A stakeholder-oriented conceptual framework to measure brand equity of nation of FDI

N Muzondo

orcid.org 0000-0002-1774-7819

Thesis submitted in fulfilment of the requirements for the degree *Doctor of Philosophy in Business Administration* at the North-West University

Promoter: Prof CA Bisschoff

Co-Promotor: Prof RA Lotriet

Graduation: May 2018

Student Number: 24727318

DEDICATION

To the memory of my papa, Doba Solomon Muzondo, and cousin brother, Mapara Edias Muzondo, for their inspiration. If The Creator had not allowed them to rest, they probably could have been around inspiring the young ones in our extended family as they always did to me.

And to my other half, Barbara Ndaizivei, and our children Takudzwa and Mutsa. I'll always love you.

KUVADIKANWI

Ndiri kutondera vachakabvu, baba vangu, Doba Solomon Muzondo, nomukoma wangu, Mapara Edias Muzondo, nekurudziro yavakandipa muupenyu. Dai Musiki asina kubvuma kuti vazorore pamwe vaidai vari vapenyu vachipa kurudziro kuvaduku vemhuri yedu sezvavaigaroita kwandiri.

Kumudzimai wangu, Barbara Ndaizivei, nevana vedu, Takudzwa naMutsa. Ndichakudai kwamazuva oupenyu hwangu hwose.

ABSTRACT

Contrary to the main proposition of classical economics, nation competitiveness does not only depend on fundamentals but also nation brand equity, which is the aggregate enduring perceptions held by a country's key stakeholders. Historically, many countries have managed themselves as brands of some kind, knowing what they were doing and why but not realising any association with the ideas of branding and marketing. Due to globalisation and its intense forces of competition, many governments worldwide have now awakened to the need to adopt brand management concepts to help position their countries competitively. Nations are competing to attract global finite resources like tourists, foreign direct investment (FDI), and talent, and to increase their exports and international political influence. Countries that sustainably mobilise optimal shares of these resources can guarantee their citizens' national prosperity and quality of life.

The FDI market resembles a massive, open global stock market for countries. Investors in that market consider country image and reputation – the nation brand – to decide investment locations. Compared to other domains of nation branding like tourism, exports, and public diplomacy, FDI destination branding is barely researched notwithstanding its increasingly visible real-world activity. Little knowing they were partly branding, many countries have set up investment promotion agencies and offer FDI incentives. Moreover, in the last 20 years, several principal bona fide and default proprietary indexes were conceived that track countries' reputations annually. Most of these practitioner models and their academic equivalents were not designed with the notion of stakeholder-oriented nation FDI brand equity (SON-FDIBE) in mind. Nation brand equity is co-created with and co-delivered by many key stakeholders. Consequently, the SON-FDIBE conceptual framework is an emerging national economic development policy alternative that seeks to competitively position countries in the global FDI market from a multi-stakeholder standpoint. FDI has many benefits for host nations: employment creation, capital development, technology transfer, talent development, poverty reduction, agglomeration effect, and export development. National governments may unlock these benefits with stakeholder-driven FDI policies.

The main objective of this study was to design and validate a stakeholder-oriented conceptual framework to measure brand equity of nation FDI focusing on South Africa and Zimbabwe as comparative cases. Drawing on their FDI inflows from 1998 and performance in over ten leading proprietary-owned nation brand tracking indices covering the last five years, the two countries are occupying unfavourable FDI brand positions. There is also a scarcity of studies that have extensively reviewed existing private and academic models, and integrated them into a comprehensive stakeholder-based theoretical model of measuring nation FDI attractiveness. To close the gap, the extant literature on nation branding, including the standard economic theory of FDI classified in this thesis as the company-based brand equity approach was reviewed and synthesised into a multidimensional conceptual framework of SON-FDIBE. The study adopted a pragmatist philosophy heavily influenced by positivism, an abductive approach dominated by deduction, and a mixed case study and survey research design. Next, a questionnaire informed by the conceptual model was designed and administered to a multi-stakeholder convenience sample of 560 respondents—209 from South Africa and 351 from Zimbabwe.

Factors affecting the SON-FDIBEs of the two countries were extracted from their datasets with exploratory factor analysis (EFA) and validated with confirmatory factor analysis (CFA) and/or structural equation modelling (SEM). Four SON-FDIBE index computation techniques, two unweighted and two weighted, were then designed and test-driven on the two national datasets. South Africa's and Zimbabwe's composite SON-FDIBE values fell in the "somewhat strong" and "somewhat weak" clusters of the measurement scale respectively. This finding is consistent with the two countries' performance in existing proprietary nation reputation indices. So, the countries and other developing economies in similar positions can adopt the SON-FDIBE index as a tentative national policy formulation and evaluation tool.

The study has contributed to the emerging theory of nation branding and FDI by developing and validating the SON-FDIBE conceptual framework and its four index calculation methodologies. Conceptually, the SON-FDIBE is a unique, detailed perceptions-driven country performance management model synthesised from an appraisal of more than 40 existing proprietary and academic, bona fide and default, country branding models. It is a potentially viable alternative national development policy analysis and formulation model for developing countries seeking to understand their complex and dynamic global environment, characterised by intense competition and demands for social equity and ethical national administration. Methodologically, the framework is a ground-breaking technique for measuring FDI destination brand competitiveness validated empirically from the perspective of country stakeholders by applying EFA and CFA to determine sub-indexes and their weights. The index computation methodology with weights determined by CFA is recommended because SEM is an advanced statistical technique. Managerially, the SON-FDIBE model illustrates how policymakers and destination managers can engage stakeholders to identify and evaluate policy priority areas a country should focus on to position itself competitively as an FDI destination. Using this methodology, countries can reasonably balance the usually competing interests of their stakeholders and avoid overburdening nation brand equities driven by either foreign investors, policymakers, investors and policymakers working collectively, or the resource-based view of national development management.

Like other studies, this research study has its limitations too. Its findings are based on only two case studies, South Africa and Zimbabwe. These countries do not represent the breadth of economies in Southern Africa, Africa and the developing world at large. As the study employed convenience sampling to select respondents, its findings cannot be quantitatively but theoretically or qualitatively generalised. Moreover, since the study adopted the stakeholder-oriented brand equity approach to measuring nation FDI brand strength, the range of stakeholders surveyed was not sufficiently inclusive. Therefore, future researches that address these limitations and further test the model are welcome. At the same time, political leaders, destination executives, and consultants should understand that, while it can take a single event to destroy a country's reputation, it may take several years to improve reputation. Hence nation branding and the SON-FDIBE conceptual framework are not a "quick-fix" solution to country reputation problems.

Key Words: *Brand equity, country competitiveness, factor analysis, foreign direct investment, nation branding, South Africa, stakeholders, Zimbabwe.*

TABLE OF CONTENTS

TABLE OF CONTENTS ..... **iv**
ACKNOWLEDGEMENTS ..... **xvi**
LIST OF FIGURES ..... **xvii**
LIST OF TABLES ..... **xix**
ABBREVIATIONS ..... **xxiv**
1. NATURE AND SCOPE OF STUDY **2**
1.1 INTRODUCTION 2
1.1.1 Globalisation and nation branding: A summary review 5
1.1.2 Summary background of South Africa and Zimbabwe 16
1.2 BACKGROUND TO THE STUDY, GAPS AND CONCEPTUAL FRAMEWORK 24
1.2.1 Research Gap 1: Customer-based brand equity (CUBBE) approach 26
1.2.2 Research Gap 2: Company-based brand equity (COBBE) approach 27
1.2.3 Research Gap 3: Customer- and company-based brand equity (CUCOBBE) approach 28
1.2.4 Research Gap 4: Resource-based view of brand equity (RBVBE) 29
1.2.5 Research Gap 5: Stakeholder-oriented brand equity (SOBE) approach—Abridged conceptual framework 30
1.3 PROBLEM STATEMENT 36
1.3.1 Conceptual and methodological gaps in existing country branding theories: Sub problem 1 37
1.3.2 Overall problem statement: The integrated conceptual and practical gap 42
1.4 OBJECTIVES AND HYPOTHESES OF THE STUDY 46
1.4.1 Primary objective 46
1.4.2 Secondary objectives 47
1.4.3 Hypotheses 47
1.5 SCOPE OF THE STUDY 48
1.6 RESEARCH METHODOLOGY 49
1.7 SUMMARY CONTRIBUTIONS OF THE STUDY 50
1.8 LAYOUT OF THE STUDY 54

1.9 SUMMARY 58
2. HISTORICAL BACKGROUNDS OF SOUTH AFRICA AND ZIMBABWE AS PLACE BRANDS 60
2.1 INTRODUCTION 60
2.2 CONTEXTUAL OVERVIEW OF AFRICA, SADC AND BRICS AS PLACE BRANDS 60
2.2.1 Overview of Africa as a place brand 62
2.2.2 Overview of SADC as a place brand 76
2.2.3 BRICS as a diplomatic brand 81
2.3 BACKGROUND OF SOUTH AFRICA 84
2.3.1 Historical background of South Africa 84
2.3.2 Geographical and social description of South Africa 84
2.3.3 Economic situation of South Africa 85
2.3.4 South Africa and the paradigm of nation branding 88
2.4 BACKGROUND OF ZIMBABWE 89
2.4.1 Historical background of Zimbabwe 90
2.4.2 Zimbabwe's geographical and social situation 90
2.4.3 Economic situation of Zimbabwe 91
2.4.4 Zimbabwe and paradigm of nation branding 99
2.5 SUMMARY 100
3. FOREIGN DIRECT INVESTMENT BRAND POSITIONS OF SOUTH AFRICA AND ZIMBABWE: INSIGHTS FROM FUNDAMENTALS AND PROPRIETARY INDICES 102
3.1 INTRODUCTION 102
3.2 SOCIAL COMPETITIVENESS OF SOUTH AFRICA AND ZIMBABWE FDI BRANDS 103
3.2.1 Social competitiveness of South African FDI brand within top three economies in Africa and BRICS nations 103
3.2.2 Social competitiveness of South Africa and Zimbabwe within the SADC 105
3.2.3 South Africa's and Zimbabwe's attractiveness in the Corruption Perception Index (CPI) 108
3.2.4 South Africa's and Zimbabwe's attractiveness in the Social Progress Index (SPI) ... 112
3.2.5 Human development competitiveness of South Africa and Zimbabwe 117

3.3 GLOBAL MANUFACTURING COMPETITIVENESS OF SOUTH AFRICA AND ZIMBABWE 120
3.3.1 South Africa's global manufacturing competitiveness within BRICS nations (2010 to 2016) 121
3.3.2 South Africa's and Zimbabwe's global manufacturing competitiveness within Africa (2010 to 2016) 121
3.4 GLOBAL INNOVATION COMPETITIVENESS OF SOUTH AFRICA AND ZIMBABWE 122
3.4.1 South Africa's and Zimbabwe's global innovation competitiveness within SADC (2012 to 2016) 123
3.4.2 South Africa's global innovation competitiveness within the BRICS (2012 to 2016) 125
3.4.3 South Africa's global innovation competitiveness within top three economies in Africa (2012 to 2016) 126
3.5 GDP COMPETITIVENESS OF SOUTH AFRICA AND ZIMBABWE 127
3.5.1 GDP competitiveness of South Africa within the BRICS (2011 to 2015) 128
3.5.2 South Africa's GDP competitiveness within top three economies in Africa (2011 to 2015) 129
3.5.3 South Africa's and Zimbabwe's GDP competitiveness within SADC (1998 to 2015) 130
3.6 SOUTH AFRICA'S AND ZIMBABWE'S FDI COMPETITIVENESS 134
3.6.1 FDI competitiveness of South Africa within BRICS: FDI inflow and AT Kearney FDI Confidence Index® perspectives 134
3.6.2 South Africa's FDI attractiveness within top three African economies (2011 to 2016) 136
3.6.3 FDI competitiveness of South Africa and Zimbabwe within the SADC (1998 to 2015) 137
3.7 SOUTH AFRICA'S AND ZIMBABWE'S PERFORMANCE IN THE GLOBAL COMPETITIVENESS INDEX (GCI) 141
3.7.1 South Africa's performance in the GCI within the BRICS competitive set (2012 to 2016) 141
3.7.2 South Africa's GCI performance within top three African economies (2012 to 2016) 143
3.7.3 South Africa's and Zimbabwe's GCI performance within the SADC (2012 to 2016) 144
3.8 DOING BUSINESS STRENGTH OF SOUTH AFRICA AND ZIMBABWE 146

3.8.1 South Africa's performance in the Doing Business Index within the BRICS (2012 to 2016) 147
3.8.2 South Africa's Doing Business performance in top three economies in Africa (2012 to 2016) 148
3.8.3 South Africa's and Zimbabwe's performance in Doing Business Index within SADC (2012 to 2016) 150
3.9 SOUTH AFRICA'S AND ZIMBABWE'S PERFORMANCE IN THE IBRAHIM INDEX OF AFRICAN GOVERNANCE 152
3.9.1 South Africa's governance performance within top three African economies (2012 to 2016) 153
3.9.2 South Africa's and Zimbabwe's governance performance within SADC (2012 to 2016) 156
3.10 COUNTRY BRAND INDEX PERFORMANCE OF SOUTH AFRICA AND ZIMBABWE 159
3.10.1 CBI competitiveness of South Africa in Africa (2010 to 2014) 159
3.10.2 CBI competitiveness of South Africa and Zimbabwe in SADC (2010 to 2014) 162
3.10.3 CBI competitiveness of South Africa in BRICS (2010 to 2014) 163
3.11 SOUTH AFRICA'S ATTRACTIVENESS IN ANHOLT-GfK ROPER NATION BRAND INDEX^{SM} (2010 to 2015) 164
3.12 SOUTH AFRICA'S AND ZIMBABWE'S STRENGTH IN COUNTRY BRAND RANKING© 165
3.12.1 South Africa's strength in Bloom Consulting's Country Brand Ranking© in Africa (2012 to 2017) 166
3.12.2 South Africa's and Zimbabwe's strength in Bloom Consulting's Country Brand Ranking© in the SADC (2012 to 2017) 167
3.12.3 South Africa's strength in Bloom Consulting's Country Brand Ranking® within the BRICS (2012 to 2017) 168
3.13 SOUTH AFRICA'S AND ZIMBABWE'S PERFORMANCE IN NATION BRAND IMPACT^{TM} FRAMEWORK (NBIF^{TM}) 169
3.13.1 NBIF™ competitiveness of South Africa in Africa (2011 to 2015) 169
3.13.2 NBIF™ competitiveness of South Africa and Zimbabwe in the SADC (2011 to 2015) 170
3.13.3 NBIF™ competitiveness of South Africa in the BRICS (2011 to 2015) 171
3.14 STABILITY COMPETITIVENESS OF SOUTH AFRICA AND ZIMBABWE 171
3.14.1 South Africa's stability competitiveness within BRICS diplomatic group (2012 to 2016) 172

3.14.2 South Africa's stability competitiveness within Africa's top three economies (2012 to 2016) 174
3.14.4 South Africa's and Zimbabwe's stability competitiveness within the SADC (2012 to 2016) 175
3.15 SOUTH AFRICA'S AND BRICS' PERFORMANCE IN WORLD COMPETITIVENESS SCOREBOARD (2010 TO 2015) 177
3.16 SWOT ANALYSES OF SOUTH AFRICA'S AND ZIMBABWE'S FDI BRANDS ... 179
3.16.1 SWOT analysis of South Africa FDI brand 179
3.16.2 SWOT analysis of Zimbabwe FDI brand 182
3.16.3 Limitations of South Africa's and Zimbabwe's FDI brand equity SWOT analysis 184
3.17 SUMMARY 185
4. NATION BRANDING THEORIES AND FOREIGN DIRECT INVESTMENT DESTINATION SELECTION 187
4.1 INTRODUCTION 187
4.2 NATION BRAND CONSTRUCT, OBJECTIVES AND TERMINOLOGIES 187
4.2.1 Country image, reputation, brand and identity: Distinctions or interconnections? 189
4.2.2 Nation branding and country branding: Are they one notion? 194
4.2.3 Nation brand equity and nation competitiveness 198
4.3 COUNTRY BRAND FOCUS AREAS AND BRAND ARCHITECTURE 199
4.3.1 Focus areas of country branding: Variety and complexity 199
4.3.2 Nation brand architecture and the endorsed FDI brand 202
4.4 OVERVIEW OF MACRO THEORIES OF NATION BRANDING 210
4.3.1 Customer-based brand equity (CUBBE) theory 213
4.3.2 Company-based brand equity (COBBE) theory 217
4.3.3 Customer- and company-based brand equity (CUCOBBE) theory 221
4.3.4 Resource-based view of brand equity (RBVBE) 222
4.3.5 Stakeholder-oriented brand equity (SOBE) theory 225
4.4 CONSUMER DECISION MAKING AND FDI DESTINATION SELECTION 229
4.5 SUMMARY 236
5. META-ANALYSIS OF OPERATIONAL MODELS OF NATION BRAND EQUITY 239
5.1 INTRODUCTION 239
5.2 DECONSTRUCTION OF COUNTRY BRANDING MICRO MODELS 240

5.2.1 Critique of customer-based brand equity (CUBBE) micro models of nation branding 257
5.2.2 Critique of company-based brand equity (COBBE) micro models of nation branding 271
5.2.3 Critique of customer- and company-based brand equity (CUCOBBE) micro models of nation branding 294
5.2.4 Critique of resource-based view of brand equity (RBVBE) micro models of nation branding 311
5.2.5 Critique of stakeholder-oriented brand equity (SOBE) micro models of nation branding 318
5.2.6 Critique of unclassified micro models of nation branding 328
5.3 SUMMARY 332
6. STAKEHOLDER-ORIENTED CONCEPTUAL FRAMEWORK OF NATION FOREIGN DIRECT INVESTMENT BRAND EQUITY 335
6.1 INTRODUCTION 335
6.2 OVERVIEW OF SON-FDIBE CONCEPTUAL FRAMEWORK: WHY STAKEHOLDERS MUST PARTICIPATE IN NATION BRAND MANAGEMENT 336
6.3 DIMENSIONS, ATTRIBUTES AND HYPOTHESES OF SON-FDIBE CONCEPTUAL FRAMEWORK 341
6.3.1 Society (SOC) 349
6.3.2 Technology (TECH) 363
6.3.3 Ecology (ECOL) 368
6.3.4 Economy (ECON) 372
6.3.5 Market (MARK) 385
6.3.6 Infrastructure (INFRA) 395
6.3.7 Organisation (ORG) 403
6.3.8 Government (GOVT) 409
6.4 CHAPTER SUMMARY 430
7. RESEARCH METHODOLOGY 433
7.1 INTRODUCTION 433
7.2 RESEARCH PHILOSOPHY, APPROACH AND DESIGN 435
7.2.1 Research philosophy: Pragmatism with bias towards positivism 435
7.2.2 Research approach: Abduction with bias towards deduction 437
7.2.3 Research design 439

7.3 POPULATION, SAMPLING AND SAMPLE SIZE 452
7.3.1 Undefined population, sampling techniques and sample size 454
7.3.2 Sampling techniques adopted: Quota, convenience and self-selection sampling 454
7.3.3 Deciding sample size from an undefined population: Factor analysis 456
7.4 ETHICAL CONSIDERATIONS 458
7.4.1 Meeting institutional ethical requirements 458
7.4.2 Obtaining research access from target respondent organisations 460
7.4.3 Respondents' right to informed consent, confidentiality and anonymity 460
7.4.4 Complexities of ethical requirements: The researcher's personal experience 460
7.5 DATA COLLECTION 462
7.5.1 Data collection from university cluster in South Africa and Zimbabwe 462
7.5.2 Data collection from non-academic stakeholders in South Africa and Zimbabwe 464
7.6 DATA CAPTURING AND CLEANING 465
7.7 DATA ANALYSIS 466
7.7.1 Stakeholder perceptions on nation FDI brand competitiveness: Why descriptive statistics were employed to analyse Likert-type data 467
7.7.2 Validity and reliability of conceptual framework: Exploratory and confirmatory factor analysis', Cronbach's alpha's, squared multiple correlations' perspectives 471
7.7.3 Hypotheses confirmation, proposition generation, and model modification: Eigenvalues, standardised regression weights, *t*-tests, ANOVA, and effect sizes 485
7.8 CALCULATING AND INTERPRETING STAKEHOLDER-ORIENTED NATION BRAND EQUITY (SON-FDIBE) INDICES OF CASE STUDY COUNTRIES 489
7.8.1. Equal-weighted SON-FDIBE indices: Eight constructs (1st) and empirical factor solutions (2nd) 490
7.8.2 Weighted SON-FDIBE indices: Eigenvalues (3rd) and standardised regression weights (4th) 492
7.8.3 SON-FDIBE index interpretation key 494
7.9 CROSS-NATIONAL VALIDATION OF SON-FDIBE CONCEPTUAL MODEL: LITERAL AND THEORETICAL REPLICATION OF THE CASES 496
7.9.1 Literal replication of South Africa and Zimbabwe case studies 496
7.9.2 Theoretical replication of South Africa and Zimbabwe case studies 496
7.10 PRESENTATION OF FINDINGS 497
7.11 SUMMARY 497

