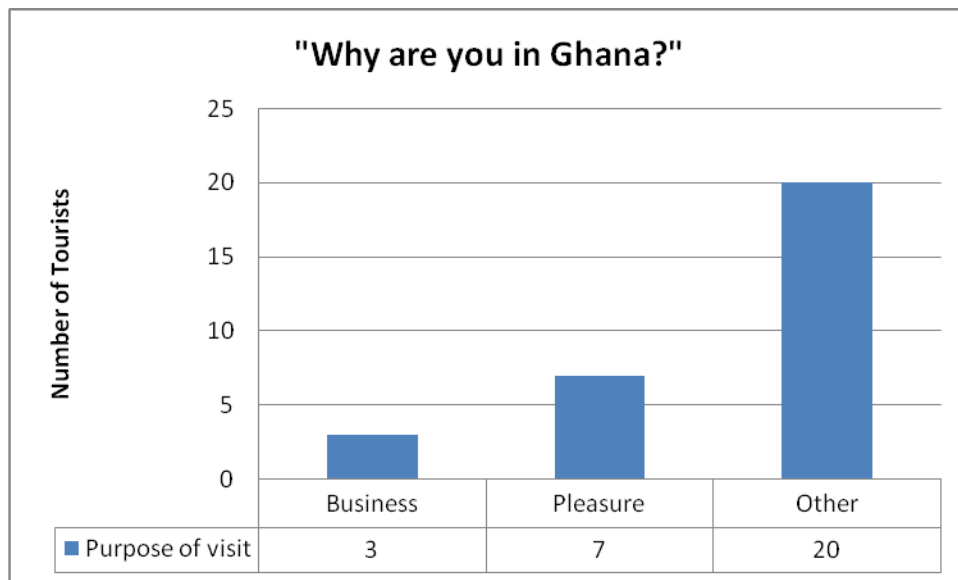


Some of the reasons that were offered for this choice are as follows:

- "For the oil and gas industry Ghana needs huge amounts of funding to invest, this money is not available and would therefore have to be provided by Multinational Companies and other investors." – A student's perspective
- "Ghana does not have the money to invest in the oil and gas industry." – A student's perspective
- "As a new discovery resource, much is expected in its technology and expertise. Direct foreign investment will however increase development." – A worker's perspective
- "It is capital intensive." – A worker's perspective

The following questions were directed to tourists to find out what they think about Ghana and why they decided to visit the country. Very interesting results were found after the research, below are some graphical representations of the responses that were received:

4.9 Question 1: This question found out why most tourists are in Ghana, the histogram below gives a pictographic representation of what the respondents had to say.



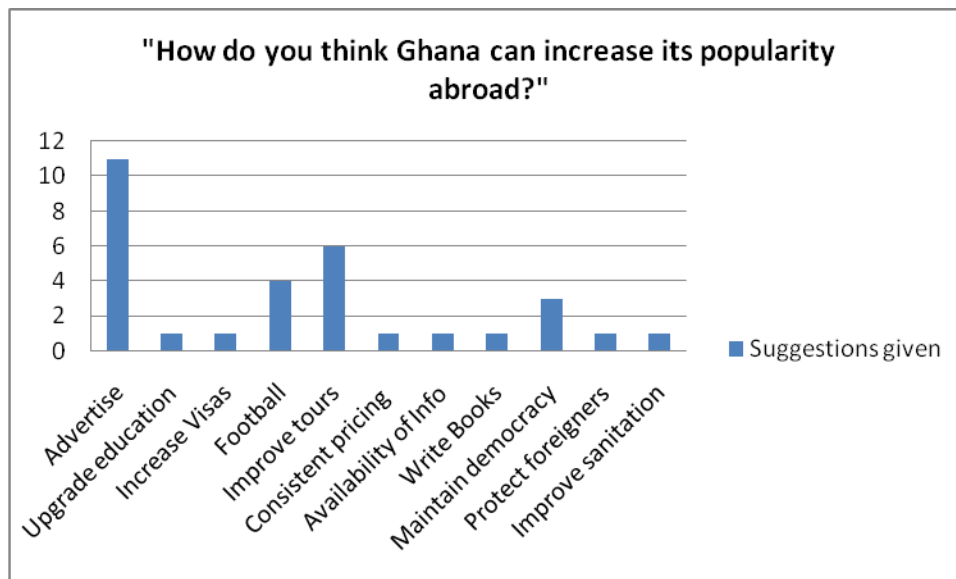
It became evident that most of them are in Ghana for other reasons apart from business or pleasure. Some of the other reasons why they came to Ghana are for educational purposes and research. Most of the tourists were on invitation from friends who are either working or visiting Ghana for a period of time. About 50% of the respondents who selected "other" as an option are students who are in Ghana on exchange or study abroad programs.

4.10 Question 2: This question enquired from the tourists how well known Ghana is abroad.

For respondents from the United Kingdom and Netherlands, Ghana was well known because of the many Ghanaians resident in those countries and also

because of the recent popularity the country has enjoyed from the exceptional performance in football. Respondents from Russia, US or Germany did not think Ghana was well known since some of them had never really heard of it. For most of them Ghana became a part of their world map merely by coincidence and not necessarily by choice because they knew that such a country existed.

4.11 Question 3 : Responses on how Ghana can increase its popularity.



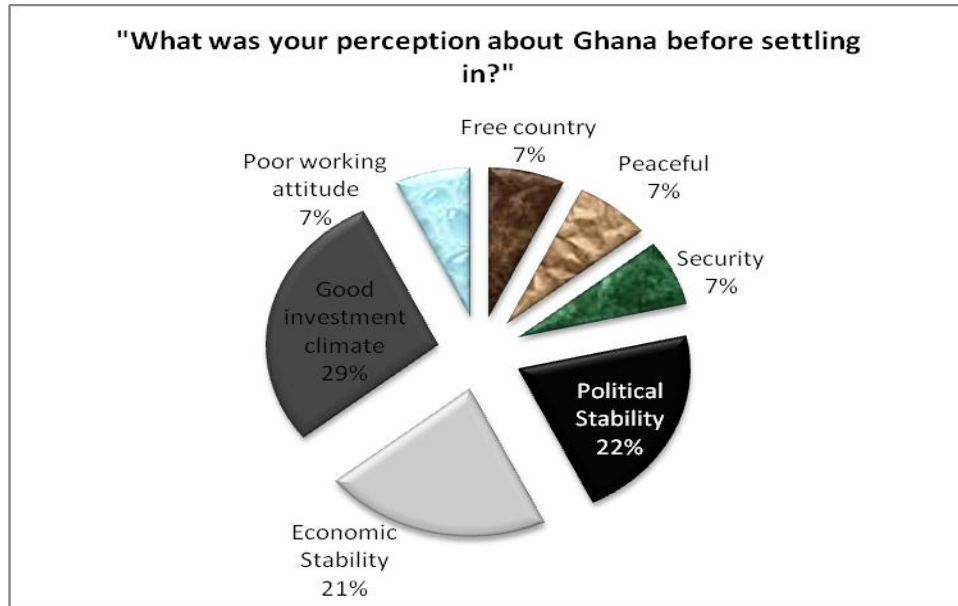
For most of the tourists, Ghana needs to be advertised as a valuable place to be visited. To be to succeed in drawing attention and interest from nationals of other countries effective marketing tools need to be utilised to increase Ghana's popularity abroad. Some of the tourists suggested that bodies like the Ghana Tourism Board and Ghana Investment Promotion Center prepare very good documentaries that expose the beautiful sights

and great opportunities that exist in the country. Many of them agreed that it is a gradual process, but for it to be successful, there ought to be a concerted, measurable effort. Apart from the issue of advertising, some of the tourists asserted that the tourists sights if improved would automatically attract visitors who would have heard about the sights from other people. Making adequate information available about pricing, housing and general options available was also found to be necessities for most of these tourists who did not seem satisfied with the services they had been rendered in Ghana.