8. STAKEHOLDER-ORIENTED NATION FOREIGN DIRECT INVESTMENT BRAND EQUITY OF SOUTH AFRICA 500

8.1 INTRODUCTION 500

8.2 DATA COLLECTION AND RESPONSE RATE IN THE SOUTH AFRICAN CASE STUDY 501

8.3 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS IN SOUTH AFRICA .. 502

8.4 STAKEHOLDER PERCEPTIONS ON SOUTH AFRICA'S FDI BRAND COMPETITIVENESS 506

8.5 VALIDITY AND RELIABILITY OF CONCEPTUAL FRAMEWORK AS A MEASURE OF COUNTRY FDI BRAND STRENGTH: A PRINCIPAL COMPONENT ANALYSIS (PCA) AND CRONBACH'S ALPHA PERSPECTIVE 512

8.5.1 Factorability of the South African dataset 513

8.5.2 Factors affecting South Africa's stakeholder-oriented FDI brand equity: Validity and reliability of research instrument 514

8.5.3 South Africa's factor correlation analysis and tests of significant differences in stakeholder perceptions of nation FDI brand equity: Verifying hypothesis H_1 528

8.6 EMPIRICAL EVALUATION OF CONCEPTUAL FRAMEWORK AS A MEASURE OF NATION FDI BRAND EQUITY: A CONFIRMATORY FACTOR ANALYSIS (CFA) VIEW 534

8.6.1 Validity and reliability of conceptual framework as a measure of South Africa's FDI brand equity and tests of study's hypotheses H_2 to H_{10} 535

8.6.2 Validation of conceptual framework as a measure of South Africa's FDI brand equity: A goodness-of-fit indices' perspective 542

8.7 CALCULATING STAKEHOLDER-ORIENTED NATION FDI BRAND EQUITY INDICES FOR SOUTH AFRICA 543

8.7.1 South Africa's equal-weighted mean SON-FDIBE index based on study's eight conceptual dimensions 545

8.7.2 South Africa's equal-weighted mean SON-FDIBE index based on its 10-factor empirical model 545

8.7.3 South Africa's weighted mean SON-FDIBE index based on eigenvalues' percentages of variance of its 10-factor empirical model 546

8.7.4 South Africa's weighted mean SON-FDIBE index based on standardised regression weights of its 10-factor empirical model 547

8.8 SUMMARY 548

9. STAKEHOLDER-ORIENTED NATION FOREIGN DIRECT INVESTMENT BRAND EQUITY OF ZIMBABWE 550

9.1 INTRODUCTION 550

9.2 DATA COLLECTION AND RESPONSE RATE IN THE ZIMBABWEAN CASE STUDY 550
9.3 DEMOGRAPHIC PROFILE OF RESPONDENTS IN ZIMBABWE 552
9.4 STAKEHOLDER PERCEPTIONS ON NATION FDI BRAND COMPETITIVENESS OF ZIMBABWE 555
9.5 VALIDITY AND RELIABILITY OF CONCEPTUAL FRAMEWORK AS MEASURE OF COUNTRY FDI BRAND STRENGTH: PRINCIPAL COMPONENT ANALYSIS (PCA) AND CRONBACH'S ALPHA PERSPECTIVES 560
9.5.1 Factorability of the Zimbabwean dataset 561
9.5.2 Factors affecting stakeholder-oriented nation FDI brand equity (SON-FDIBE) of Zimbabwe 563
9.5.3 Factor correlation analysis and tests of significant differences on Zimbabwe's stakeholder-oriented nation FDI brand equity: Test of study's main hypothesis H_1 574
9.6 EMPIRICAL EVALUATION OF CONCEPTUAL FRAMEWORK AS A MEASURE OF NATION FDI BRAND EQUITY: A CONFIRMATORY FACTOR ANALYSIS (CFA) VIEW 586
9.6.1 Validity and reliability of conceptual framework as a measure of Zimbabwe's FDI brand equity and confirmation of study's hypotheses H_2 to H_{10} 586
9.6.2 Validation of conceptual framework as a measure of Zimbabwe's FDI brand equity: A goodness-of-fit indices' perspective 594
9.7 CALCULATING STAKEHOLDER-ORIENTED NATION FDI BRAND EQUITY INDICES FOR ZIMBABWE 596
9.7.1 Zimbabwe's equal weighted mean SON-FDIBE index based on study's eight conceptual dimensions 597
9.7.2 Zimbabwe's equal weighted mean SON-FDIBE Index based on country's 12-factor empirical model 598
9.7.3 Zimbabwe's weighted mean SON-FDIBE Index based on eigenvalues' percentages of variance standardised weights of country's 12-factor empirical model 598
9.7.4 Zimbabwe's weighted mean SON-FDIBE Index based on standardised regression weights of its 12-factor empirical model 599
9.8 CHAPTER SUMMARY 600
10. COMPARISON OF SOUTH AFRICA'S AND ZIMBABWE'S STAKEHOLDER-ORIENTED NATION FOREIGN DIRECT INVESTMENT BRAND EQUITIES 603
10.1 INTRODUCTION 603
10.2 DATA COLLECTION, RESPONSE RATE, AND DEMOGRAPHIC CHARACTERISATION OF RESPONDENTS: SOUTH AFRICA AND ZIMBABWE 604
10.2.1 Data collection and response rate 604

10.2.2 Demographic characterisation of respondents in South Africa and Zimbabwe 605
10.3 COMPARISON OF STAKEHOLDER PERCEPTIONS ON SOUTH AFRICA'S AND ZIMBABWE'S FDI BRAND COMPETITIVENESS: INSIGHT FROM DESCRIPTIVE STATISTICS 608
10.4 COMPARISON OF SOUTH AFRICA'S AND ZIMBABWE'S FDI BRAND EQUITIES: AN EXPLORATORY AND CONFIRMATORY FACTOR ANALYSES PERSPECTIVE 614
10.4.1 Factorability of data, correlation analysis and multicollinearity 614
10.4.2 General comparison of South African and Zimbabwean SON-FDIBE empirical factor solutions: Validity, reliability, and descriptive statistics 616
10.4.3 Component-led comparison of South African and Zimbabwean SON-FDIBE factor models 620
10.4.4 Comparison of South Africa's and Zimbabwe's FDI brand strengths: Insight from hypotheses testing 628
10.4.5 Comparison of South Africa's and Zimbabwe's FDI brand strengths: Insight from goodness-of-fit indices 631
10.4.6 Comparative analysis of South Africa's and Zimbabwe's stakeholder-oriented nation FDI brand equity indices 633
10.5 CHAPTER SUMMARY 634
11. DISCUSSION OF FINDINGS 637
11.1 INTRODUCTION 637
11.2 COMPARISON OF SOUTH AFRICA'S AND ZIMBABWE'S STAKEHOLDER-ORIENTED FDI BRAND EQUITIES 637
11.2.1 Secondary objective 3: Comparative analysis of stakeholder perceptions on South Africa's and Zimbabwe's FDI brand competitiveness 637
11.2.2 Secondary objectives 4 & 5: Validating South Africa's and Zimbabwe's SON-FDIBE conceptual model using exploratory and confirmatory factor analysis 640
11.2.3 Secondary objective 6: Strategic issues in calculating South Africa's and Zimbabwe's SON-FDIBE indices 701
11.3 SUMMARY 705
12. CONCLUSIONS AND RECOMMENDATIONS 707
12.1 INTRODUCTION 707
12.2 CONCLUSIONS 708
12.2.1 Secondary objective 1: Environmental analysis of South Africa and Zimbabwe 708
12.2.2 Secondary objective 2: Development of stakeholder-oriented nation FDI brand equity (SON-FDIBE) conceptual framework 710

12.2.3 Secondary objective 3: Stakeholder perceptions on South Africa's and Zimbabwe's FDI brand competitiveness 713
12.2.4 Secondary objectives 4 & 5: Validating conceptual model as a measure of country FDI brand strength – Exploratory and confirmatory factor analysis viewpoints 714
12.2.5 Secondary objective 6: Calculation of the SON-FDIBE indices of South Africa and Zimbabwe 728
12.3 MODIFIED SON-FDIBE FRAMEWORKS 731
12.4 CONTRIBUTIONS OF THE STUDY 734
12.4.1 Theoretical contributions 734
12.4.2 Methodological contributions: Secondary objectives 3 to 6 744
12.4.3 Managerial contributions 748
12.5 LIMITATIONS OF THE STUDY 751
12.5.1 Conceptual and methodological limitations 751
12.5.2 Managerial limitations 753
12.6 RECOMMENDATIONS 755
12.6.1 Government: Factor 1 (South Africa and Zimbabwe) 756
12.6.2 Ports and Telecommunications Infrastructure (Factor 2, South Africa) and Telecommunications Infrastructure and Public Transport (Factor 4, Zimbabwe) 757
12.6.3 Economy: Factor 4 (South Africa) and Factor 12 (Zimbabwe) 757
12.6.4 Technology: Factor 5 (South Africa) and Factor 10 (Zimbabwe) 758
12.6.5 Organisation: Factor 6 (South Africa) and Factor 11 (Zimbabwe) 758
12.6.6 Markets: Factor 7 (South Africa) and Factor 9 (Zimbabwe) 759
12.6.7 Education and Training: Factor 8 (South Africa) and Factor 2 (Zimbabwe) 760
12.6.8 Generic Infrastructure: Factor 9 (South Africa) and Factor 7 (Zimbabwe) 761
12.6.9 Society: Factor 3 (South Africa) 762
12.6.10 Ecology and Tourism: Factor 10 (South Africa) 762
12.6.11 Taxation and Domestic Competition: Factor 3 (Zimbabwe) 762
12.6.12 Population and Country Health: Factor 5 (Zimbabwe) 763
12.6.13 Crime and Natural Disasters: Factor 6 (Zimbabwe) 763
12.6.14 Macroeconomic Influences: Factor 8 (Zimbabwe) 763
12.7 AREAS FOR FURTHER RESEARCH 764
12.7.1 Further validation of SON-FDIBE conceptual framework with a random sample 764
12.7.2 Validating the SON-FDIBE model beyond South Africa and Zimbabwe 764

12.7.3 Testing the SON-FDIBE model in umbrella nation branding studies 765
12.7.4 SON-FDIBE index cutoff point 765
12.7.5 Deconstructing and researching SON-FDIBE components individually 765
12.7.6 Ascertaining association between SON-FDIBE conceptual model and United Nations' sustainable development goals 766
12.8 PERSONAL REFLECTIONS 767
12.9 SUMMARY 770
REFERENCES 771
APPENDICES 829
Appendix 1: Questionnaire for South Africa and Zimbabwe 829
Appendix 2: Letter of Introduction 833
Appendix 3: Factor Solution for South Africa based on Eigenvalues ≥1 834
Appendix 4: Factor Solution for Zimbabwe based on Eigenvalues ≥1 835
Appendix 5: Correlations – (Group number 1 – Default model) – South Africa 835
Appendix 6: Correlations – (Group number 1 – Default model) – Zimbabwe 836
Appendix 7: Structure of the Education System in Zimbabwe 838
Appendix 8: Zimbabwe's Ordinary and Advanced Levels Pass Rates—2007 to 2012 839
Appendix 9A: Zimbabwe Enrolment in Technical Colleges, 1997 to 2012 839
Appendix 9B: Zimbabwe Enrolment in University Education, 1997 to 2012 839
Appendix 10A: South African National Qualifications Framework – Sub-Frameworks and Qualifications Types 840
Appendix 10B: Summarised Level Descriptors of South African National Qualifications Framework 840
Appendix 11: Structure of the Namibian National Qualifications Framework 846
Appendix 12: Structure of the Mauritian National Qualifications Framework 846
Appendix 13: Some Common Characteristics in NQFs of South Africa, Mauritius and Namibia 846
Appendix 14: European Qualifications Framework Proposed Level Descriptors and Indicators 847
Appendix 15: United Kingdom National Qualification Framework 849

ACKNOWLEDGEMENTS

I'd like to express utmost gratitude to God Almighty, for the blessing of a healthy life without which I couldn't have embarked on and completed this project. Looking back the last four years, I realise that I'm indebted to many people without whose assistance I couldn't have done this project. Among those people, my special thanks go to my spouse Barbara Ndaizivei and our children Takudzwa and Mutsa for their unfailing support. You endured years of my "absence" as I laboured on this demanding project. Granted choice, I shan't embark on this kind of project again. Never.

Secondly, I'd like to express my heartfelt appreciation to my promoter, Prof. Christo Alfonzo Bisschoff, and co-study promoter, Prof. Ronnie Aubrey Lotriet, for their inspiring guidance throughout the study period. Many times, during the period I felt low, and you gave me hope. Many times, I came to see you without an appointment, but you always welcomed me. I run short of words to express my gratitude to you. I also extend my gratefulness to NWU for giving me the opportunity to fulfil my academic dream and the bursary. I had spent time knocking on doors that never opened. NWU taught me that if I knock on a door and it is not opened, I must knock the next immediately. I had the vision to do a PhD many years back.

As I reflect upon the period, my cousin brother Cuthbert Muchati and his spouse, Angishta, shall always be in my mind. Without your generous support, I wasn't going to be comfortable in Johannesburg. Even when I was in Potchefstroom, you always phoned or "whatsapped" to check on me. Such is love and warmth I'll never forget. May our Creator bless you.

I'm also indebted to my colleagues Messrs Frank Gwavuya, Golden Mandebvu, Peter Judias Sai, Desmond Ndedzu, Lic Ephraim Makoni, and Drs Maxwell Sandada, David Madzikanda, Nyasha Kaseke, Wilson Matamande, Miriam Mbasera and Edward Mutandwa in the University of Zimbabwe, and Dr Andrés Heymann of NWU School of Economics. Your endless encouragement was my oasis of energy. I wonder who I could have persistently bounced my ideas on if you weren't there. Let me also extend the same indebtedness to my associates Messrs Tov Manene and Gary Ngara, who helped me with ideas on preliminary data analysis.

Lastly, my acknowledgements would be incomplete if I don't mention the stakeholders, i.e. organisations and individuals, who participated in this study. Unfortunately, for ethical reasons, I cannot mention any of them by name in this thesis. All I can say is that this project could not have been a success without your support. However, opinions expressed herein are all mine based on my interpretations of the findings. None should ever be attributed to any stakeholder group(s).

MUZONDO Noel
November 2017
NWU School of Business and Governance
POTCHEFSTROOM

LIST OF FIGURES

Figure 1.1: Abridged conceptual framework of stakeholder-oriented nation FDI brand equity .. 33
Figure 1.2: Theoretical and managerial conceptualisation of the research gap 44
Figure 1.3: A visual representation of the layout of this thesis 56
Figure 2.1: South Africa and SADC percentage GDP growth rates for period 1998 to 2015..... 86
Figure 2.2: GDP and FDI inflow of South Africa for period 1998 to 2015 in US Billion Dollars 87
Figure 2.3: Zimbabwe's and SADC's annual and mean GDP growth rates for 1998 to 2015..... 94
Figure 2.4: Zimbabwe and SADC annual GDP and FDI inflows for 1998 to 2015..... 95
Figure 3.1: South Africa's corruption perception rankings within largest three economies in Africa (2012 to 2016)..... 109
Figure 3.2: South Africa's corruption perception rankings within BRICS nations (2012 to 2016) 111
Figure 3.3: GII 2015 dimensional performance of South Africa and Zimbabwe vis-à-vis Mauritius..... 125
Figure 3.4: Comparison of South Africa's and China's 2016 global innovation competitiveness 126
Figure 3.5: Comparison of South Africa's and Egypt's 2016 global innovation competitiveness 127
Figure 3.6: GDP growth rates of BRICS nations for 2011 to 2015..... 129
Figure 3.7: South Africa's GDP growth rates within Africa's top three economies (2011 to 2015) 130
Figure 3.8: South Africa's FDI inflows in billion US dollars within BRICS nations for the period 2011 to 2015 135
Figure 3.9: South Africa's FDI inflows in billion US dollars within top three African economies 137
Figure 3.10: US dollar FDI inflows in billion US dollars of SADC-based challengers of South Africa's FDI brand position..... 138
Figure 3.11: A comparative analysis of performance of South Africa and China in the 2016 GCI 143
Figure 3.12: Comparative analysis of South Africa's and Egypt's performance in the GCI in 2016..... 144
Figure 3.13: Comparison of South Africa's, Zimbabwe's and Mauritius' 2016 GCI pillar-based performance 146
Figure 3.14: South Africa's Vis-à-vis China's Doing Business performance in 2016..... 148
Figure 3.15: Comparison of South Africa's and Egypt's Doing Business performance in 2016149

Figure 3.16: Comparison of South Africa's, Zimbabwe's and Mauritius' Doing Business performance in 2016 by Area 151
Figure 3.17: FutureBrand® Status-Experience Matrix: Which countries are country brands? .. 161
Figure 4.1: A coordinative framework of country image, reputation, brand and identity 190
Figure 4.2: The nation brand architecture model 203
Figure 4.3: Interlinking matrix of country brand equity approaches 213
Figure 5.1: Country Brand Index and its related models 263
Figure 5.2: Country, Region and City Branding Wheel 285
Figure 6.1: Stakeholder-Oriented Conceptual Framework of Nation FDI Brand Equity 351
Figure 7.1: Roadmap of research methodology 434
Figure 8.1: Distribution of South Africa stakeholder-oriented FDI brand competitiveness mean ratings by dimensional items 510
Figure 8.2: Dimension mean scores and standard deviations of South Africa's stakeholder-oriented FDI brand competitiveness 511
Figure 8.3: Path diagram of South Africa's SON-FDIBE displaying standardised regression weights, accepted hypotheses, and emerging propositions 540
Figure 9.1: Summary construct and item statistics for Zimbabwe's FDI brand competitiveness mean ratings above and below threshold points 559
Figure 9.2: Dimensional mean scores and standard deviations for Zimbabwe's FDI brand competitiveness 559
Figure 9.3: Path diagram of Zimbabwe's SON-FDIBE showing standardised regression weights, accepted hypotheses and emerging propositions 592
Figure 10.1: Comparative analysis of South Africa's and Zimbabwe's stakeholder-oriented FDI brand equities by construct items with mean scores ≤ and ≥4 612
Figure 10.2: Comparative analysis of South Africa's and Zimbabwe's stakeholder-oriented FDI brand equities by construct mean scores 614
Figure 11.1: Advertisement for nurse training from a government hospital rejecting applicants with Ordinary Level passes in practical subjects 671
Figure 12.1: A modified SON-FDIBE framework for South Africa 732
Figure 12.2: A modified SON-FDIBE framework for Zimbabwe 733

LIST OF TABLES

Table 1.1: Summary GDP performance of SADC countries in United States (US) Billion Dollars (1998 to 2015) 16
Table 1.2: Summary FDI performance of SADC countries in US Billion Dollars (1998 to 2015) 17
Table 1.3: Annual FDI inflows of SADC nations that challenged South Africa's FDI position from 1998 to 2015 (US billion dollars) (n = 6) 18
Table 1.4: Zimbabwe's GDP sizes and FDI inflows in US Billion Dollars from 2008 to 2015 .. 22
Table 1.5: Summary key issues affecting South Africa (SA) and Zimbabwe (ZW) FDI brands—SWOT analysis 45
Table 2.1: Percentage share of population living on less than 2005 Purchasing Power Parity of US$1.25 a day 66
Table 2.2: Dependence of African countries' national HIV response on international resources 69
Table 2.3: Stages of development for selected African economies 72
Table 2.4: FDI inflows in US billions of dollars by group of economies and region (2011 to 2016) 75
Table 2.5: Onset and end of colonialism in selected SADC countries 77
Table 2.6: The business languages of SADC countries 81
Table 2.7: Zimbabwe's projected GDP percentage growth targets for five years ending 2018 ... 97
Table 3.1: Social competitiveness of South Africa within top three economies in Africa—Population, poverty rate, and HIV and AIDS prevalence 104
Table 3.2: Social competitiveness of South Africa within BRICS economies—Population, poverty rate, and HIV prevalence 104
Table 3.3: Social competitiveness of South Africa and Zimbabwe within the SADC—Population, poverty, and HIV and AIDS prevalence 106
Table 3.4: South Africa's and Zimbabwe's corruption perception scores and ranks within the SADC (2012 to 2016) 110
Table 3.5: South Africa's social progress performance within Africa's top three economies (2014 to 2016) 113
Table 3.6: South Africa's social progress performance within the BRICS group (2014 to 2016) 113
Table 3.7: South Africa's and Zimbabwe's social progress performance within the SADC (2014 to 2016) 114
Table 3.8: An overview of social progress performance of South Africa and Zimbabwe within the SADC in 2016 116

Table 3.9: Human development competitiveness of South Africa within the BRICS (2013 to 2016) 118
Table 3.10: Human development competitiveness of South Africa within context of top three economies in Africa (2013 to 2016) 118
Table 3.11: South Africa's and Zimbabwe's human development competitiveness within the SADC (2013 to 2016) 119
Table 3.12: South Africa's global manufacturing competitiveness within BRICS bloc from 2010 to 2016 121
Table 3.13: South Africa's global manufacturing competitiveness within top three economies in Africa (2010 to 2016)..... 122
Table 3.14: South Africa's and Zimbabwe's global innovation competitiveness within SADC (2012 to 2016)..... 124
Table 3.15: South Africa's global innovation competitiveness within the BRICS from 2012 to 2016..... 126
Table 3.16: South Africa's global innovation competitiveness within top three African countries (2009 to 2016)..... 127
Table 3.17: South Africa's GDP within BRICS bloc in billion US dollars (2011 to 2015)..... 128
Table 3.18: South Africa's GDP within Africa's top three economies in US billion dollars (2011 to 2015) 129
Table 3.19: Annual GDP for SADC countries in billion US dollars for period 1998 to 2015 ... 132
Table 3.20: South Africa and Zimbabwe's GDP growth rates within SADC countries for the period 1998 to 2014 (n=15) 133
Table 3.21: South Africa's performance in AT Kearney FDI Confidence Index® within BRICS nations (2012 – 2016) 136
Table 3.22: South Africa's and Zimbabwe's FDI inflows in billion US dollars within the SADC (1998 – 2015)..... 140
Table 3.23: South Africa's GCI performance within the BRICS economies (2012 to 2016) 142
Table 3.24: South Africa's GCI performance within top three African economies from 2012 to 2016..... 144
Table 3.25: South Africa's and Zimbabwe's GCI performance within the SADC from 2012 to 2016..... 145
Table 3. 26: South Africa's Doing Business performance within the BRICS (2012 to 2016) ... 147
Table 3.27: South Africa's Doing Business performance within top three African economies (2012 to 2016)..... 149
Table 3.28: South Africa's and Zimbabwe's Doing Business performance within SADC (2012 to 2016) 150
Table 3. 29: South Africa's governance performance within top three African economies competitive set (2012 to 2016) 153

Table 3.30: South Africa's governance performance within top three African economies in 2016 155
Table 3.31: South Africa's and Zimbabwe's governance performance within the SADC competitive set (2012 to 2016) 156
Table 3. 32: Comparison of South Africa's, Zimbabwe's and Mauritius' governance performance in 2016 158
Table 3.33: Global CBI rankings of top three African economies 160
Table 3.34: South Africa and Africa CBI variable performance by percentage 160
Table 3.35: CBI Competitiveness of South Africa within the SADC 162
Table 3.36: South Africa's Country Brand Index performance within BRICS Economies 163
Table 3.37: South Africa's overall and pillar performance in Anholt-GfK Roper Nation Brand Index℠ (2010 to 2015) 165
Table 3.38: South Africa's strength in Bloom Consulting's Country Brand Ranking© in Africa 167
Table 3.39: South Africa's and Zimbabwe's strength in Bloom Consulting's Country Brand Ranking® in the SADC 167
Table 3.40: South Africa's strength in Bloom Consulting's Country Brand Ranking® in BRICS 168
Table 3.41: Nation brand impact performance of South Africa in Africa (2011 to 2015) 170
Table 3.42: South Africa's nation brand impact performance within SADC (2011 to 2015) 170
Table 3. 43: South Africa's nation brand impact performance within BRICS (2011 to 2015) 171
Table 3.44: South Africa's stability competitiveness within BRICS nations (2012 to 2016) 173
Table 3.45: South Africa's Stability Competitiveness within the BRICS Group in 2016 173
Table 3.46: South Africa's stability competitiveness within Africa's top three economies (2012 to 2016) 174
Table 3.47: South Africa's stability competitiveness within Africa's top three economies in 2016 175
Table 3.48: South Africa's and Zimbabwe's stability competitiveness in the SADC by score and global rank 176
Table 3.49: South Africa's and Zimbabwe's 2016 FSI performance within the SADC 177
Table 3.50: South Africa's IMD World Competitiveness Scoreboard performance within the BRICS (2010 to 2015) 178
Table 3.51: SWOT analysis of South Africa FDI brand 180
Table 3.52: SWOT analysis of Zimbabwe FDI brand 183
Table 4.1: Focus areas of nation branding 201
Table 4.2: Selected FDI theories and related nation brand dimensions 208
Table 4.3: The link among nation brand, marketing, strategic management and public policymaking theories 212
Table 4.4: The consumer decision making process 232

Table 5.1: Deconstruction of selected operational models of nation brand equity 240
Table 5. 2: A typology of operational models of measuring nation brand equity 251
Table 5.3: Summary statistics of reviewed operational models of nation branding 254
Table 5.4 : Selected FDI and country branding determinants and multidisciplinary supporting theorists 279
Table 5.5: The four segments of a nation brand 296
Table 5.6 : GCI sub-index weights and income thresholds for stages of development 302
Table 5.7: IMD's WCS/Y pillars of competitiveness and factors 309
Table 5. 8: PESTEL framework dimensions, significance and indicators 330
Table 6.1: Dimensions and attributes of stakeholder-oriented nation FDI brand equity 344
Table 7.1: Stakeholder-oriented nation FDI brand equity index interpretation key 495
Table 8.1: Distribution of questionnaires and survey response rate for South Africa 502
Table 8.2: Demographic characteristics of respondents in the South African sample 502
Table 8.3: Stakeholder perceptions on South Africa's stakeholder-oriented nation FDI brand equity 507
Table 8.4: South Africa's KMO measure of sampling adequacy and Bartlett's test of sphericity 513
Table 8.5: Validity and reliability of factors affecting South Africa's stakeholder-oriented nation FDI brand equity (n = 209) 517
Table 8.6: Pearson's correlation coefficients of factors determining South Africa's stakeholder-oriented FDI brand equity (n = 209) 529
Table 8.7: Factor independent samples t-tests for equality of means and effect sizes of South Africa's FDI brand strength (n = 209) 531
Table 8.8: South Africa's stakeholder-oriented FDI brand equity factorial oneway ANOVA tests ($p \leq 0.05\%$) (n = 209) 532
Table 8.9: South Africa's stakeholder-oriented FDI brand equity factor oneway ANOVA effect sizes (n = 209) 534
Table 8.10: CFA Validated factors affecting South Africa's stakeholder-oriented nation FDI brand equity (n = 209) 536
Table 8.11: Test of conceptual framework's hypotheses H3 to H10 in South Africa (n=209) .. 541
Table 8.12: Propositions arising from South Africa's SON-FDIBE model (n=209) 541
Table 8.13: South Africa's equal-weighted mean SON-FDIBE index based on study's eight theoretical dimensions 545
Table 8.14: South Africa's equal-weighted mean SON-FDIBE index based on country's 10-factor empirical model 546
Table 8.15: South Africa's weighted mean SON-FDIBE index based on eigenvalues' percentage of variance of its 10-factor empirical model 546
Table 8.16: South Africa's weighted SON-FDIBE index based on standardised regression weights of its 10-factor empirical model 547

Table 9.1: Survey response rate in Zimbabwe 551
Table 9.2: Demographic characteristics and distribution of respondents in the Zimbabwean sample 553
Table 9.3: Stakeholder perceptions on Zimbabwe's FDI Brand equity 556
Table 9.4: Zimbabwe's KMO measure of sampling adequacy and Bartlett's test of sphericity 562
Table 9.5: Validity and reliability of factors affecting Zimbabwe's stakeholder-oriented nation FDI brand equity (n = 351) 565
Table 9.6: Pearson's correlation coefficients of factors determining Zimbabwe's stakeholder-oriented FDI brand equity 575
Table 9.7: Zimbabwe's FDI brand strength factor independent samples t-tests for equality of means and effect sizes at 95% confidence interval of the difference 577
Table 9.8: Zimbabwe's stakeholder-oriented FDI brand equity factor oneway ANOVA tests ($p \leq 0.05\%$) 580
Table 9.9: Zimbabwe's stakeholder-oriented FDI brand equity factor oneway ANOVA-based effect sizes by age group 581
Table 9.10: Zimbabwe's stakeholder-oriented FDI brand equity factor oneway ANOVA effect sizes by employment status 582
Table 9.11: Zimbabwe's stakeholder-oriented FDI brand equity factor oneway ANOVA effect sizes by qualification being studied 583
Table 9.12: Zimbabwe's stakeholder-oriented FDI brand equity factor oneway ANOVA effect sizes by nature of public sector 585
Table 9.13: CFA validated factors affecting Zimbabwe's stakeholder-oriented nation FDI brand equity (n = 351) 588
Table 9.14: Test of conceptual framework's hypotheses H_3 to H_{10} (n=351) 593
Table 9.15: Propositions arising from Zimbabwe's SON-FDIBE model (n=351) 594
Table 9.16: Zimbabwe's equal weighted mean SON-FDIBE index based on study's eight conceptual dimensions 597
Table 9.17: Zimbabwe's equal weighted mean SON-FDIBE index based on country's 12-factor empirical model 598
Table 9.18: Zimbabwe's weighted mean SON-FDIBE index based on eigenvalues' percentages of variance of its 12-factor empirical model 599
Table 9.19: Zimbabwe's weighted SON-FDIBE index based on standardised regression weights of its 12-factor empirical models 600
Table 10.1: Survey response rate – Aggregate, South Africa and Zimbabwe 605
Table 10.2: Demographics of respondents in the South African and Zimbabwean samples 606
Table 10.3: Comparative analysis of stakeholder perceptions on South Africa's and Zimbabwe's FDI brand equities by theoretical dimension and item 609
Table 10.4: Comparative analysis of construct mean scores and standard deviations of South Africa's and Zimbabwe's stakeholder-oriented FDI brand equities 613

ABBREVIATIONS

©	Copyright
®	Registered Mark
μ	Mean
ACCA	Association of Chartered Certified Accountants
AIDS	Acquired Immuno Deficiency Syndrome
AMA	American Marketing Association
BRICS	Brazil, Russian Federation, India, China and South Africa
BSI	Brand Strength Index
CAST	Conflict Assessment Software Tool
CATS	Credit Accumulation and Transfer System
CBI	Country Brand Index
CBR	Country Brand Ranking
CBR-T	Country Brand Ranking – Trade
CBS	Country Brand Strategy
CBSI	Country Brand Strength Index
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Indices
CICB	Complex Interdependencies of Country Brands
CIMA	Chartered Institute of Management Accountants
COBBE	Company-Based Brand Equity or *also* Country-Based Brand Equity
COO	Country of Origin
CPI	Corruption Perception Index
CRC	Country, Region and City
CRI	Country Reputation Index
CUBBE	Customers-Based Brand Equity
CUCOBBE	Customer- and Company-Based Brand Equity
CZI	Confederation of Zimbabwe Industries
DCI	Digital Country Index
Deloitte Global	Deloitte Touche Tohmatsu Limited
EFA	Exploratory Factor Analysis
FDI	Foreign Direct Investment
FfP	Fund for Peace
FSI	Fragile States Index
GCE	General Certificate of Education
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
GFIs	Goodness-of-fit indices
GII	Global Innovation Index
GIPA	Global Investment Prospects Assessment
GMCI	Global Manufacturing Competitiveness Index
GNI	Gross National Income

GNU	Government of National Unity
HDI	Human Development Index
HDM	Hierarchical Decision Model
HIV	Human Immuno Deficiency Virus
HND	Higher National Diploma
ICSAZ	Institute of Chartered Secretaries and Administrators of Zimbabwe
ICT	Information Communication Technology
IDP	Internally Displaced People
IIAG	Ibrahim Index of African Governance
IMD	Institute of Management Development
INSEAD	Institut Européen d'Administration des Affaires
IPR	Intellectual Property Rights
MENA	Middle East and North African region or countries
MHTESTD	Ministry of Higher and Tertiary Education, Science and Technology Development
NBIF™	Nation Brand Impact™ Framework
NBI℠	Nation Brand Index℠
NBM	Nation Brand Molecule
NBV	Nation Brand Value
NECF	National Economic Consultative Forum
NQA	National Qualification Authority
NQF	National Qualification Framework
OECD	Organisation for Economic Cooperation and Development
OSD	Online Search Demand
PCA	Principal Component Analysis
PVE	Percentage Variance Explained
RBV	Resource-Based View
RBVBE	Resource-Based View of Brand Equity
RMSEA	Root Mean Square Error of Approximation
RQ	Reputation Quotient
SADC	Southern Africa Development Community
SAQA	South African Qualifications Authority
SBBE	Stakeholder-Based Brand Equity
SD	Standard Deviation
SDGs	Sustainable Development Goals
SEM	Structural Equation Modelling
SMC(s)	Squared Multiple Correlation(s)
SOBE	Stakeholder-Oriented Brand Equity
SON-FDIBE	Stakeholder-Oriented Nation Foreign Direct Investment Brand Equity
SPI	Social Progress Index
SRW(s)	Standardised Regression Weight(s)
STEM	Science, Technology, Engineering and Mathematics
STERP	Short Term Emergency Recovery Programme
STI	Science, Technology and Innovation
™	Trade Mark
TTCI	Travel & Tourism Competitiveness Index

TVE	Total Variance Explained
TVET	Technical and Vocational Education and Training
UK	United Kingdom
UNAIDS	United Nations Acquired Immuno Deficiency Syndrome Programme
UNCTAD	United Nation Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
USA	United States of America
VCBV	Value Chain Based View
VET	Vocational Education and Training
WCS/Y	World Competitiveness Scoreboard or Yearbook
WEF	World Economic Forum
WIPO	World Intellectual Property Organization
ZIMASSET	Zimbabwe Agenda for Sustainable Socio-Economic Transformation
ZIMCHE	Zimbabwe Council for Higher Education
ZIMSEC	Zimbabwe School Examinations Council
ZIMSTAT	Zimbabwe National Statistics Agency
ZNCC	Zimbabwe National Chamber of Commerce
α	Alpha
β	Standardised Regression Weight

CHAPTER 1

NATURE AND SCOPE OF STUDY

1. NATURE AND SCOPE OF STUDY

1.1 INTRODUCTION

Existing economies are absorbed in a global economy where sustained growth and development are influenced by many local and international factors (Grzegorczyk & Budzyński, 2015:1087). In that complex and close-knit world, not only companies but also countries are competing for the world's finite resources (Fetscherin, 2010; Fetscherin & Marmier, 2010; Porter, 1990a) one of which is Foreign Direct Investment (FDI). Capital, labour and technology are now globally mobile (Kemming, 2009:63). FDI has become the foundation for host country economic development and international economic integration (Anyanwu, 2012; Chatterjee, Mishra & Chatterjee, 2013; Fahmi, 2012; Grzegorczyk & Budzyński, 2015). As such, intense competition for **FDI** (emphasis added), tourism, exports, talent and political influence among countries has arisen spurring passionate interest in nation branding in the past two decades (Al-Ghazzi & Kraidy, 2013; Anholt, 2008a; Passow, Fehlmann & Grahlow, 2005; Balakrishnan, 2009; Bivolaru, Andrei & Purcăroiu, 2009; Chen & Lee, 2013; Fanning, 2011; Gertner, 2011; Kilduff & Tabales, 2017; Lee, 2016; Ndlovu & Heath, 2013; Fetscherin, 2010; Kalamova & Konrad, 2010; Kidane, 2010; Bloom Consulting, 2013; Lee, 2009; Matsui, 2014; Moilanen & Rainisto, 2009; Mugobo & Ukpere, 2011; Oliva & Stringari, 2014; Rojas-Me´ndez, 2013; Rusko, Merenheimo & Haanpää, 2013; Same & Solarte-Vasquez, 2014; Saraniemi & Ahonen, 2008; Sun, 2009; Osei & Gbadamosi, 2011; Temporal, 2014).

Until recently, branding was restricted to companies and tangible products and services but never to countries, cities and places (Bamiduro & Aremu, 2012; Dinnie, Melewar, Seidenfuss & Musa, 2010; Marandu, Amanze & Mtagulwa, 2012), but now the notion has been extended to countries (Kapferer, 2008:123). This is because countries, cities, towns, regions, states, and tourist resorts are now facing intense competition in attracting tourists, residents, and businesses to themselves and to promote exports (Moilanen & Rainisto, 2009; Ferrell & Hartline, 2011; Wanjiru, 2005). However, most countries have been involved in some form of nation brand management throughout their history, fully aware of what they were doing and why but not realising any connection with the ideas of marketing and branding (Fanning, 2011:23). Countries are now

perceived as products or brands (Hakala, Lemmetyinen & Kantola, 2013:541), and many also perceive themselves as such. Municipalities, regional and national governments in many parts of the world are investing in and using private expertise in place branding to combat the suspected forces of globalisation such as growing competition between cities, regions and nations (Csaba & Stöber, 2011:4). Khalifa (2010:3-27) argues that "destination competitiveness is associated with globalisation". So, this study investigated the budding concept of nation branding as a basis for crafting an FDI mobilisation policy diagnostic tool for developing countries focusing on South Africa and Zimbabwe as case studies. Kapferer (2008:123) contends that countries are names with brand power "to influence through the spontaneous associations they evoke, for good or ill, and through the emotions that they stir up".

While this study could have been conducted from an all-encompassing, umbrella nation branding strategy (see Laforet, 2010; Lee, 2009; Therkelsen & Halkier, 2008; van den Akker, 2011) is focused on the FDI sub-brand. Compared to other outcome areas of country branding such as tourism and public diplomacy, FDI is barely researched (Szondi, 2007; van den Akker, 2011; Wilson, Baack & Baack, 2014) despite that FDI has several benefits for countries. FDI can facilitate employment creation, capital development, export development, knowledge and technology transfer, competitiveness (Abala, 2014; Cywiński & Harasym, 2012; Iamsiraroj & Doucouliagos, 2015; Mohamed & Sidiropoulos, 2010; Organisation for Economic Cooperation and Development, 2014; Wang & Wang, 2014; World Bank, 2015b; World Economic Forum, 2015a), poverty reduction (Assadzadeh & Pourqoly, 2013; Gohou & Soumaré, 2012; Westerberg, 2011) and the acquiring of skills and organisational and management practices (Iamsiraroj & Doucouliagos, 2015; Noorbakhsh, Paloni & Youssef, 2001). Furthermore, FDI is a "preferred source of capital for financing a current account deficit because FDI is non-debt-creating" (World Bank, 2015b:112). Therefore, considering these desirable features of FDI, researchers and policymakers need to know the factors that affect country FDI attractiveness (Anyanwu, 2012; Iamsiraroj & Doucouliagos, 2015; Pant & Sigdel, 2004) to design and implement sustainable FDI policies (Anyanwu, 2012; Pant & Sigdel, 2004).