4.12 Interviews with CEO's of Foreign Owned Companies

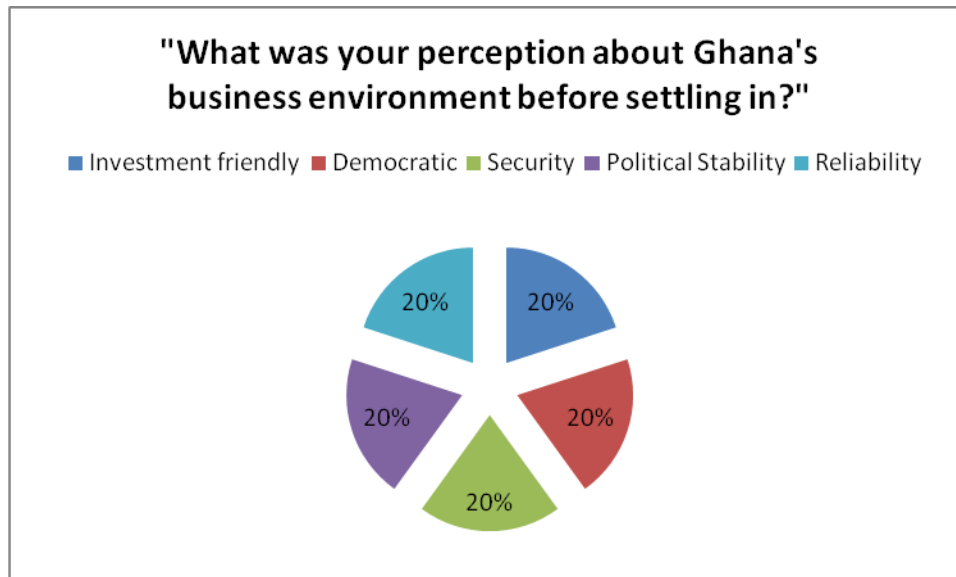
4.12.1 Theme 1: General perceptions about Ghana before investing.

This question sought the perceptions of Ghana, that managers of foreign owned businesses had before investing in the country. For most of them, Ghana stood out as a peaceful and free country with political and economic stability. However, what stood out for most of them was the perception that Ghana has a good economic environment. This is a very positive sign since it is essential for investors to have a good impression about the country they desire to invest in. According to the chart below, 27% of foreign business people considered Ghana as a place to do business because of the investment climate , furthermore, 21% and 22% considered it as a place with economic stability and political stability respectively. These factors may have to be subtly included in the branding process so that investors can easily identify them as attributes for Ghana.



4.12.2 Theme 2: (What was the perception of Ghana's business environment before choosing to invest.)

For most companies, Ghana's business environment was considered healthy because of certain factors that exist. According to the foreign investors, the business environment is overall positive for them because of the presence of democracy, security and political stability. It is quite apparent that without the presence of certain essential factors such as these, business cannot go on effectively. For most of the companies, Ghana's business environment is very healthy, active, dynamic and has very good future prospects.



4.12.3 Theme 3: This question sought to find out the problems that investors faced in the setting up and the running of their business in Ghana.

When asked the question about the kind of problems that these companies faced in the registration and running of their businesses they had very interesting responses to give. Apart from concerns that generally had concerned their own businesses, they were concerned with problems regarding the general business environment of the country. Below are the different responses that were received from the managers of these companies:

- Ghana Investment Promotion Center (GIPC) processes cumbersome
- Custom duties are too high giving rise to the smuggling of goods
- Registration processes too many
- Lackadaisical attitude to work by Ghanaians

- Minimal support for private companies which reduces competition between local and foreign companies and put customers at a disadvantage.
- Payment of bribes during company registration process.
- Police taking bribes and tips to perform their duties

4.13 Limitations of the Study

4.13.1 Sample Size:

Since results from the sample are what inform decisions that may be made after conducted research, it is necessary that the sample selected is representative of the study. The sample size for this study was very small. This is a study that seeks the views of Ghanaians to present suggestions and propositions about branding Ghana. In order for the study to be very representative of the real perceptions on the ground, the sample size would have to be increased to arrive at very concrete and accurate conclusions. The population of Ghana stands at approximately 23 million and for the study to provide more precise results it would be necessary to increase the sample size.

4.13.2 Single Researcher:

This study was conducted by a single researcher, it is important for the purposes of credibility that a similar research is conducted by another researcher in order to present other viewpoints that may not have featured in this study. Essentially, a second researcher is required to provide an audit of whatever study has already been done.

4.13.3 Access to respondents:

Although the research methodology stated five CEO's of foreign owned companies would be interviewed, only one out of the four respondents was the CEO of the company. The remaining respondents were managers of the companies, this was occurred because it was difficult to meet with the CEO's because they were busy, unavailable or out of the country at the time.

4.13.4 Future Research

In addition to the methods that were used in this study, future research focusing on the area of nation branding could make use of alternate analytical methods such as surveys, observations, and focus group discussions. Such methods will help access the needed information and effectively compare and contrast the information accessed from respondents.

Chapter Five

Recommendations and Conclusion

5.1 Recommendations

5.1.1 Infrastructure

Pertaining to the issues of infrastructure, there is the need to ensure that necessary facilities such as stable electricity and water are made available. These are necessary factors that help corporate bodies to effectively conduct business. A country with good infrastructure such as good roads and other social amenities stands a good chance of attracting investors and can confidently brand itself with such attributes. It is prudent to brand with something that actually exists than with something that is not present. Therefore, Ghana would have to effectively work on improving its infrastructure and make it a reality before it can actually include infrastructure in its brand.