FDI is an integral part of nation brand factors (Fetscherin, 2010; Kalamova & Konrad, 2010; Moilanen & Rainisto, 2009; Ndlovu & Heath, 2013; Rojas-Me´ndez, 2013). Nation brand

managers and policymakers must know how FDI policies blend with country brand image and reputation if they are to effectively position their countries (Rojas-Me´ndez, 2013:463). Nation brands are complex (Dinnie; 2008; Fetscherin, 2010; Fetscherin & Marmier, 2010; Sevin, 2014) and there are several factors which affect the selection of a country for foreign investment (Wilson, Baack & Baack, 2014:109). Policymakers and destination managers can position their countries effectively for inward FDI if they know the factors foreign investors consider to select investment locations. To manage nation brands viably, policymakers and technocrats should effectively design and execute country brand equity measurement systems. "A **brand equity measurement system** is a set of research procedures designed to provide timely, accurate, and actionable information for marketers so that they can make the best possible tactical decisions in the short run and the best strategic decisions in the long run" (Keller, 2013:60). Within the nation brand context, policymakers and destination managers are marketers.

Given the intense competition for FDI among countries, the contribution of such a nation brand equity measurement system to national development policymaking cannot be underestimated. FDI is a cross-border investment by a resident of one economy having control or an important degree of influence, for example of at least 10 percent, on the management of a business that is resident in another economy (World Bank, 2014:b; Organisation for Economic Co-operation and Development, 2014). The transnationally accepted definition of FDI includes equity investment (including investment related with equity that facilitates control or influence by the investor), investment in indirectly influenced or controlled firms, investment in fellow businesses, debt (except selected debt), and reverse investment (World Bank, 2015b:120). Sukhoruchenko (2007:11) argues that FDI is a form of international finance, together with lending and portfolio investments, but distinct from lending since it involves ownership, and different from portfolio investment as it involves control of financed operations over management and profits. FDIs can take the model of greenfield investment, where an investor establishes a new enterprise in a foreign country by building new operational facilities; joint venture, where the investor enters into a partnership agreement with a business abroad to start a new venture; or merger and acquisition, where the investor buys an existing company abroad (World Bank, 2015b:120). In fact, the definition of FDI that excludes portfolio investments but includes all other examples given above is the one that is adopted in this thesis. FDI is the most lucrative and riskiest of corporate

internationalisation growth strategies. It exposes companies to risks such as blocked or devalued currencies, worsening markets, expropriation, and even paying substantial severance packages if the host country's labour laws stipulate such for businesses liquidating or rightsizing their operations (Kotler & Keller, 2016:246).

1.1.1 Globalisation and nation branding: A summary review

Globalisation is stimulating intense competition among countries hence making the concept of nation branding an essential consideration (Donner, Fort & Vellema, 2014; Fanning, 2011; Oliva & Stringari, 2014; Simons, 2013). But there is still little evidence about the conceptualisation and measurement of the performance of place brands (Donner, Fort & Vellema, 2014; Outhavong, 2007). "Place branding is a dynamic field that is still in the process of identifying its objectives, methods, and definitions, but by understanding its foundation, scholars will be able to advance further in nation branding studies" (Kilduff & Tabales, 2017:101). Nothing is unusual about countries adopting branding strategies to build their international competitiveness because countries have countless similarities with companies. For instance, "a country has an offering; a country exists and operates within a competitive set; a country is dependent on resources and supportive behaviour; a country has to follow a financial logic; a country has to appeal to an audience; a country raison d'être is similar to that of a company; to a large extent, the government function can be compared with that of the general management of a company; a country has vision and strategic concept (Kotler, Jatusripitak & Maesincee, 1997:5); the significance of social responsibility is even greater for a country than it is for a company" (Fehlmann, Grahlow, Lutz, Passow & Schierscher, 2002:9; Passow, Fehlmann & Grahlow, 2005:311). Further parallels between corporations and countries are: "corporations have logos, jargons, culture, and employees, while countries have flags, languages, culture, and citizens respectively" (Rojas-Me´ndez, 2013:462) and several nations and companies have a motto or slogan (Dinnie, 2008; Blythe, 2005).

But what do the concepts of nation brand, nation branding, nation brand equity, and selected key terms associated with them mean? Researchers must know what to measure before they decide how to measure it (Zikmund, Babin, Carr & Griffin, 2013:292). The Organisation for Economic Development and Cooperation (OECD) argues that: "What is badly defined is likely to be badly

measured" (OECD, 2008b:22). A **concept** is a generalised idea about something of meaning, and a **construct** is a concept measured with several variables (Zikmund *et al*., 2013:292). One of the difficulties in existing brand management literature is that it fails to provide an agreed definition of a brand (Kapferer, 2008; Sun, 2009) or branding (Sun, 2009:10). The challenges worsen "when it comes to measurement: how should one measure the strength of a brand? What limited numbers of indicators should one use to evaluate what is commonly called *brand equity?*" (Kapferer, 2008:9).

A brand is the perceptual entity rooted in reality but reflecting the perceptions and idiosyncrasies of consumers (Keller, 2013; Kotler & Keller, 2016; Keller, Parameswaran & Jacob, 2011). Academics, marketing and advertising professionals, and politicians use different terms to explain the nation brand concept, whether they call it nation brand, country brand, national character, or even national culture (Outhavong, 2007:4). The term "nation brand" was coined by Simon Anholt in 1998 (Anholt, 2013a&b; Lambrea, 2014). A nation brand is the unique, multi-dimensional blend of elements that provide the nation with culturally grounded differentiation and relevance for all its target audiences (Dinnie, 2008:15). A country brand concerns a country's whole image, covering political, economic, social, environmental, historical, and cultural aspects (Fetscherin, 2010:468). The country brand is essentially a collective, federalising brand, which has to share its power and content with its daughter brands, specified by market (Kapferer, 2008:124). This thesis focuses on the FDI sub-brand to contribute to its existing thin body of knowledge and enable comprehensive, useful coverage of nation branding for the benefit of policymakers, destination managers, and theorists.

The nation brand is "the design, symbol, sign, colour, or any combination of these that are used to deliver a symbolic meaning to the nation's stakeholders" (Sun, 2009:19). This definition echoes the American Marketing Association's (AMA's) definition of a brand. AMA defines a **brand** as a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller and differentiate them from those of competition (Keller, 2013; Kotler & Keller, 2016). AMA's definition is close to the internationally agreed legal definition of brands: "sign or set of signs certifying the origin of a product or service and differentiating it from the competition" (Kapferer, 2008:10). Keller (2013:30) notes that technically speaking, AMA's

definition implies that "whenever a marketer creates a new name, logo, or symbol for a new product, he or she has created a brand". Nevertheless, Sun (2009:20) argues that because every country has a name, history, and culture, the critical issue in country branding is "to build a distinctive image that is meaningful to the nation's stakeholders and to establish an emotional bond between them and the nation". Consequently, Sun's definition echoes the one suggested by marketing practitioners cited by Keller and colleagues, and that meaning of a brand goes beyond the meaning implied in the AMA definition. A brand is something that has created a defined quantity of awareness, reputation, prominence, et cetera in the marketplace (Keller, 2013; Keller, Parameswaran & Jacob, 2011). Anholt (2013b:6-7) argues that "brand" can mean more than three distinct things in commerce:

> "[F]irst, it can refer to the designed identity of a product (the look of the product itself, it's packaging, its logo, its livery, its communications, and so forth); second, it is sometimes used more ambitiously to refer to the culture of the organisation behind the product; and third, it can refer to the product's or corporation's reputation in the minds of its target audience (this is the sense in which I used the word in my first essay on the subject in 1998..."

Anholt's *first* definition of a "brand", which is nomenclature or graphic design-driven, agrees with AMA's definition that is legalistic in nature and probably the reason he rejects the term "nation branding" with which this field has come to be known. "The cutest logo in the world can't make people admire a country that has no relevance to them: governments might as well burn the money" (Anholt, 2013b:9). Nation branding research is yet to prove that a country may increase its tourism, exports, and FDI by promoting its national identity, logo, and slogan (Kilduff & Tabales, 2017:98). This thesis adopts Anholt's third definition of a "brand" above even when the term is transformed into the verb "nation branding", which is in agreement with the one suggested by Keller (2013) and Keller, Parameswaran and Jacob (2011). The thesis also adopts Anholt's second definition of a brand given above, that is "brand as organisational culture" because of sensibleness. If a person knows people through understanding and sharing their culture it is difficult to hate them (Anholt, 2013b:12). You may sometimes dislike what they do but that is easy to deal with and to recover from (Anholt, 2013b:12).

A nation is a group of people of the same race and language whereas a country is a geographical area of land occupied by a nation (Hakala, Lemmetyinen & Kantola, 2013:538). The term "country branding", sometimes known by the overlapping terms of "nation" or "destination" branding, has

incrementally gained importance during the past decades (Zeinalpour, Shahbazi & Ezzatirad, 2013:1401). The overlap seems to be consistent with the everyday, common interchangeable use of the prefixes "country" and "nation" that this thesis has also adopted. While Outhavong (2007:4) agrees that these two terms are synonyms, he goes on to highlight that national character and national culture are not the same as country or nation brand. National character is a description of the cultural stereotypes of a country, and much of the on-going scholarly work on this subject is rooted in personality traits (Outhavong, 2007:12). Personality is the unique psychological characteristics that affect and mirror how a person responds to her environment (Schiffman, Kanuk, Kumar & Wisenblit, 2010; Solomon, 2011). However, Outhavong (2007:vi) mourns that existing research on national character is limited because of its tendency to restrict the character of countries to human personality traits yet a country brand is broader than human personality characteristics.

The verb "branding" comes from the noun "brand". Branding theory originated in the fast-moving consumer goods sector (Laforet, 2010; Moilanen & Rainisto, 2009) and was traditionally associated with companies and their products or services but is now applied to countries (Anholt, 2010; Dinnie, 2008; de Queiroz & Giraldi, 2015; Fetscherin, 2010; Marandu, Amanze & Mtagulwa, 2012). Kotler and Keller (2016:326) define branding as the process of endowing a product or service with the power of a brand. Branding creates mental structures that assist consumers to organise their knowledge about products in a manner that simplifies their decision making and, at the same time, provides value to the firm (Keller, 2013:36). The meaning of the term "nation or country branding" extends from this generic definition.

Nation branding is the application of strategic marketing tools and marketing communication techniques to improve a nation's image and reputation among target international audiences in an attempt to enhance public diplomacy, increase trade, promote exports and tourism, and boost inward FDI (Matiza & Oni, 2013:478). Nation branding is a collection of discourses and practices aimed at reconstituting nationhood through marketing and branding paradigms (Kaneva, 2011:118). Nation branding is "the procedure of designing, implementing, evaluating, and monitoring the marketing activities for delivering a symbolic meaning of the nation to its stakeholders" (Sun, 2009:20). Nation branding are the various ways in which a country **promotes**

(emphasis added) its reputation in order to increase trade, tourism, and inward investment (Dinnie *et al*., 2010:402). However, Anholt (2008a:2) disputes definitions of branding that focus on promotion arguing that branding is not about **communications** but policy change. Nation brand management should never be taken as a campaign that is divorced from planning, governance or economic development but as a vital element of national policy (Anholt, 2008b:23). "Since I coined the term *nation brand* in 1998, my approach to enhancing national image has been based on international engagement, policy, strategy and organisational change rather than on marketing communications" (Anholt, 2013a:2). Anholt is supported by Matiza and Oni (2013:478) who argue that investment promotion can neither be a substitute for policy and reforms nor a camouflage for deep-seated economic shortcomings. "Countries are judged by what they do, not by what they say…yet the notion that a country can simply advertise its way into a better reputation has proved to be a pernicious and surprisingly resilient one" (Anholt, 2013b:6). Although marketing communication is one of its elements, nation branding is broad and policy-centred. It should not be equated and substituted with promotion, which is focused on operations. Most crucially, the consequential nation brand, from the branding process, should be a source of pride for a country's citizens and inspiration for nationals of other countries. The country image must be true to reality for both the country's citizens and external audience (Kilduff & Tabales, 2017:101). The nation brand should be compelling. While his Nation Brand Index (NBI) measures nation brand equity from a customer or consumer perspective, Anholt (2005a:119) argues that "country branding occurs when public speaks to public; when a substantial proportion of the population of the country – not just the civil servants and paid figureheads – gets behind the strategy and lives it out in their everyday dealings with the outside world".

It is clear from the foregoing definitions that "nation branding" and "country branding" are synonyms. However, some people disapprove of the idea of treating nations as brands hence reject nation branding (Dinnie, 2008; Felknerová, 2014). The critics' hostility towards the idea of branding nations is embedded in their hatred of the word "brand" (Dinnie, 2008:173). Dinnie reasons that the concept of the "nation brand" may be accepted if alternative terminology like "nation reputation" is used. Felknerová (2014:41) observes that some critics, wrongly, assume that marketing techniques cannot be applied to states because its terms are not only unsuitable but also associated with superficiality, fraud and manipulation! Critics should understand that, like

any other professions, there is ethical and unethical marketing. There is no justification for blaming a profession on the basis of those of its professionals who are unethical. Nation brand theorists need to bring to the attention of those critics the theory of social marketing (see for example, Andreasen, 1994; Dibb, 2014; French, 2015; Kotler & Zaltman, 1971). Social marketing is the adoption, adaptation and application of commercial marketing principles to influence target audiences to change attitudes and adopt behaviours that enhance their own good and the common good. Nation marketing and branding appear to be fitting branches of social marketing because they seek to adapt a nation's culture for the good of nation's internal and external stakeholders. Anholt (2013b:8) admits that: "[W]e are still far from a widespread understanding of what this means in practice and just how far commercial approaches can be effectively and responsibly applied to government, society, and economic development."

Nation branding produces mental skeletons that assist stakeholders to organise their knowledge about the country in a way that simplifies their decision making and, in so doing, generates value for the nation. Thus country branding cannot be separated from the concepts competitiveness and brand equity. Lee (2009:i) argues that "the ideas of nation branding and sustainable competitiveness provide nations with opportunities why and how they adopt nation branding for their competitiveness." A nation can achieve superior "financial" performance (that is, attract more foreign visitors, increase exports and obtain more FDI) by branding itself to achieve a distinctive image in the competitive global market (Sun, 2009:28). International competitiveness is one of the most abused and misinterpreted terms in the press and scholarly literature today (Smit, 2010:106). Competitiveness of nations is a field of economic theory that analyses the facts and policies that shape the ability of a nation to create and maintain an environment that sustains more value creation for its enterprises and more prosperity for its people (Garelli, 2014:489).

Delgado, Ketels, Porter & Stern (2012:2) offer a novel definition of competitiveness, under the concept of "foundational competitiveness", which ties directly to economic performance and cover a variety of factors that influence national prosperity, and particularly shape public policy and business practice. **Foundational competitiveness** is "the expected level of output per working-age individual given the overall quality of a country as a place to do business" (Delgado *et al*. 2012:2). Within their definition, they distinguish between macroeconomic and microeconomic

competitiveness. Macroeconomic competitiveness is influenced by institutions, policies, and public good investments that define the setting for an entire economy (Delgado *et al*., 2012:9). Microeconomic competitiveness is shaped by the sophistication of company operations and strategy and the quality of the national business environment (Delgado *et al*., 2012:16). Thus Delgado and other authors' definition of national competitiveness fall within the realm of Porter's (1990a) diamond of national advantage framework reviewed in Chapter 5 of this thesis.

Competitiveness is "the set of institutions, policies, and factors that determine the level of productivity of an economy, which in turn sets the level of prosperity that the country can earn" (Sala-i-Martín, Crotti, Di Battista, Hanouz, Galvan, Geiger & Marti, 2015a:4). Lee (2009:i) argues that "nations can sustain their competitiveness through strategic nation branding". Thus country brand equity as defined in marketing cannot be separated from country competitiveness as defined in economics. The two notions share one assumption, that is, countries, like firms, are in competition with each other and can probably be measured with the similar variables. Consequently, each country must understand its competitive environment, identify its sources of competitive advantage, and pick a sustainable global competitive strategy for itself. Inferring from extant literature, this study therefore uses the vexing terms of country or nation branding, such as, country brand equity (de Queiroz & Giraldi, 2015; Dinnie, 2008; Ebrahimi, Kashani & Shojaei, 2012; Passow, Fehlmann, Grahlow, 2005), nation reputation (Brand Finance®, 2013; Anholt, 2005a, 2013b; Dinnie, 2008; FutureBrand, 2011; Passow, Fehlmann, Grahlow, 2005), country competitiveness (Dechezleprêtre & Sato, 2014; Delgado *et al*., 2012; Garelli, 2014; Lee, 2009; Sala-i-Martín, Crotti, Di Battista, Hanouz, Galvan, Geiger & Marti, 2015b), country brand strength (Fetscherin, 2010; Kapferer, 2008), brand attractiveness (FutureBrand, 2011:7; Kalamova & Konrad, 2010:400), nation or sector attractiveness (Brand Finance, 2013; 2014) and country attractiveness (Lee, 2016:808) interchangeably to simplify the concept of nation FDI brand equity. Within economic theory, a facet of competitiveness that is prominent in the debate is the capacity of a destination to attract investment. This facet is tied to the concept of global or destination investment attractiveness. "**Global attractiveness** is a location's foundational competitiveness relative to the cost of factor inputs" (Delgado *et al*., 2012:13). This thesis treats global investment attractiveness as investment destination brand equity. In definitional and goal terms, it appears that the concepts of nation brand equity and national competitiveness generally agree with the

notion of sustainable development as summarised in the United Nations (UN) General Assembly's 2030 Agenda for Sustainable Development, which guides global action to the year 2030. The agenda consists of 17 Sustainable Development Goals (SDGs) which focus on five themes: people, planet, prosperity, peace, and partnership (United Nations Conference on Trade and Development, 2014; World Bank 2016b).

Furthermore, given that in this emerging theory of place branding, the terms "country branding" and "nation branding" on one hand and "country brand" and "nation brand" on the other hand are used interchangeably, the words "country" and "nation" are regarded as synonyms in this thesis. This is also done by many nation branding theorists who tackle the domain from a marketing perspective (for example, de Queiroz & Giraldi, 2015; Dinnie *et al*., 2010; Fetscherin, 2010; Sun, 2009; Zeinalpour, Shahbazi & Ezzatirad, 2013). Nonetheless, the thesis concedes that the terms "country" and "nation" have different meanings in the disciplines of political science, international relations, geography, sociology, public diplomacy, and international law—all of which also contribute to the theory of country branding. Following the definitions of "nation" and "country" suggested by Hakala, Lemmetyinen and Kantola (2013:538), the thesis agrees that a country may have many "nations" within it in line with its ethnic or language diversity. Countries in Africa are considerably rich in terms of their "nations" or ethnic diversity.

The term "brand equity" as applied to countries is borrowed from marketing literature. In fact, the concept of "equity" is borrowed from finance hence when taken to the discipline of branding, it loses any specific, generally agreed meaning (Dinnie, 2008:62). Brand equity is a set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or a firm's customers, which is built over time (Laforet, 2010:51). The constructs of brand "assets" and "liabilities" in Laforet's definition mesh with notions of "positive" and "negative" brand equity in Keller (2013:421). Defining brand equity from the perspective of customers Keller (2013:69) states that "customer-based brand equity is the differential effect that brand knowledge has on consumer response to the marketing of the brand". Brand equity defines the value of a brand (Donner, Fort & Vellema, 2014; Anholt, 2010) or its strength (Fetscherin, 2010; Kapferer, 2008) or reputation (Duong, 2012; Passow, Fehlmann & Grahlow, 2005). Inferring from the Global Competitiveness Index (GCI) of the World Economic

Forum (WEF), which Dinnie (2008:230) admits is relevant to but was not designed with country branding in mind, brand equity could be understood as brand competitiveness. Jones (2005:17) argues that in relation to each stakeholder group, a specific measure of brand equity can be identified. He adds that in relation to public opinion and government, brand equity is frequently referred to as "social capital". However, brand equity can be positive or negative (Laforet, 2010; Keller, 1993 & 2013). Positive customer-based brand equity (CUBBE) means that consumers react more favourably to the brand and are loyal to it (Keller, 2013; Lim, 2009). Nation brand equity are the tangible and intangible, internal and external assets (or liabilities) of the nation which represent the sources of nation brand equity (Dinnie, 2008:67). The term country brand equity is also used in the literature to refer to nation brand equity (de Queiroz & Giraldi, 2015:1196).

Since the terms country or nation "reputation" and "image" are sometimes used to refer to nation or country brands (Passow, Fehlmann & Grahlow, 2005; Dinnie, 2008), it is also fundamental that they are defined so that their association with "brand" and "brand equity" constructs is visible. "Country identity" is another term that is confused with image (Buarque, 2015; Dinnie, 2008; Laforet, 2010; Suvatjis & de Chernatony, 2005) hence it should also be explained. Every country has a brand in the form of identity and image(s) consisting of perceptions held by different people, organisations or other governments that know of or have interacted with it (Temporal, 2014:18). Although the terms "reputation" and "image" are frequently used interchangeably, they are different constructs that refer to mental associations generated by knowledge and experience (Buarque, 2015:1302). One of the simple ways to understanding these terms entails defining them after deleting the prefix "country" and then re-inserting the prefix to infer the meaning within the country branding context.

Brand identity is how the owner of the brand wants it to be experienced while brand image implies how the brand is being experienced by consumers and other stakeholders in reality (Buarque, 2015; Laforet, 2010; Moilanen & Rainisto, 2009; Kotler & Keller, 2016). In short, image is how something is perceived whereas identity is what something truly is, its essence (Dinnie, 2008:42). Dinnie's viewpoint is supported by Temporal (2014:18) who argues that the identity is what the country wants to be seen as and the image is how it is really seen that governments try to influence through branding. In other words, image is here and now that is, what a person sees of herself in

the mirror. But, in contrast, reputation is about "being known for something" (Fombrun, Ponzi & Newburry, 2015:4) hence is based upon wide experience (Chun, 2005:105). Power, Scheytt, Soin and Sahlin (2009:307) claim that reputation is "a complex relational notion—a quality of social actors' perceptions, and perceptions of perceptions". Reputation is the global perception that constituents or stakeholders hold about a company's performance and attributes, which may be positive or negative (Feldman, Bahamonde & Bellido, 2014:55). In other words, "country brand identity" is what a country truly is and "country brand image" and "country reputation" are the totality of the image accrued to a nation. Nonetheless, it is the aggregation of the country image over time that forms the country reputation or brand rather than the other way round. Hollensen (2010:410) contends that rational and emotional aspects combine to form brand image. Country reputation is the aggregate of stakeholders' images of a country over time (Passow, Fehlmann & Grahlow, 2005:311). "Reputation is as much about perception and the perception of behaviors as it is about fact" (Yilmaz & Kucuk, 2010:229). The pair claim that reputation focuses on ethics, trust, relationships, confidence and integrity. Perception is the process by which a person selects, organises, and interprets stimuli into a coherent and meaningful picture of the world (Schiffman *et al*., 2010; Solomon, 2011).

Country image and reputation are important because they influence stakeholders' important decisions related to whether they will either visit, invest in, migrate to, or buy products from a given country. Whereas foreign investors are more rational than tourists in their decision-making process, they still consider the projected image of target countries to select an investment destination (Rojas-Me´ndez, 2013:466). Therefore, it is important that countries continuously assess their brand equity or reputation if they are to build and maintain competitiveness.

Nation branding is an emerging technology that attempts to help countries to manage themselves as brands. Nonetheless, Lasso and Esquivel (2014:2) lament that its greatest proponents have oversimplified the concept and somehow "reduced country reputations to a commodity that can be branded, packaged, and sold to audiences in other countries". This author assumes that Lasso and Esquivel were referring to the following *bona fide* proprietary-owned nation branding indices (especially the first two because they are the most prominent): Anholt-GfK NBI^{SM}, FutureBrand$^{©}$'s Country Brand Index (CBI), Bloom Consulting's Country Brand Ranking (Trade)

(CBR-T), and Brand Finance©'s Nation Brand Impact™ Framework (NBIF™). Some consultancies oversimplify reputation proposing that it can be evaluated by certain categories placed in a linear mode – bad reputation to good reputation – claiming that a nation brand is an aggregate of the scores (Lasso & Esquivel, 2014:2). Nonetheless, it is sensible for political leadership and destination executives to draw from any relevant indices to assess country performance.

Moreover, although most private or proprietary indexes are inadequately reviewed in academic literature, Lasso and Esquivel's criticism may be still unjustified because many existing indices share common dimensions, variables, and methods with equivalent academic models. Equivalent academic models include Rojas-Me´ndez's (2013) nation brand molecule, Fetscherin's (2010) country brand strength index (CBSI), Sun's (2009) critical determinant and outcome factors of nation branding, Jacobsen's (2009) investor-based place brand equity, and Kalamova and Konrad's (2010) nation brands and FDI, to name but a few **(for more see Table 5.1, Chapter 5)**. Interestingly also, other social scientists have researched nation brands for long perhaps without realising they were so doing. As a result, they hardly connect their studies to destination branding. Economists are one such group (**Table 4.2**); they have studied FDI determinants for over 40 years. Other social scientists (especially those working in non-profit organisations and intergovernmental organisations) are also measuring country reputation fully knowing the implications for national policy but not quite appreciating how their indices connect with nation branding and marketing. Their indices are freely available on the internet, for example, Transparency International's Corruption Perception Index (CPI), Mo Ibrahim Foundation's Ibrahim Index of African Governance (IIAG), Deloitte Touche Tohmatsu Limited (Deloitte Global) and United States (US) Council on Competitiveness' Global Manufacturing Competitiveness Index (GMCI), Fund for Peace's Fragile States Index (FSI), United Nation Development Programme's (UNDP's) Human Development Index (HDI), WEF's GCI, Institute of Management Development's (IMD's) World Competitiveness Scoreboard or Yearbook (WCS/Y), World Bank's Doing Business, Social Progress Imperative's Social Progress Index (SPI), Cornell University, Institut Européen d'Administration des Affaires (INSEAD) and World Intellectual Property Organization's (WIPO's) Global Innovation Index (GII), et cetera. These indexes barely, if at all, use words such as "reputation", "image", "identity", and "brand" although they, in fact, measure one or more of

these. Hence they are contributing to the theory and practice of place branding of which nation branding is an aspect. For that reason, this thesis classifies these indices as default country branding models. The only distinction between default and *bona fide* country branding indices, whether proprietary-owned or academic, is that the former was conceived without branding in mind but they are making a significant contribution to the theory and practice of country branding.

1.1.2 Summary background of South Africa and Zimbabwe

Inferring from Gross Domestic Product (GDP) and FDI statistics compiled by the World Bank over the last 17 years ending December 2015, there is a gap in the economic performance of the two neighbouring countries of South Africa and Zimbabwe, which are both members of the Southern African Development Community (SADC). As evident in Tables 1.1 to 1.2 below, the two nations occupy untenable FDI brand positions within the SADC. South Africa also occupies an unfavourable FDI brand position in the African region and the BRICS (those are Brazil, Russia, India, China and South Africa) nations (see World Bank, 2017). South Africa's competitive frame of reference in this study was extended beyond the SADC because of its massive GDP and FDI performance compared to fellow SADC economies (Tables 1.1 & 1.2 below). A *competitive frame of reference* comprises brands with which a brand competes hence the brands which it should focus on in competitive analysis (Kotler & Keller, 2016; Keller, 2013). Since reputation [just like brand] "is a relative concept, measuring the reputation of a country implies also measuring that of its 'competitors' or 'competitive set'" (Passow, Fehlmann & Grahlow, 2005:310).

Table 1.1: Summary GDP performance of SADC countries in United States (US) Billion Dollars (1998 to 2015)

Country Name	1998	1998-2000	2001-2003	2004-2006	2007-2009	2010-2012	2013-2015	2015	Country Total	Country Mean
South Africa	137.775	410.768	412.255	758.005	882.122	1188.111	1033.47	314.572	**4684.731**	**260.263**
Angola	6.445	21.728	35.622	89.664	220.119	301.985	354.316	102.627	**1023.435**	**56.857**
Tanzania	9.345	29.229	32.848	48.366	77.444	104.374	138.159	45.628	**430.42**	**23.912**
Congo, D.R.	6.216	30.015	25.104	36.558	53.833	71.836	98.035	35.238	**315.381**	**17.521**
Zambia	3.538	10.543	13.190	27.310	47.296	69.229	76.351	21.154	**243.918**	**13.551**
Botswana	4.790	16.063	18.440	29.016	32.151	43.156	45.085	14.39	**183.91**	**10.217**
Mozambique	4.873	15.192	15.396	22.868	31.773	37.820	47.787	14.807	**170.836**	**9.491**

Country Name	1998	1998-2000	2001-2003	2004-2006	2007-2009	2010-2012	2013-2015	2015	Country Total	Country Mean
Zimbabwe	6.402	19.950	18.847	17.005	17.865	32.771	42.106	14.419	**148.544**	**8.252**
Namibia	3.827	11.554	11.839	21.847	26.104	36.708	37.059	11.492	**145.111**	**8.062**
Mauritius	4.170	13.043	14.914	19.698	27.269	33.191	36.615	11.682	**144.73**	**8.041**
Madagascar	3.739	11.334	14.401	14.919	25.306	28.542	31.014	9.739	**125.516**	**6.973**
Malawi	1.751	5.270	8.421	11.130	15.948	20.922	17.891	6.404	**79.582**	**4.421**
Swaziland	1.577	4.830	5.102	9.049	10.178	14.355	13.222	4.118	**56.735**	**3.152**
Lesotho	0.928	2.729	2.759	4.994	5.571	7.854	7.316	2.278	**31.223**	**1.735**
Seychelles	0.608	1.846	2.025	2.775	2.848	3.170	4.271	1.438	**16.936**	**0.941**
Regional Total	**195.984**	**604.094**	**631.164**	**1113.204**	**1475.828**	**1994.023**	**1982.697**	**609.985**	**7801.01**	
Regional Mean	**13.066**	**40.273**	**42.078**	**74.214**	**98.389**	**132.935**	**132.18**	**40.666**	**520.067**	

Note: To attain country totals and country means, the amounts in the 1998 and 2015 columns must be excluded from the aggregation as they are already included in table's three-year clusters
Source: Compiled from World Bank (2017)

Table 1.2: Summary FDI performance of SADC countries in US Billion Dollars (1998 to 2015)

Country	1998	1998-2000	2001-2003	2004-2006	2007-2009	2010-2012	2013-2015	2015	Country Total	Country Mean
South Africa	0.550	3.023	9.533	7.847	24.096	12.459	15.599	1.575	**72.557**	**4.031**
Mozambique	0.213	0.734	0.940	0.618	1.988	10.557	15.565	3.868	**30.402**	**1.689**
Tanzania	0.172	1.152	1.263	1.781	2.917	4.842	6.092	1.961	**18.049**	**1.003**
Zambia	0.198	0.482	0.790	1.337	2.957	4.569	5.190	1.583	**15.326**	**0.851**
Namibia	0.096	0.294	0.592	1.226	1.917	2.589	2.319	1.06	**8.936**	**0.496**
Madagascar	0.017	0.158	0.121	0.433	3.217	2.359	1.435	0.517	**7.722**	**0.429**
Botswana	0.095	0.189	0.852	1.299	1.224	2.077	1.307	0.394	**6.948**	**0.386**
Angola	1.114	4.464	7.466	0.856	2.991	-13.149	4.084	9.282	**6.712**	**0.373**
Mauritius	0.012	0.327	0.067	0.162	0.975	1.452	0.920	0.208	**3.904**	**0.217**
Congo, D.R.	0.061	0.167	0.681	0.813	3.432	-0.387	-1.252	-0.508	**3.453**	**0.192**
Malawi	0.012	0.097	0.091	0.283	0.369	0.901	1.565	0.515	**3.305**	**0.184**
Zimbabwe	0.444	0.527	0.034	0.152	0.226	0.817	1.245	0.399	**2.999**	**0.167**
Seychelles	0.053	0.133	0.171	0.259	0.524	0.916	0.271	0.106	**2.275**	**0.126**
Lesotho	0.265	0.461	0.102	0.107	0.178	0.148	0.258	0.113	**1.254**	**0.070**
Swaziland	0.153	0.342	0.062	0.145	0.209	0.319	0.088	0.032	**1.164**	**0.065**
Regional Total	**3.456**	12.547	22.765	17.318	47.22	30.468	54.686	**21.106**	**185.006**	
Regional Mean	**0.230**	0.836	1.518	1.155	3.148	2.031	3.646	**1.407**	**12.334**	

Source: World Bank (2017)
Note: To attain country and regional totals and means, the amounts in the 1998 and 2015 columns must be excluded from the aggregation as they are already included in table's the three-year clusters

As summarised in the tables above, the SADC recorded an aggregate GDP of US$7.8 trillion and combined inward FDI of US$185 billion between 1998 and 2015 of which South Africa's

combined GDP contribution was US$4.7 trillion and inward FDI share was US$72.6 billion. Hence South Africa is the leading economy in the SADC but it only occupies an undisputed position in the region in GDP terms. During the last 17 years ending December 2015, the country's inward FDI position has been challenged by five SADC fellow members—those are Angola, Mozambique, Namibia, Tanzania and Zambia (Table 1.3 below).

Table 1.3: Annual FDI inflows of SADC nations that challenged South Africa's FDI position from 1998 to 2015 (US billion dollars) (n = 6)

Country	1998	1999	2000	2001	2002	2003	2004	2006	2010	2011	2012	2015
Angola	1.114	2.471	0.879	2.145	1.744	3.577	2.197					9.282
Mozambique											5.635	3.868
Namibia								0.610				
Tanzania												1.961
Zambia								0.616				1.583
South Africa	0.550	1.503	0.936	0.007	1.480	0.783	0.701	0.623	3.693	4.139	4.626	1.575

Source: World Bank (2017)

Within Africa, South Africa's inward FDI position was contested by Egypt and Nigeria whose mean FDI inflows were US$3.635 billion and US$5.852 billion compared to the former's US$4.873 billion for the five-year period ending 2015 (see World Bank, 2017, **Figure 3.9 in Chapter 3**). World Bank statistics for the same period also show that South Africa occupies an unfavourable inward FDI brand position within the BRICS diplomatic group. The country had mean inward FDI of US$4.873 billion for the period ending 2015 compared to averages of US$266 billion for China, US$85.783 billion for Brazil, US$40.680 for the Russian Federation, and US$33.447 billion for India (**Figure 3.8, Chapter 3**). The evidence above shows that South Africa has had a somewhat weak and extremely weak FDI brand position within its top three African economies and BRICS competitive frame of reference respectively.

Despite the weak brand equity South Africa's inward FDI is associated with due to nation rivalry within the SADC, largest three African economies and the BRICS, the country has arguably one of the best managed nation branding strategies in these competitive sets. South Africa founded the International Marketing Council of South Africa (IMCSA) in 2000 after realising the "imperative to create a positive and compelling brand image for South Africa" (Johnston, 2008:5). The purpose of the IMCSA has since been transferred to Brand South Africa. South Africa's

approach to nation branding is deliberate, evidence-based and stakeholder-driven (South African Competitiveness Forum, 2013a-2013d, 2014; Brand South Africa & De Kock, 2013). For instance, Brand South Africa conducts an international investor perception study every year (Brand South Africa & De Kock, 2013:13). In addition, South Africa features in the Anholt-GfK Roper NBI^{SM}, AT Kearney FDI Confidence Index$^{®}$, GMCI, and WCS/Y. However, Zimbabwe and almost all other African countries are not included in these reputed proprietary-owned global annual nation brand equity tracking indices perhaps because of their insignificant performance at the global level.

Over the last 18 years, Zimbabwe has become infamous for "deindustrialising" (Confederation of Zimbabwe Industries, 2014; Mlambo, 2017; Zimbabwe National Budget Statement, 2013) and having a highly "informalised economy" (Mlambo, 2017; Zimbabwe National Budget Statement, 2012, 2013). A mix of factors explain this situation and its symptoms. Some companies are retrenching and others are liquidating due to unfavourable macro conditions in the country. The informal sector now provides self-employment to the bulk of economically-active citizens in the country (Mlambo, 2017; Zimbabwe National Budget Statement, 2012). Formal unemployment level in Zimbabwe is estimated above 80 percent (Zimbabwe National Budget Statement, 2013:11; African Development Bank, 2011:4). Nonetheless, Mlambo (2017:100) argues that by mid-2015, Zimbabwe turned into a nation of vendors, with about 90 percent of its population unemployed and striving to earn a living in the rising informal economy. The other explanations relate to inefficient institutional arrangements and onerous regulations. Economies with particularly burdensome regulations tend to have higher levels of informality (World Bank, 2014a:20; 2015a:20, 2016a:22) and Zimbabwe has gone the furthest in reducing the friendliness of business regulations (World Bank, 2012:9).

Zimbabwe has fallen from its position as the fourth and third largest economy in the SADC in GDP size and FDI inflow terms in 1998 to the eighth and 12th positions in mean aggregate GDP size and inward FDI respectively for the 17 years ending by 2015 (Tables 1.1 & 1.2 above). The country's average GDP of US$8.3 billion for the 15-year period is too small compared to those of seven SADC nations – Congo DR, Zambia, Botswana, and Mozambique – which all had smaller economies in 1998 (see Table 1.1 above). Zimbabwe must also be concerned that Namibia and

Mauritius are closing in on its GDP position within the regional economic integration bloc. With respect to mean inward FDI for the period under review, Zimbabwe has been overtaken by fellow SADC countries that occupied inferior inward FDI positions in 1998, namely Tanzania, Zambia, Namibia, Madagascar, Botswana, Mauritius, Congo DR, and Malawi (Table 1.2 above). Among these countries, Zimbabwe must be concerned that its GDP size and inward FDI positions in the bloc are now occupied by Zambia, whose GDP size and FDI inflows were almost half those of the latter in 1998.

Zimbabwe was in political and economic crisis for 10 years from 1999 to early 2008. The crisis had sustained negative effects on the economy which, according to the country's current economic blueprint, the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZIMASSET), was characterised by hyperinflation, industrial capacity utilisation of below 10 percent, skills flight (ZIMASSET, 2013:17-18) and shortage of basic commodities in the formal market, devaluation of the local currency, capital flight, and negative publicity. The country experienced unparalleled inflation from 2000, which soared to triple figures in 2006 before accelerating to hyperinflation in 2007 (African Development Bank, 2011; Mlambo, 2017). By July 2008, the official inflation estimates stood at 231 million percent (Confederation of Zimbabwe Industries, 2010:8; Government of Zimbabwe & United Nations Country Team, 2010:3) while independent estimates pegged it at 500 billion percent by the end of 2008 (African Development Bank, 2011:3; Mlambo, 2017:107). During the crisis period and even after, Zimbabwe might have received decreasing international financial aid except when it was hit by Cholera in 2008 and during droughts before and after 2008. For developing countries that rely on foreign aid, being understood as worthy recipients of that assistance is a prerequisite for them to continue receiving it (Anholt, 2013b:11). Donor governments may not want to prolong donating their taxpayers' money to "regimes or countries with very weak or very negative brand images" (Anholt, 2013b:11).