5.1.2 Political Stability

Furthermore, the branding process must also make use of the present political stability that the country enjoys. Ghana must seriously use this positive attribute as an effective tool to brand itself. Recent peaceful elections, smooth transfer of power and general growing democracy are all indicators of positive political standing and must be highlighted in the branding process. A peaceful country encourages more foreign investment because investors are sure that the resources they bring into the country are safe and would make the necessary expected returns.

Ghana's goal to reach middle income status by 2015 places a lot of pressure on the government to make sure that economic indicators such as inflation are stabilized while other pointers such as Gross Domestic Product (GDP) of the economy and Purchasing Power Parity (PPP) of the people are improved. Through the analysis, it has become apparent that the branding process goes beyond mere taglines and labels but actually has to do with the activities that take place in the country and the negative and positive effects they can have on the country's image.

5.1.3 Striking a balance

Indications from the research findings make it clear that Ghana's brand must strike a balance between what Ghanaians want the country to be perceived as and what will bring economic benefits to the country. Members of the general public who were interviewed desired that Ghana be packaged and presented as a peaceful country. However, that is hardly enough reason for a multinational company to make a choice of investing in a country.

Ghana's brand must display the attractive and lucrative economic sectors that need FDI to grow for example the oil and gas industry and the mining industry. According to figure 6 in the chapter four, most Ghanaians are of the view that the oil and gas industry requires much external investment since it is capital intensive and must therefore be highlighted as part of Ghana's brand. The reason for this proposition stems from the fact that the growth of this sector would produce revenues that could contribute to the rapid development of the country and also help to reduce poverty.

5.1.4 Increasing Ghana's popularity

The most striking response from the tourists was on the fact that sixty percent (60%) of them were of the view that Ghana is not well known abroad. This perception is very worrying and must be considered if Ghana's branding process is going to be successful. It requires that the brand office in Ghana consider where exactly to sell Ghana's brand. Furthermore, if Ghana's brand is going to draw FDI questions such as "Who are the potential investors who would be interested in Ghana's economy?", "Where can these investors be found?" and "What message should be sent to them?" are questions that would have to be answered in order to ensure that Ghana's brand satisfies the purpose for which it is created.

5.1.5 Solving problems that managers face.

With regards to the problems that managers of multinational companies in Ghana face, the following solutions have been recommended:

- Duties required for imported products should be reduced in order to prevent the smuggling of goods into the country. This will encourage more investors to come into the country and also provide goods and services that are affordable for the majority of Ghanaians.
- Corruption is an issue which is a negative widespread attribute of Africa and one which causes a bleak image of the continent. Corruption in institutions like the Police Force and Registrar General's department must be checked and eradicated at all cost. Investors who are required to pay bribes in order to get through basic

processes leave the country with unwholesome perceptions and this can go a very long way to defy the branding process and undo all the positive strides that may be achieved.

- The government of Ghana must also see to equipping the forces like the police and the fire service with state of the art equipment and facilities that would facilitate rapid response processes in cases where security for companies and the country in general is compromised. Personnel must also be well paid so that they will not be tempted to take tips and bribes from citizens or visiting business persons for that matter.

5.2 Conclusion

In conclusion, the branding process for Ghana must be tackled carefully and tactically. This is simply because image is everything and a good image denotes good values and practices. The brand for Ghana cannot exist independent of what actually happens in Ghana, it is important to note that whatever takes place in Ghana could have a positive or negative effect on the brand. The Brand Ghana office would have to make use of modern marketing expertise to coin a favorable country image that would not only create good impressions of the country but would also bring significant economic benefits. However, cosmetic makeup and untruthful messages will only result in setbacks and low economic benefits. Economic reforms in the areas of custom duties, taxes and other financial duties should be considered in order to make the economy more attractive to foreign investors.

Ghana only exists as Ghana because of the Ghanaians that inhabit it. Therefore, Ghana's image is the way it is now because of how Ghanaians have conducted themselves and because of the achievements we have attained. It is important to acknowledge that all Ghanaians have a role to play in the branding process. We therefore cannot achieve anything independently or selfishly but we all need to come together and work as a union if the country is going to achieve any strides. The Brand Ghana office must communicate to all Ghanaians the fact that creating a brand is only 10% of the work, living the brand is 90% of the work and all Ghanaians must be involved in Ghana's brand is going to live up to its own expectations.