Moreover, during the crisis period, the country's GDP fell cumulatively by at least 40 percent (Confederation of Zimbabwe Industries, 2010:10; Zimbabwe National Budget Statement, 2009:4) to 50 percent (African Development Bank, 2011; Mlambo, 2017; ZIMASSET, 2013). There are mixed explanations as to the causes of the Zimbabwean crisis. The government blames it on the "illegal economic sanctions imposed by the Western countries" (ZIMASSET, 2013:17) led by

Britain [that is, Zimbabwe's former colonizer] and its allies [that is the European Union and the United States of America] following the land reform programme in 2000 (p. 12). However, African Development Bank (2011:4) alleges that a mix "of factors, including economic mismanagement, poor governance mainly arising from weaknesses in the rule of law in the context of the Government's fast-tracked land reform program, the concomitant loss of support from the international community, capital flight, and low investment" are responsible. Furthermore, Mlambo (2017:107) alleges that there are three reasons Zimbabwe experienced steep and unprecedented economic decline: the awarding of large unbudgeted gratuities to liberation war veterans in November 1997, deploying of Zimbabwean soldiers in the Democratic Republic of the Congo in August 1998 to defend that country's president who could be toppled by Congolese rebels, and the land invasions of 2000 that are associated with the government's unplanned and somewhat chaotic fast-track land reform programme. Consequently, the decade is fittingly described as a crisis or lost decade, with consecutive years of economic decline and a tense socio-political environment (African Development Bank, 2011; Zhou & Zvoushe, 2012). The crisis period inspired the adoption of regressive and repressive legislation which largely sought the political survival and overall control over the citizenry's liberties by the ruling elite (Zhou & Zvoushe, 2012:220; Matiza & Oni, 2013:476-477).

The crisis subsided when an inclusive government, which was popularly known in Zimbabwe as the Government of National Unity (GNU), guaranteed by the SADC and the African Union, was installed in the country in March 2009 following the violent and disputed presidential runoff election of June 2008. The GNU partners were the Zimbabwe African National Union (ZANU) Patriotic Front (PF) and two formations of the Movement for Democratic Change (MDC)—the MDC-T (with T standing for Tsvangirayi Morgan) and MDC-M (with M standing for Mutambara Arthur). Latest World Bank statistics show that Zimbabwe's GDP during the tenure of the GNU more than doubled from US$4.4 billion in 2008 (the height of the crisis) to US$13.5 billion in 2013 (the last year of the GNU) while FDI inflows grew from US$52 million to US$373 million during the same period (Table 1.4 below). This translates to a GDP expansion of 206.8 percent and inward FDI growth of 617.3 percent in five years. However, this is not real growth but rather recovery. Zimbabwe must also be concerned that over the last 17 years ending 2015 it only managed to surpass its watershed 1998 FDI inflows of US$444 million in 2014 when it attracted

US$473 million (Table 1.4). If the Zimbabwean economy had grown to the level of the Zambian economy during the period under review, its GDP size and FDI inflow could have been now around US$30 billion and US$2 billion respectively.

Table 1.4: Zimbabwe's GDP sizes and FDI inflows in US Billion Dollars from 2008 to 2015

	2008	2009	2010	2011	2012	2013	2014	2015
GDP	4.416	8.157	9.422	10.956	12.393	13.490	14.197	14.419
FDI Inflows	0.052	0.105	0.123	0.344	0.350	0.373	0.473	0.399

Source: World Bank (2017)

While the achievement, especially in FDI inflow terms, is marginal since the country attracted US$444 million in 1998 (Table 1.1 above), it is noteworthy. The inclusive government was difficult terrain for the country because of inter-party-political tussles, infighting and persisting economic and social challenges (Hungwe, 2013; Zhou & Zvoushe, 2012; Mapuva, 2012). The SADC convened several meetings to diffuse conflict between the GNU partners from March 2009 to June 2013 before the term of the unity government expired (Dzinesa & Zambara, nd; International Crisis Group, 2011; Hungwe, 2013) through a constitutional court ruling that compelled them to go to elections even though they had hardly implemented the reform agenda they agreed to in the global political agreement that ushered in the GNU. During the tenure of the GNU, the economy continued to face similar challenges to those it faced from 2003 to 2008 that included "policy reversals and inconsistencies …, deterioration of infrastructure …, and widespread closure of companies …" (Reserve Bank of Zimbabwe, 2012:12-13). Those factors impacted negatively on the country's brand image and limited the GNU's ability to turn around the economy; and they have persisted to this day. At least 624 were companies across Zimbabwe retrenched over the last four years (Mhlanga, 2014a:C2). The challenge is that despite the acknowledgement that Zimbabwe is de-industrialising (Mugaga cited by Mhlanga, 2016; Zimbabwe National Budget Statement, 2013) there are no aggregate official statistics on companies that have retrenched and/or closed during the period under review.

According to the latest Confederation of Zimbabwe Industries (CZI) manufacturing survey, capacity utilisation in firms operating in the country significantly improved from 34.3 percent in 2015 to 47.4 percent in 2016 (CZI, 2016:56). However, the finding is questioned by economic

analysts and independent newspapers (Majaka, 2016; Mhlanga, 2016). The CZI 2016 survey is surprisingly optimistic despite the worsening economic situation in the country that has seen the year's forecast real GDP growth rate being slashed by half (Majaka, 2016) from 2.7 percent to 1.2 percent (Reserve Bank of Zimbabwe, 2016:14). Chief executive of the Zimbabwe National Chamber of Commerce (ZNCC), Christopher Mugaga, cited by Mhlanga (2016) argues that while the results of the latest CZI survey are positive, one cannot ignore concerns from stakeholders about the quality of information captured in the survey and the fact that Zimbabwe is de-industrialising because companies have closed and some are operating at zero percent.

Comparing the economic scenario during and post the GNU, it appears Zimbabwe is yet to rid itself of perceived political and economic uncertainty that is impacting negatively on its umbrella or overall nation brand. The United States of America (USA) government is maintaining the Zimbabwe Democracy and Economic Recovery Act (ZIDERA) in place (Moyo, 2014:B6). ZIDERA is the sanctions legislation that was passed by the USA Congress in 2001 to forbid official economic ties between the two countries. Zimbabwe's economy started to succumb months before the elections and the fall is continuing (Hungwe, 2013; Mhlanga 2016; Mlambo, 2017). Mhlanga (2014a:C2) cites a report from the National Social Security Authority that reveals that at least 10 companies have been closing every month since January 2014, which could have translated to 120 companies by end of that year. Another media report states that over 1000 companies closed down between 2011 and 2013 (for example, Chitemba, 2013). Zimbabwe is hard hit by liquidity challenges. The government has been failing to pay civil servants on time (Gumbo, 2014:2) since the beginning of 2014. "Fiscal space remains severely constrained due to poor performance of revenue inflows against the background of rising recurrent expenditures and a shrinking tax base (ZIMASSET, 2013:19). Now Zimbabwe is in deep liquidity crisis. It introduced its own currency, known as bond notes, which the government fixed at the same value as the US dollar in November 2016. It appears that currency is not resolving the country's liquidity crisis. In March 2017 banks reduced daily online transactions to US200 per day and cash withdrawals to US$50. All these events may impact on Zimbabwe's image and reputation for many years to come. Undeniably, a brand can still evoke a number of positive or negative associations after many years (Kapferer, 2008:438). "[N]ational reputation exerts enormous inertia, and generations can pass before improvements in the reality of the country eventually result in an improved image" (Anholt, 2009:x).

Unlike South Africa, Zimbabwe does not have a clear, deliberate and documented country brand strategy. Work towards building such a strategy was initiated by the unity government through the then Office of Deputy Prime Minister Arthur Mutambara in 2009. The inclusive government's economic blueprint, the Short Term Emergency Recovery Programme (STERP), admitted that the country's "image in the major [tourism] source markets, investments and trade markets requires to be improved" (STERP, 2009:66). The country's national budget statements sing the same chorus notwithstanding their exhibition of evidence of bias towards tourism rebranding (for example, Zimbabwe National Budget Statement, 2012:32, 2014:198). In its attempt to design a nation branding plan, the then deputy prime minister's office appeared to have been guided by stakeholder theory. It held a stakeholder's conference on nation branding in Harare in 2009 but it appears that very little was achieved by the time the unity government left office in June 2013.

In November 2016, the Ministry of Tourism and Hospitality Industry held a two-day nation branding stakeholder's conference in Harare at which some of the country's major sectorial destination branding agencies such as Zimbabwe Investment Authority (ZIA), Zimbabwe Tourism Authority (ZTA), ZimTrade (exports), Zimbabwe National Arts Council, and academia participated. While it is premature to celebrate this effort, it may be signalling that the Zimbabwean government is beginning to embrace nation branding theory to address the challenges it is facing. ZIA believes that commitment from all stakeholders is a critical success factor to creating an environment conducive to investment (Mbaiwa, 2016:32).

In view of the GDP and FDI performance of South Africa and Zimbabwe as summarised above, this study could not have come at a better time. The two countries may benefit from this study.

1.2 BACKGROUND TO THE STUDY, GAPS AND CONCEPTUAL FRAMEWORK

Nation branding has been studied over the last two decades but remains an evolving concept with increasing real-world activity and comparatively limited theory (Bisa, 2013; Dinnie, 2008, 2016; Donner, Fort & Vellema, 2014; Kilduff & Tabales, 2017; Rojas-Me´ndez, 2013). It is a vibrant area that is still trying to define itself, its objectives, and methods (Kilduff & Tabales, 2017:101).

Moreover, there is still little evidence about the conceptualisation and measurement of the performance of place brands (Donner, Fort & Vellema, 2014:1). In fact, Buhmann and Ingenhoff (2015:103) mourn the scarceness of sound conceptual models and suitable measurement instruments to analyse and compare the constitution and effects of country images in different groups and contexts. Furthermore, Keller (2013:57) argues that no shared viewpoint has emerged about how to conceptualise and assess brand equity. Many theorists contend that there are only two major approaches for measuring nation brand equity, customer-based brand equity (CUBBE) and company-based brand equity (COBBE) (e.g. Atilgan, Aksoy & Akinci, 2005; Dinnie, 2016; Ebrahimi, Kashani & Shojaei, 2012; Fetscherin, 2010; Kapferer, 2008) that are also known as the *consumer* and *financial* approaches (Dinnie, 2016:64; Kapferer, 2008:508). Nonetheless, there is at least five approaches to measuring brand equity although, hitherto this thesis, there has not been any scholarly work that has covered them all. The three additional approaches or macro theories are the customer- and company-based brand equity (CUCOBBE) (Hampf & Lindberg-Repo, 2011; Kim, Kim & An, 2003; Sun, 2009; WEF, 2016), resource-based view (Grant, 1991; Dinnie, 2016; Louro & Cunha, 2001; Sun, 2009), and the emerging stakeholder-oriented brand equity (SOBE) or behavioural school (Donner, Fort & Vellema, 2014; Jones, 2005; Laforet, 2010; Rojas-Me´ndez, 2013). Dinnie (2016:64) argues that within both the consumer and financial perspectives, there are many differing standpoints on what brand equity means. Extending from Dinnie's argument, the CUCOBBE, resource-based view of brand equity (RBVBE), and SOBE approaches should obviously have a number of operational models or micro theories on what brand equity means and how to measure the concept. Except the SOBE macro theory, all other four approaches are weak in that they do not provide for stakeholder participation in country branding. Most of existing proprietary country branding indices (for example, Anholt-GfK Roper, 2016a&b; Brand Finance®, 2015; Fund for Peace, 2016; FutureBrand, 2014; IMD, 2014; Mo Ibrahim Foundation, 2016; WEF, 2016) and academic models (for example, Fetscherin, 2010; Kalamova & Konrad, 2010; de Queiroz & Giraldi, 2015) were not conceived with SOBE and FDI in mind. Furthermore, most of these indices (especially default ones) have barely been reviewed in existing nation branding literature hence the approaches they belong in and their contribution to FDI destination branding theory may only be assumed.

1.2.1 Research Gap 1: Customer-based brand equity (CUBBE) approach

The CUBBE approach measures brand equity from the perspective of customers (Atilgan, Aksoy & Akinci, 2005; Dinnie, 2008, 2016; Ebrahimi, Kashani & Shojaei, 2012) by collecting and analysing primary survey data (Fetscherin, 2010:468). Customer-based brand equity aims entirely at a good relationship between the brand and its customers (Kapferer, 2008:9). Examples of dominant operational models for measuring nation brands from a consumer perspective are Anholt-GfK Roper's (2016a) NBI^{SM} and FutureBrand's (2014) CBI). While the NBI and CBI are widely used for many country branding projects globally, they are weakened by their use of proprietary methodologies with respect to specific questions asked and the aggregation and statistical techniques used (Fetscherin, 2010:468). The NBI assesses nation brands focusing on tourism, exports, governance, investment and immigration, culture and heritage, and people. The CBI measures country brands in terms of the value system, quality of life, good for business, heritage, tourism, governance, investment, human capital, growth, sustainability, and influence. A limitation of the NBI and CBI is that they do not include infrastructure and natural resource-endowments in their measures of nation brands yet other researchers such as Adebola, Talabi and Lamidi (2012), Foster and Pushak (2011) and Anyanwu (2012) argue that these are critical.

An interesting example of a default CUBBE-inspired operational model of nation branding is Njoroge and Okech's (2011) factors influencing FDI inflows in Kenya's horticultural industry. Njoroge and Okech designed their study with the theory of international economics or foreign trade theory in mind, which, from the default country branding perspective advocated in this thesis, is classified as part of the COBBE approach. But Njoroge and Okech seem to have broken ranks with other economic theorists because they relied on primary survey data from investors to build their model (a fact this thesis exploits to classify their model under the CUBBE paradigm). Their framework consists of poor infrastructure especially road network and telecommunications, cumbersome regulatory framework (bureaucratic and multiple screening and approval system), erratic weather conditions, unfair investment policy requirements for foreign investors, unfavourable labour laws and trade union activities, inadequate policy framework for fair competition, and stringent requirements imposed in the European Union (EU) market as measures of FDI destination competitiveness. Despite its rich list of measures, Njoroge and Okech's (2011)

model within a generic nation FDI context is weakened by its focus on the horticultural sector. This may render some of its variables inappropriate to other sectors in need of FDI.

1.2.2 Research Gap 2: Company-based brand equity (COBBE) approach

On the contrary, the COBBE methodology, also known as the financial approach, assesses nation brands from a company or shareholder standpoint (Atilgan, Aksoy & Akinci, 2005; Dinnie, 2016; Laforet, 2010) hence financial brand equity is measured in monetary – that is, dollar, euro or yen terms (Kapferer, 2008:9). The COBBE is a top-down framework of measurement which uses [objective secondary] information on country performance (Fetscherin, 2010:469) such as export sales figures, tourism receipts, and FDI inflows to measure brand strength using econometric formulae. This is precisely what the theory of foreign, or international, trade of FDI determinants developed in economics does although it was not designed with country branding in mind. Therefore, the theory of foreign trade can be classified as a COBBE-inspired operational model for measuring nation brands. Examples of decidedly COBBE-inspired academic frameworks for measuring nation brand equity are Fetscherin's (2010) CBSI and Kalamova and Konrad's (2010) nation brands and FDI model. The CBSI uses exports, tourism, FDI, immigration, and governance to measure country brands (Fetscherin, 2010), which means that, interestingly, it borrows dimensions from Anholt-GfK Roper's (2016a) NBI^{SM}, a CUBBE theory.

While Kalamova and Konrad's (2010) model is also guided by the NBI, it assesses nation brands drawing on population, set up costs, voice and accountability, control and corruption, government effectiveness, regulatory quality, political stability, rule of law, and market capitalisation. These measures are similar to, if not the same as those economists rely on to investigate determinants of FDI under the theory of foreign trade (for example, Anyanwu, 2012; Hornberger, Battat & Kusek, 2011; Mohamed & Sidiropoulos, 2010; Bellak, Leibrecht & Stehrer, 2008; Ledyaeva, Karhune & Whalley, 2013; Al-Sadig, 2009; Bellak & Leibrecht, 2011; Satyanand, 2011). Consequently, COBBE-inspired methodologies are, admittedly, rich in operational measures of country FDI brands because of their links to standard economic theory as demonstrated by the studies on FDI determinants carried out by economists. Nonetheless, Kalamova and Konrad (2010:431) criticise the studies on FDI determinants done by economists for failing to account for important aspects

of FDI decisions found in the NBI, such as, perceptions or intangibles and stereotypes that are omitted in fundamental data which explain FDI in the standard foreign trade approach to FDI. Consumer behaviour literature, in which this treatise also falls, recognises the importance of perception in shaping customer response (Kardes, Cline & Cronley, 2008; Schiffman *et al*., 2010; Blackwell, Miniard & Engel, 2006, Solomon, 2011). It is not what is actually so but what consumers think is so that affects their actions and buying habits (Schiffman *et al*., 2010:158). Foreign investors are consumers. Although Zimbabwe has no deliberate or documented nation brand strategic plan, the country appears to be managing itself following the COBBE and RBVBE approaches (the latter is explained below) (see for example, Nyathi, 2014; Matangaise, 2014; WEF, 2013). However, with the holding of the stakeholder nation branding conference in November 2016 organised by the Ministry of Tourism and Hospitality Industry and the publication of the inaugural Zimbabwe National Competitiveness Report in 2015 by the National Economic Consultative Forum (NECF), Zimbabwe seems to be warming up to the stakeholder approach to managing its nation brand (see NECF, 2015:iv). Nevertheless, the same 2015 and 2016 editions of the country's competitiveness reports have been produced following the COBBE approach as they have relied on secondary data only (see NECF, 2015, 2016).

1.2.3 Research Gap 3: Customer- and company-based brand equity (CUCOBBE) approach

As its name suggests, the CUCOBBE school of thought blends the CUBBE and COBBE theories those are, customers' and shareholders' interests, on the one hand, and primary survey and objective secondary data, on the other, to measure brands. There are several CUCOBBE-inspired operational models of measuring country brands including the determinant and outcome factors of nation branding (Sun, 2009), GCI (WEF, 2016), Doing Business (World Bank, 2016a), and WCS/Y (IMD, 2014). Nonetheless, there is a scarcity of academic literature which acknowledges the existence of the combined customer and financial perspective at the macro theory level (exceptions are Kim, Kim & An, 2003; Hampf & Lindberg-Repo, 2011). Kim, Kim and An (2003:338) contend that the combined customer and financial approach is designed to complement the insufficiencies that arise when only one of the two approaches is applied.

At the operational level, Sun's (2009), WEF's (2016), and World Bank's (2016a) models have a strength in that they have many variables for assessing nation brands. Dinnie (2008:230) suggests that the WEF's GCI is one such index that, while not originally designed with nation branding in mind, has useful indicators of national performance that can be used to strengthen country image perceptions, provided the nation performs well in this index hence can be used to (re)position or (re)brand nations. The GCI assesses country competitiveness on three factors organised into 12 pillars and those are, *basic requirements* (institutions, infrastructure, macroeconomic environment, health and primary education), *efficiency enhancers* (higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, and market size), and *innovation and sophistication factors* (business sophistication and innovation). The World Bank's Doing Business is another index. A study of 36 countries in Sub Saharan Africa and 21 in Asia found "partial support for the hypothesised relationship between overall index of ease of doing business and its factors with FDI" (Morris & Aziz, 2011:407). World Bank's Doing Business measures country competitiveness on 11 determinant areas of business regulation those are starting a business, registering property, trading across borders, dealing with construction permits, getting credit, enforcing contracts, getting electricity, protecting investors, resolving insolvency, paying taxes, and employing workers (labour market regulation). Sun's (2009) determinant and outcome factors of nation branding measures a country brand in terms of its culture, economic development, infrastructure, politics, reputable brands, reputable industries, and geography. As evident from these three operational models, the CUCOBBE methodology has limitations in that it does not provide for the perceptions and participation of a broad range of stakeholders apart from customers and shareholders of the brand.

1.2.4 Research Gap 4: Resource-based view of brand equity (RBVBE)

The resource-based view (also called the resource-advantage theory) is borrowed from strategic management literature. This theory is a resurgence of interest in the role of the firm's resources as the foundation of firm strategy (Grant, 1991:114). Like an organisation, a country must focus on its resources to create and sustain its competitive advantage in the global marketplace (Sun, 2009:90). "The emergence of the resource-based view provides the conceptual foundations for linking brands and brand management to the development of sustained competitive

advantage" (Louro & Cunha, 2001:851). Dinnie's (2016:68) model of asset-based nation brand equity and FutureBrand's (2006:40-41) complex interdependences of the country branding construct are typical examples of operational models of the RBVBE school. The models assume that the assets or resources of a country are the foundations of its competitive advantage. As such, countries have to audit their assets in order to understand where their sustainable competitive advantages lie. The complex interdependences of country branding consist of segments, audiences, environmental drivers, and market drivers (FutureBrand, 2006:43) all of which, in fact, are resources of sorts for countries. In summary the resources include provinces, cities, government departments and agencies, economic councils, cultural foundations, press, citizens, tour operators, population growth, investment dollars, architecture, culture, and entertainment and safety. The model of asset-based nation brand equity assesses a nation's performance in terms of assets such as iconography, landscape, culture, internal buy-in, support for the arts, loyalty levels, country image perceptions, external portrayal in popular culture, brand ambassadors, the diaspora, and branded exports (Dinnie, 2016:68). While the asset 'internal buy-in' certainly suggests the involvement of internal stakeholders in country branding, it does not imply the inclusion of 'external buy-in' yet external stakeholders are equally critical. So, the deficiencies of the resource-based view, at least from the context of Dinnie's asset-based model of brand equity are that it: (i) restricts the notion of "buy-in" to internal stakeholders and (ii) does not regard natural resource-endowments such as arable land, forestry, and minerals as part of nation assets. The study countries, South Africa and Zimbabwe, are richly endowed in natural resources such as gold, diamonds, platinum and coal.

1.2.5 Research Gap 5: Stakeholder-oriented brand equity (SOBE) approach—Abridged conceptual framework

The SOBE perspective (Laforet, 2010; Jones, 2005; Rojas-Me´ndez, 2013; Sartori, Mottironi & Corigliano, 2012) is an emerging theory that advocates the involvement of stakeholders in place, including nation, branding (Zouganeli, Trihas, Antonaki & Kladou, 2012:739). This approach is an answer to the growing calls for stakeholder involvement in place brand management (for example, Antonsen, 2010; Aronczyk, 2008; Dinnie *et al*., 2010; Dinnie & Fola, 2009; Donner, Fort & Vellema, 2014; Fan, 2006; Kasabov & Sundaram, 2011; Kavaratzis, 2012; Yee, 2009;

Mbaiwa, 2016; Tatevossian, 2008; Temporal, 2014; Tiberghien, Garkavenko & Ashirbekova, 2013; Zouganeli *et al*., 2012) which are inspired by Freeman's (1984) stakeholder theory of management. These calls are worthless given the scarcity of stakeholder-based operational-level models for measuring brand strength of country FDI. Jones' (2005) stakeholder model of brand equity (for the corporate sector) and Sartori, Mottironi and Corigliano's (2012) empirical internal stakeholder-based brand equity model for tourism destinations only provide useful guiding principles but lack suitable variables of nation brand equity within the FDI domain. Rojas-Me´ndez's (2013) nation brand molecule is an umbrella nation brand model and has not been tested within the FDI sub-brand.

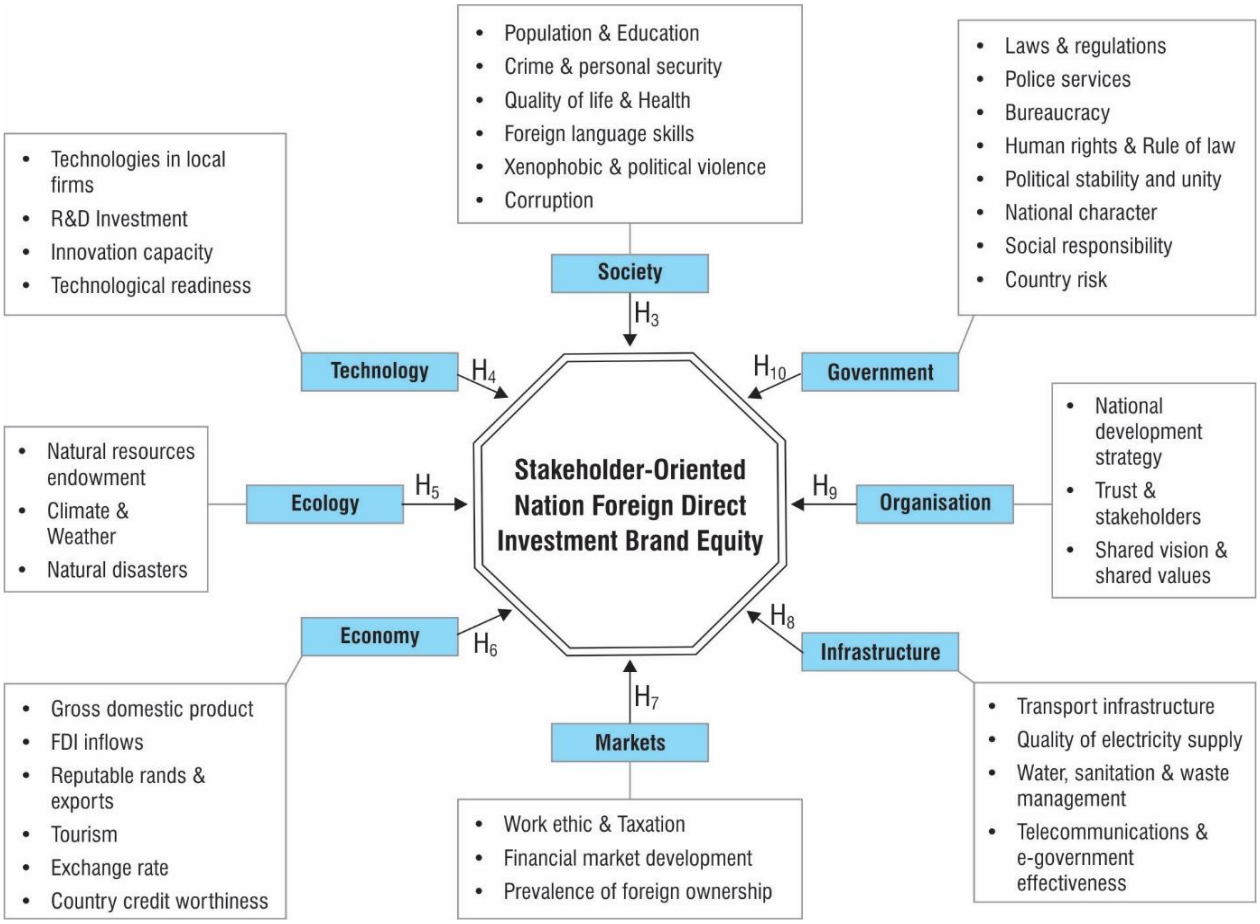
Considering the limitations of existing place branding operational models in the SOBE approach highlighted above, the study's stakeholder-oriented nation FDI brand equity (SON-FDIBE) conceptual framework, Figure 1.1 below, should be a welcome contribution to the literature and practice. Although it is stakeholder-based as implied in its name, the SON-FDIBE model draws many of its variables from operational models falling under the other four macro theories of brand equity as discussed in brief above. Because the determinants of national competitiveness are many and complex (Fetscherin & Marmier, 2010; Lee, 2009, 2011), an extensive review of existing literature was necessary to construct a comprehensive or multidimensional stakeholder-oriented theoretical model. Moreover, as far as this researcher knows, there is no study that has extensively reviewed many of the existing proprietary-owned and academic country branding models (stated above) and integrated them into a comprehensive framework of nation branding in general and stakeholder-led FDI destination branding in particular. That has remained so despite that extant literature shows that, to a great extent, the determinants of the nation brand overall also affect the FDI sub-brand. "The nation brand contributes not only to consumer-based images of the nation but also to the images held by all of its stakeholders such as its citizens, tourists, **foreign investors** (emphasis added), foreign customers, government agencies, and regional economic entities such as the European Union" (Sun, 2009:6). If a nation scores highly on criteria of indexes like the GCI that offer useful indicators of national performance that can strengthen country perceptions, then the country should highlight and communicate its positive performance so as to achieve strategic objectives such as increasing FDI, talent attraction, et cetera (Dinnie, 2008:230). While foreign

investors are more rational than tourists in their decision-making process, they are still influenced by the image projected by a country (Rojas-Me´ndez, 2013:466).

The SON-FDIBE conceptual framework consists of eight theoretical dimensions – i.e. Society (SOC), Technology (TECH), Ecology (ECOL), Economy (ECON), Markets (MARK), Infrastructure (INFRA), Organisation (ORG), and Government (GOVT) – with 105 variables in all. Drawing from the first letter of each of construct, the theoretical model is alternatively known as the STEEMIOG yet also from its eight theoretical components, it is also the SON-FDIBE conceptual octagon. The SON-FDIBE is not a country brand communication model but a trouble-shooting tool rooted in policy analysis, formulation, and evaluation. Its theoretical constructs and variables broadly fit into the 17 sustainable development goals (SDGs) of the UN's 2030 Agenda for Sustainable Development (World Bank, 2016b:2-37):

> SDG 1 No poverty, SDG 2 Zero hunger, SDG 3 Good health and well-being, SDG 4 Quality education, SDG 5 Gender equality, SDG 6 Clean water and sanitation, SDG 7 Affordable and clean energy, SDG 8 Productive employment and economic growth, SDG 9 Industry, innovation, and infrastructure, SDG 10 Reduced inequalities, SDG 11 Sustainable cities and communities, SDG 12 Responsible consumption and production, SDG 13 Climate action, SDG 14 Life below water, SDG 15 Life on land, SDG 16 Peace, justice, and strong institutions, and SDG 17 Partnership for global development.

Figure 1.1: Abridged conceptual framework of stakeholder-oriented nation FDI brand equity



The following brief equations summarise the unweighted and weighted versions of the conceptual framework (full equations are given in Chapter 7, research methodology). The summary unweighted SON-FDIBE index equation is as follows:

$$SONFDIBE = \frac{1}{x}(\mu Factor1 + \mu Factor2 + \mu Factor3 + ... + \mu Factorx)...(1)$$

$$\therefore SONFDIBE = \frac{1}{8}(\mu SOC + \mu TECH + \mu ECOL + \mu ECON + \mu MARK + \mu INFRA + \mu ORG + \mu GOVT)....(2)$$

$$\forall f(SONFDIBE) \in \square\ (1 \le x \le 7)$$

Where μ is factor mean score.

The weighted SON-FDIBE index summary equation is as follows:

$$SONFDIBE_w = k + \alpha_1(\mu Factor1) + \alpha_2(\mu Factor2) + \alpha_3(\mu Factor3) + ... + \alpha_x(\mu Factorx)...(1)$$

$$\therefore SONFDIBE_w = k + \alpha_1(\mu SOC) + \alpha_2(\mu TECH) + \alpha_3(\mu ECOL) + \alpha_4(\mu ECON) + \alpha_5(\mu MARK) + \alpha_6(\mu INFRA) + \alpha_7(\mu ORG) + \alpha_8(\mu GOVT)....(2)$$

$$\forall f(SONFDIBE) \in \square\ (1 \le x \le 7)$$

Where:

w	weighted index
k	constant (for unmeasured variables)
μ	mean score
α	factor weight

One of the main hypothesis of the SON-FDIBE conceptual framework is that a country's FDI brand attractiveness is influenced by its societal (Passow, Fehlmann & Grahlow, 2005; Rojas-Me´ndez, 2013), technological (Buhmann & Ingenhoff, 2015; Hornberger, Battat & Kusek, 2011; IMD, 2014), ecological (Adebola, Talabi & Lamidi, 2012; Garelli, 2014), economical (AT Kearney, 2014; Wilson, Baack & Baack, 2014), markets (AT Kearney, 2015; Ledyaeva, Karhunen & Whalley, 2013), infrastructural (African Development Bank, 2011; Mohamed & Sidiropoulos, 2010; Sun, 2009), organisational (Rainisto, 2003; Moilanen & Rainisto, 2009), and governmental (Anholt-GfK Roper, 2009; Fetscherin, 2010; Satyanand, 2011) factors. As a result, when countries design and manage their nation brand strategies, they should guarantee inclusive stakeholder participation in order to produce SOBE instead of focusing on brand equities inspired by CUBBE, COBBE, CUCOBBE, RBVBE theories, which are narrow and exclusionary. Within the FDI location branding context, CUBBE is dominated by foreign investors, COBBE prioritises national interests usually defined by political leaders on behalf of citizens, CUCOBBE balances the interests of foreign investors and political leadership, and RBVBE exaggerates the importance of a country's resources. Brand equity is now determined by a range of key stakeholders in the value chain of a brand (Jones, 2005; Hollensen, 2010). Within a country or national development context, stakeholders go beyond foreign investors and political leadership.

The other main argument of the SON-FDIBE theoretical model is that inclusive stakeholder participation in country branding moderates any overburdening customer- and/or shareholder-oriented country brand equities. In a nation FDI branding context, the *customers* of a country are its current and prospective foreign investors and the *shareholders* are the political leadership of the country. The interests of these two stakeholder groups, while important, can be self-serving hence conflict with the interests of other key stakeholders. A political editor with a leading government-owned newspaper in Zimbabwe, Nyathi (2014:9) asks: "Why are we obsessed with the West whose conditions for trade and investment demand that we surrender all rights to our resources just to get menial jobs?" Nyathi's attitude is inspired by either the RBVBE, COBBE or shareholder theory. This attitude is probably shared within the corridors of power in Zimbabwe because it appears to permeate the country's FDI policies. FDI has many benefits for nations besides menial jobs, which are scarce in the country. Among others, the benefits of FDI are training and technology transfer (Abala, 2014; Cywiński & Harasym, 2012; Mohamed & Sidiropoulos, 2010; OECD, 2014; Salem, 2015; Wang & Wang, 2014). Technology enhances nation competitiveness or reputation (Bivolaru, Andrei & Purcăroiu, 2009; Buhmann & Ingenhoff, 2015; Cywiński & Harasym, 2012; Hornberger, Battat & Kusek, 2011; WEF, 2014; Rojas-Me´ndez, 2013). Garelli (2014:492) notes that nations have learnt that there is a new path to prosperity in the early 1980s and this is specifically by attracting FDIs.

Zimbabwe is among the lowest-ranked countries with regard to the protection of property rights i.e. 137th out of 138 countries (WEF, 2016:369), which reduces the incentive for businesses to invest (WEF, 2013a:45). Investors are anxious about lack of clarity and consistency in respect of the Indigenisation and Economic Empowerment and this affects FDI flows into the country (Mlanga, 2014b:4). Perceptions around indigenisation are among constraints on the investment climate in Zimbabwe (Mbaiwa, 2016:21). As a result, Nyathi's (2014:9) argument above echo the primary assumption of the elite theory of public policymaking. In accordance with elite theory, public policy is not influenced by the needs and actions of "ordinary citizens" but the ruling elites whose preferences are put into effect by public officials and agencies (Anderson, 2015; Birkland, 2007; Cochran & Malone, 2005; de Coning, Cloete, Wissink, 2011; Dye, 2014; Kotzé & Steenekamp, 2008; Levy & Mitschow, 2009; Marat, 2009; Vergara, 2013; WEF, 2015a). Resource allocation decisions are frequently based on political power, score settling, "log rolling," and other

hidden agendas that have nothing to do with the interests of other stakeholders (Levy & Mitschow, 2009:6). "Quality institutions are endogenous—that is, the rules governing human interactions are the result of choices made by those in power, selected on the basis of the rules they set" (WEF, 2015a:46).

In countries managing national development or nation branding from an elite theory, COBBE approach or shareholder theory, stakeholders are likely to be marginalised. Experiences from Eastern Europe indicate that country branding campaigns implemented by politicians alone often fail (Moilanen & Rainisto, 2009:75). Ruling elites have limited influence when they present their country to an international audience because their narratives are much more obvious hence are scrutinised by sceptical tourists and investors (Marat, 2009:1127). Although there are now some early signs of SOBE orientation in the manner in which the nation competitiveness and nation branding paradigms are lately evolving in Zimbabwe, it appears the country is following *default* COBBE and RBVE approaches in managing national development (see for example, NECF, 2015, 2016). Zimbabwe does not have a deliberate umbrella country branding strategy. In contrast, South Africa has a well-articulated, evidence-based, and stakeholder-driven and *bona fide* nation brand strategy (Johnston, 2008; Brand South Africa & de Kock, 2013; Matiza & Oni, 2013).

1.3 PROBLEM STATEMENT

Considering the current FDI sub-brand performance of South Africa and Zimbabwe and the conceptual and practical gaps highlighted in the approaches to nation brand equity and operational models falling under them as discussed above, the strategic issue addressed in this study is both academic and applied in nature. The problem is applied because it seeks to solve a real-world strategic issue, unfavourable FDI brand positioning, presently stalking the neighbouring countries of South Africa and Zimbabwe. The same problem is also academic or conceptual in nature in that – while the thesis acknowledges the limitations of the five existing theories of nation branding (that are, CUBBE, COBBE, CUCOBBE, RBVBE, and SOBE) – it is interrogated from the perspective of the emerging SOBE theory that advocates the involvement of stakeholders in country brand management (see for example, Dinnie, 2016; Jones, 2005; Kavaratzis, 2012; Sartori, Mottironi & Corigliano, 2012; Rojas-Me´ndez, 2013) taking into account the strengths of the other

four theories. The stakeholder-oriented nation FDI brand equity hypothesised framework is inspired by Freeman's (1984) stakeholder theory of management. Moreover, the problem statement for this thesis is divided into two sub problems as described below with the last sub problem pulling together the SOBE theory and the current FDI performance of South Africa and Zimbabwe.

1.3.1 Conceptual and methodological gaps in existing country branding theories: Sub problem 1

A review of the five approaches to measuring nation brand equity – that are the CUBBE, COBBE, CUCOBBE, RBVBE, and the budding SOBE – established that all except the SOBE, have one common theoretical deficit. They are silent on the emerging critical issue of involving stakeholders in place branding. In addition, as evident from subsections 1.3.1.1 thorough 1.3.1.5 below, almost all the existing operational nation branding methodologies inspired by these macro theories have at least two limitations—conceptual, practical and/or both. First, applied singly, all offer a limited number of attributes for measuring nation brand equity. Second, none of them can be taken off-the-shelf to assess the FDI brand equity of South Africa and Zimbabwe as the frameworks were not designed with the FDI brand equities of the two countries in mind.

1.3.1.1 CUBBE approach gap: Sub problem statement 1.1

The CUBBE approach measures brand equity basing on customer perceptions (Atilgan, Aksoy & Akinci, 2005; Fetscherin, 2010; Dinnie, 2016; Ebrahimi, Kashani & Shojaei, 2012; Keller, 2013). While the methodology has a strength in that it takes into account the interests of customers (in this case foreign investors), it has a number of shortcomings within the country branding context. The first theoretical limitation of this approach is its failure to acknowledge that country brands have a broad range of stakeholders beyond foreign investors, such as domestic investors, non-governmental organisations, the government of the host country, governments of FDI source countries, other countries in general, academics, students, general citizens, and media. "Foreign investors are frequently accused of exploiting a country's wealth at the expense of the national population and for the sole benefit of the foreign investor" (Ghauri & Cateora, 2014:98).

Consequently, the CUBBE is not a sustainable and politically correct theory from which to chat how countries can make themselves attractive foreign investment destinations.