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Appendix 1

Questionnaire for members of the general public

Nation branding as a tool for the Increase of Foreign Direct Investment.

Purpose of enquiry

The intention of this questionnaire is to seek your opinion about Ghana's brand (image) as a nation and how you think it may be improved to help increase tourism and foreign direct investment. This questionnaire is strictly for academic purposes and any information you provide will be held in confidentiality.

1. What comes to mind when you hear "Ghana"?

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2. Do you think citizens of other countries in Africa and in other countries outside Africa have a good perception about Ghana?

☐ Yes ☐ No Yes and No ☐

If you answered Yes, No or both please state your reason below:

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.....
.....
.....

3. What do you think investors outside a country will be interested in finding out about in a country they desire to invest in?

<input type="checkbox"/> Security	<input type="checkbox"/> Political Stability
<input type="checkbox"/> Cost of Labor	<input type="checkbox"/> Infrastructure
<input type="checkbox"/> Economic Stability	<input type="checkbox"/> Red Tape/Bureaucracy
<input type="checkbox"/> Corruption levels	
<input type="checkbox"/> Other, Please Specify:	

.....
.....

4. Do you think Ghana has a good image that can attract Foreign Direct Investment?

☐ Yes

☐ No

Please state your reason:

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.....

.....

5. How would you rank the level of necessity for an attempt to brand or improve the image of Ghana?

☐ Very Necessary

☐ Necessary

☐ Quite Necessary

☐ Not Necessary

Please state your reason below:

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.....

6. How do you want Ghana to be perceived by the rest of the world? (*you can select more than 1 option*)

☐ Financial Hub

☐ Trade Hub

☐ Technological Hub

☐ Center for service

☐ Center for industry

☐ Corruption Free Nation

☐ Peaceful Country

☐ Skilled labor force

☐ Other, Please Specify

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7. Which economic sectors do you think the Branding Office in Ghana should highlight in its attempt to brand the country?

Please select your preferred sectors in order of importance:

(1=most important, 2= important, 3= quite important, 4=not so important)

☐ Import/Export

☐ Agricultural Industry

☐ Manufacturing

☐ Mining Industry

☐ Oil and Gas Industry

☐ Service Industry

8. Is Foreign Direct Investment important for the development of the sector you ranked "1-most important" in question 7?

☐ Yes

☐ No

Please defend your answer:

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9. Any other inputs concerning Nation Branding and Foreign Direct Investment that may not have been addressed in the questions are welcome. Please make use of the space provided below to make all your additional comments.

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Thank you for your participation.

Appendix II

Interviews of Chief Executive Officers of foreign owned companies in Ghana.

Nation Branding As a Tool For The Improvement Of Foreign Direct Investment.

Purpose of interview

The intention of this interview is to seek your opinion about Ghana's brand as a nation and to find out why your company chose to invest in Ghana.

1. Why did your company choose to invest in Ghana as opposed to other West African countries in the region?

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2. What is your general perception of Ghana as a country?

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3. What was your perception about Ghana's business environment before settling in?

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4. Did this perception in anyway influence your decision to invest in Ghana?

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5. If you were to suggest sectors of the economy that the government could focus on in its attempt to brand Ghana, which sectors would you recommend that the government focus on and why?

Please select your preferred sectors in order of importance:
(1=*most important*, 2= *important*, 3= *quite important*, 4=*not so important*)

- | | |
|---|--|
| <input type="checkbox"/> Import/Export | <input type="checkbox"/> Agricultural Industry |
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Mining Industry |
| <input type="checkbox"/> Oil and Gas Industry | <input type="checkbox"/> Service Industry |

Thank you for your participation.

Appendix III

Interviews of Tourists in Ghana

Nation branding as a tool for the Improvement of Foreign Direct Investment

Purpose of Interview

The intention of this interview is to seek your opinion about Ghana's brand as a nation and how you think it may be improved to help increase tourism and foreign direct investment. This questionnaire is strictly for academic purposes.

1. How did you hear about Ghana?

☐ Television ☐ Internet ☐ Magazine ☐ Grapevine

2. Why are you in Ghana?

☐ Business ☐ Pleasure ☐ Other

3. Why did you decide to come to Ghana for this purpose?

.....
.....
.....

4. Do you think Ghana is well known abroad?

☐ Yes ☐ No

5. How do you think Ghana can increase its popularity abroad?

.....
.....

6. If you had another opportunity to visit or do business in an African country, would you choose Ghana again?

☐ Yes ☐ No

Please State your reason:

.....
.....