The second, and also conceptual, shortcoming of the approach is that its two leading technologies are proprietary-owned that is, Anholt-GfK Roper's (2016a) NBI^{SM} and FutureBrand's (2014) CBI hence their scales and formulae are not freely available to the public. The third and practical weakness of the CUBBE-inspired NBI and CBI is that they do not include infrastructure and natural resource-endowment in their measures of nation brands yet these are critical to the competitiveness of developing countries (see for example, Adebola, Talabi & Lamidi, 2012; Anyanwu, 2012; Foster & Pushak, 2011). For instance, a number of African countries lack competitiveness in attracting FDI due to challenges related to infrastructure. Infrastructure in South Africa is running at full capacity (Mashego, 2013:5) and in Nigeria it is underdeveloped, inadequate or in a state of disrepair (Adebola, Talabi & Lamidi, 2012:427). Zimbabwe has inadequate infrastructure that is, electricity, water and sanitation and poor infrastructure, which requires urgent maintenance and upgrading of roads, rail and broadcasting transmission equipment (see African Development Bank, 2011; NECF, 2015; ZIMASSET, 2013). Evidence from enterprise surveys indicate that infrastructure constraints account for almost 40 percent of productivity handicaps faced by firms operating in Africa (Foster & Pushak, 2011:3). In addition, whereas fairly recent studies on factors influencing FDI inflow into Kenya's horticultural sector (Njoroge & Okech, 2011) and decisive FDI obstacles to FDI inflows in Greece (Bitzenis, Tsitouras and Vlachos, 2009) influenced by standard economic theory but simultaneously breaking with that tradition in that they used primary data that can, to some extent, complement the weaknesses of the NBI and CBI in terms of their lack of natural resource-endowment and infrastructure measures. The two studies, however, are betrayed by their focus on a single FDI needy sector in the case of Kenya and a developed economy, Greece, whose operating environment may not entirely reflect the situation of developing economies. Due to these glaring shortcomings, this thesis estimates that the CUBBE theory does not lend South Africa and Zimbabwe a credible theoretical and methodological basis from which to understand how they can strengthen their FDI brand equities.

1.3.1.2 COBBE approach gap: Sub problem statement 1.2

The second of the so-called two leading brand equity measurement approaches, the COBBE, as evaluated through its bona fide operational proxies that being the CBSI (Fetscherin, 2010) and the nation brands and FDI model (Kalamova & Konrad, 2010) and their default substitutes such as the FSI (Fund for Peace, 2015), GII (Cornell University, INSEAD & WIPO, 2016), and analyses of FDI determinants in developing countries (Kok & Ersoy, 2009) is constrained, theoretically, by its reliance on objective secondary data due to its grounding in the classical foreign trade theory of FDI determinants. Practically, the CSBI and nation brands and FDI are rich in variables for measuring nation FDI due to their links to studies on FDI determinants done in economics (for example, Al-Sadig, 2009; Anyanwu, 2012; Bellak & Leibrecht, 2011; Bellak, Leibrecht & Stehrer, 2008; Hornberger, Battat & Kusek, 2011; Kok & Ersoy, 2009; Ledyaeva, Karhune & Whalley, 2013). Fetscherin's (2010) and Kalamova and Konrad's (2010) models are commendable for facilitating the hitherto lack of interaction between country branding researchers and their counterparts in the foreign trade theory of FDI, which will enrich theory on both sides. Nevertheless, the two models are conceptually weak just like their parent, COBBE, approach due to their inherent objection to the use of primary survey data in country competitiveness tracking studies. Furthermore, the COBBE macro theory and its micro theories are silent on stakeholder involvement in tracking country brands. The operational frameworks should have by now been revised to plug these two gaps given the acknowledgement in the literature of the importance of stereotypes and intangibles (Fetscherin, 2010; Kalamova & Konrad, 2010) and stakeholder involvement (Kavaratzis, 2012; Sartori, Mottironi & Corigliano, 2012) in country branding pogrammes. Zimbabwe appears to be largely inspired by the COBBE approach in its evolving country branding strategy. It is failing to attract optimum FDI inflows due to policy inconsistencies, policy reversals, and lack of accountability (Matangaise, 2014; WEF, 2014), which are largely typical of elite theory (Anderson, 2015; Birkland, 2007; Cochran & Malone, 2005; de Coning, Cloete & Wissink, 2011; Dye, 2014; Kotzé & Steenekamp, 2008; Vergara, 2013). Considering the shortcomings of the COBBE school of thought as highlighted above, the theory cannot provide a solid basis for investigating the critical factors underlying South Africa and Zimbabwe's FDI brand equities.

1.3.1.3 CUCOBBE approach gap: Sub problem statement 1.3

In theoretical terms, the CUCOBBE approach (see for instance, Hampf & Lindberg-Repo, 2011; Kim, Kim & An, 2003; Sun, 2009; WEF, 2014) offers an evidently convincing approach to measuring FDI destination brand attractiveness by blending the CUBBE and COBBE schools of thought. So far the approach is hardly recognised in academic literature despite that there are a number of bona fide (e.g. Brand Finance®, 2015; Sun, 2009) and default (IMD, 2014; WEF, 2016; World Bank, 2016a; Transparency International, 2016a&b) models applying this theory to measure nation brand equity. The CUCOBBE theory ensures that, on the one hand, the interests of customers and shareholders and, on the other, primary survey data and country objective secondary data are blended to measure nation brand performance. The perspective offers a rich list of measures of nation equity because of its inherent link with the theory of foreign trade of FDI determinants developed in classical economics. However, the CUCOBBE approach does not provide for surveying of an exhaustive list of key stakeholders in country branding beyond customers and shareholders. This limits its theoretical strengths considering that stakeholders of nation brands extend beyond foreign investors and national political leadership. The determinant and outcome factors of nation branding (Sun, 2009), the GCI (WEF, 2016), Doing Business (World Bank, 2016a), Corruption Perception Index (Transparency International, 2016b), and WCS/Y (IMD, 2016) have inbuilt conceptual and methodological limitations of the CUCOBBE paradigm in which they are grounded. In view of those limitations, the CUCOBBE approach is not a feasible theory from which to assess nation FDI brand equity.

1.3.1.4 RBVBE approach: Sub problem statement 1.4

The key assumption of the resource-based view (Dinnie, 2016; FutureBrand, 2006; Grant, 1991; Louro & Cunha, 2001) is that the assets of a country are the cornerstone of its competitive advantage. So, a country's assets should be audited if its sources of competitive advantage are to be identified. Nonetheless, assessing the resource-based theory of strategic management from the standpoint of the dimensions of Dinnie's model of asset-based nation brand equity, the asset 'internal buy-in' is not sufficiently inclusive as it does not explicitly include 'external buy-in' yet external stakeholders are equally important—a theoretical and practical shortcoming. Section

3(1)(a) of the Indigenisation and Economic Empowerment Act (Chapter 14:33) of Zimbabwe stipulates that "at least fifty-one *per centum* of the shares of every public company and any other business shall be owned by indigenous Zimbabweans". This law is inspired by RBVBE and/or COBBE approaches, which place host nation interests ahead of investor and other stakeholder interests, especially as it pertains to brand equity defined from the context of resources owned by a country. The need to limit foreign ownership of businesses in a country is motivated by nationalism (Ghauri & Cateora, 2014; Cateora, Gilly & Graham, 2011; Kalfadellis & Gray, 2004; Zhang, 2014). Zimbabwe has considerable natural resources, for instance, gold, platinum, coal, natural gas, iron ore, and chrome that can attract FDI. In his diamond of national advantage model, classified in this thesis as an RBVBE framework, Porter (1990a:88) argues that governments "should promote goals that lead to sustained investment". The resource-based view can engender passionate feelings of nationalism and populism for example, the desire to promote national interests without necessarily balancing them with the interests of key external stakeholders. Considering the limitations highlighted above, RBVBE theory cannot offer South Africa and Zimbabwe a viable foundation for evaluating their FDI brands. Countries rely on the support of a range of stakeholders to attain their national development goals and the stakeholders in turn also depend on countries to fulfil their own objectives. Stakeholders are those individuals or groups who rely on an organisation to attain their own goals and on whom the organisation also relies (Henry, 2011; Johnson, Scholes & Whittington, 2008).

1.3.1.5 SOBE approach gap: Sub problem statement 1.5

Investment policymaking is becoming more complex, challenging, divergent, uncertain, and multifaceted due to globalisation and sustainable development considerations that demand investment policies that reflect the variety of approaches with which societies and governments must respond (UNCTAD, 2017:xi). The increasing number of calls for inclusive stakeholder participation in place including nation branding (e.g. Antonsen, 2010; Aronczyk, 2008; Dinnie *et al*., 2010; Fan, 2006; Kasabov & Ssundaram, 2011; Kavaratzis, 2012; Sartori, Mottironi & Corigliano, 2012; Tatevossian, 2008; Tiberghien, Garkavenko & Ashirbekova, 2013; Yee, 2009; Zouganeli *et al*., 2012) are welcome because they signal an end to the dominance of CUBBE and COBBE approaches to measuring brand equity (a conceptual advantage) and of the CUCOBBE

and the RBVBE theories to assessing the same. "A rules-based investment regime that is credible, has broad international support and aims at sustainability and inclusiveness can help reduce uncertainty and improve the stability of investment relations" (UNCTAD, 2017:xi). Nonetheless, in operationalisation terms, the emerging stakeholder theory of country branding, especially within the FDI outcome area, so far remains largely a dream. There is a scarcity of stakeholder-led operational models for measuring country brands in general and nation FDI brands in particular. This dilutes the theoretical strengths of the SOBE approach as explained above. Jones' (2005) stakeholder model of brand equity is designed for the corporate sector and the empirical internal stakeholder-based brand equity model for tourism destinations (Sartori, Mottironi & Corigliano, 2012), as its name implies, is not suitable for assessing investment destinations (a practical weaknesses). Taken to the country FDI branding paradigm, these two models fall short in terms of their proposals for the actual variables to be used (a practical and theoretical shortcoming). At the same time, the nation brand molecule (Rojas-Me´ndez, 2013) and Modified Fombrun-Reputation Institute Country Reputation Index (Passow, Fehlmann & Grahlow, 2005) both of which are categorised in this thesis as SOBE umbrella nation branding models, offer some glimmer of hope but may not have been sufficiently tested in African countries. Nonetheless, the fact that the SOBE theory provides for the participation of a range of stakeholders in nation branding gives it an edge over the CUBBE, COBBE, CUCOBBE, and RBVBE approaches although it can also be complemented by operational models from these macro theories to generate a rich list of FDI brand equity measures.

1.3.2 Overall problem statement: The integrated conceptual and practical gap

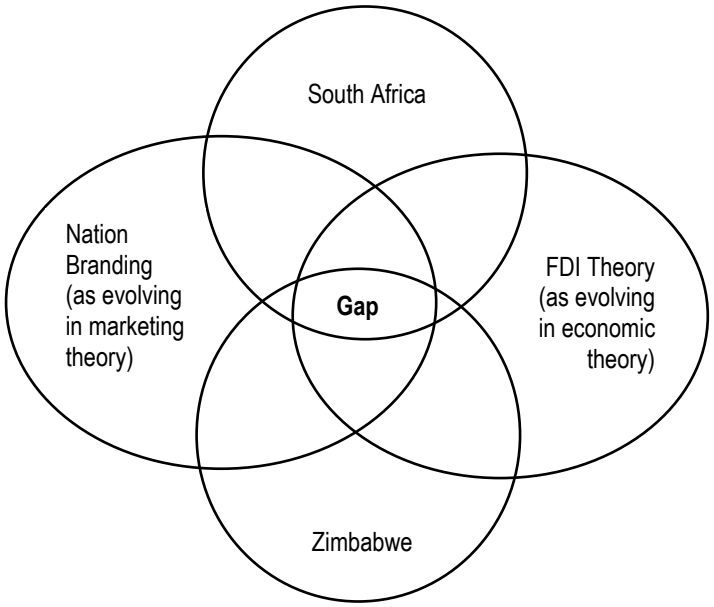
Figure 1.2 below is a visual illustration of the gap addressed in this study. The gaps highlighted in 1.3.1.1 to 1.3.1.5 above have already summarised the gap in terms of nation branding theory and FDI theory but these gaps are not situating the research problem within a defined place brand context for example, town or city, district or province, country or countries, or region. Sun (2009:96) called for nation branding studies that cluster countries by, among other factors, geographic location. South Africa and Zimbabwe are in one geographical region, Southern Africa, and at different stages of adopting nation branding and/or competitiveness theories. Thus, as illustrated in the figure, the research gap for this study cuts across countries (represented by these

two), nation branding theory (as evolving in marketing) and FDI theory (as evolving in economics).

South Africa's and Zimbabwe's economic and FDI sub-brands are performing below their potential optimum levels. Although it is the undisputed most-advanced economy in Africa, compared to its top two rivals on the continent, Egypt and Nigeria, the economic trend in South Africa painted both in GDP and inward FDI terms is a cause for concern. South Africa recorded its best ever annual GDP performance of US$416.4 billion in 2011 and thereafter has persistently registered declining GDP performance with the lowest being the US$314.6 billion for 2015 (of course the 2015 statistics are preliminary) (see for example, World Bank, 2017; **Table 3.19 in Chapter 3**). While the country occupies a distinct position in GDP terms within the SADC competitive frame of reference, it is number two in Africa after Nigeria (**Table 3.18, Chapter 3**). South Africa should be concerned that Egypt, the third biggest African economy, is drawing too close to its GDP position despite the latter has been in political turmoil for almost a decade now.

In the last 17 years ending 2015, Zimbabwe has fallen from its position as the fourth biggest economy in the SADC to the eighth position (Table 1.1 above). The country has been overtaken by hitherto economically small SADC nations like Democratic Republic of Congo, Zambia, Botswana, and Mozambique. In addition, Namibia and Mauritius are *loitering* too close in its shadows and had actually overtaken the country between 2004 and 2012 (Table 1.1 above). Policymakers and destination technocrats in Zimbabwe might also be particularly concerned that the country has been overtaken by Zambia whose GDP size was almost half that of Zimbabwe in 1998 (US$3.4 billion in 1998 to US$27 billion in 2014 vis-à-vis Zimbabwe US$6.4 billion to US$13.8 billion for the same period) (Table 1.1). Foreign investors consider GDP size to select an FDI destination (AT Kearney, 2016; Anyanwu, 2012; Lee, 2009; IMD, 2014; Kalamova & Konrad, 2010; Mohamed & Sidiropoulos, 2010).

Figure 1.2: Theoretical and managerial conceptualisation of the research gap



Although the two countries are different in respect of their FDI inflow performance, they are all presently occupying untenable FDI brand positions in their respective competitive frames of reference i.e. the SADC for both (Table 1.2 above) and Africa and BRICS for South Africa (World Bank, 2017, **Figures 3.8 & 3.9 in Chapter 3**). Nation brand equity affects the quantity of FDI inflows a country receives (Anholt-GfK Roper, 2014a&b; Bloom Consulting, 2017a; Brand Finance, 2015; Fetscherin, 2010; FutureBrand, 2014; Kemming, 2009; Rojas-Me´ndez, 2013; Simonin, 2008). The concept of **agglomeration economies** acknowledges that FDI goes where other FDI goes (Anyanwu, 2012; Campos & Kinoshita, 2003; Mukim & Nunnenkamp, 2010; Sichei & Kinyondo, 2012). As evident in Table 1.5 below **(for a detailed version see Tables 3.51 & 3.52 in Chapter 3)**, the South African nation brand is characterised by more strengths than weaknesses and more threats than opportunities and the Zimbabwean brand by more weaknesses than strengths and more threats than opportunities. These positions reflect a somewhat untenable and untenable position for South Africa and Zimbabwe respectively. Nation brand managers or policymakers should identify the key resources, assess nation brand strengths and weaknesses, evaluate the opportunities and threats, and deploy the resources effectively and efficiently to attain competitive advantage in the global marketplace (Sun, 2009:93). "Just like [commercial] brands, [the] strengths or weaknesses of perceptions of a country can influence people's decisions to choose them as places to visit, live or invest in" (FutureBrand, 2014:4).

Table 1.5: Summary key issues affecting South Africa (SA) and Zimbabwe (ZW) FDI brands—SWOT analysis

Strengths	SA	ZW	Weaknesses	SA	ZW
❖ Second biggest population in SADC	X		❖ Seventh smallest population in SADC		X
❖ Transit route north of Limpopo River		X	❖ High HIV and AIDS rate	X	X
❖ Good work ethic		X	❖ Perceived high corruption rate in public sector		X
❖ Large coastline and many seaports	X		❖ Can raise 25% of HIV national response budget		X
❖ Lead and second-lead economy in SADC and Africa	X		❖ 8th largest economy in SADC		X
			❖ Powerful labour movement	X	
❖ Most sophisticated economy in Africa	X		❖ Restrictive labour laws	X	X
❖ Moving from Country (Commodity) to Experience country	X		❖ Low global competitiveness, innovation, doing business, governance and fragility ranks in SADC		X
❖ Respected higher education system	X	X	❖ Inadequate and poor infrastructure		X
❖ List corrupt country in BRICS	X		❖ Lowest mean GDP growth rate in SADC	X	X
❖ Advanced financial sector	X		❖ High crime rate	X	
			❖ Infrastructure operating at full capacity	X	
	8	**3**		**6**	**9**
Opportunities	**SA**	**ZW**	**Threats**	**SA**	**ZW**
❖ Generally growing FDI revenue in SADC	X	X	❖ Negative continental, Africa, brand equity	X	X
❖ Fast GDP growth may boost intra-SADC trade	X	X	❖ Sustained inward FDI dominance by four fellow BRICS economies	X	
❖ Gateway to Africa	X				
❖ Most SADC nations have weak ratings in key reputation indices like GCI, doing business, and GII	X	X	❖ High risk of epidemic diseases	X	X
			❖ Growing FDI inflows of other SADC countries	X	X
			❖ Higher GDP growth rates for other SADC countries	X	X
			❖ Possible sustained battles for inward FDI with Angola, Egypt, Mozambique, and Nigeria	X	
			❖ Unfavourable Porter's diamond leading to de-industrialisation		X
	4	**3**		**6**	**5**

The two case study countries differ in the manner they manage their umbrella nation brands. South Africa, through Brand South Africa, manages its national development agenda hence nation brand strategy in an integrated, proactive, calculative, evidence-based and stakeholder-inspired manner in addition to its sector-driven efforts through its Department of Trade and Investment and South Africa Tourism. Zimbabwe, on the other hand, appears to be managing its own in a reactive, shareholder-driven, and generally sector-driven approach. The country is only now beginning to warm up to stakeholder-driven umbrella nation branding through a multi-sectoral committee being established by the Ministry of Tourism and Hospitality Industry's nation branding department. Prior to the current effort by the ministry, the country had no independent national platform for managing its corporate or umbrella nation brand strategy save for the sector-driven efforts through

the ZIA, ZimTrade, and ZTA. Perhaps this implies that central government in Zimbabwe does not fully appreciate the importance of umbrella nation branding let alone a stakeholder-driven approach. Dinnie (2008:147) mourns that the absence of a nation branding coordinating body in a country would lead the nation's image to be overshadowed by traditional rural imagery frequently advocated by national tourism organisations. That domination is to the detriment of positioning the nation as a preferable destination for investors (for which more fitting imagery would concentrate on modern infrastructure, latest technology, et cetera rather than rural imagery) (Dinnie, 2008:147). A logical way forward is for countries to consider having a more centrally coordinated approach to nation branding because a number of other nations appear to be having some success with this approach, for example, New Zealand and Spain (Fanning, 2011:27). South Africa, India, Malaysia, Egypt, Costa Rica, New Zealand to mention but a few countries have active centrally coordinated nation branding programmes although they have state institutions such as investment, tourism, exports and public diplomacy that focus on country products, services and reputation management (Tinne, 2013:33).

At conceptual level, a review of the five underlying theories of nation branding (those being CUBBE, COBBE, CUCOBBE, RBVBE, and SOBE) done in this thesis reveals that all except the last approach have at least one theoretical and/or methodological gap, which extend to related existing operational models in addition to omitting the role of stakeholders. In view of the gaps summarised above, this study seeks to answer the critical question: how can a stakeholder-oriented conceptual framework to measure brand equity of nation FDI be designed and validated, drawing on South Africa and Zimbabwe as comparative case studies?

1.4 OBJECTIVES AND HYPOTHESES OF THE STUDY

1.4.1 Primary objective

The primary objective of this study was to design and validate a stakeholder-oriented conceptual framework to measure brand equity of nation FDI.

1.4.2 Secondary objectives

The primary objective was serviced by the following secondary objectives (SOs) divided into theoretical (i.e. 1 and 2) and empirical secondary objectives (i.e. 3 to 7):

SO1 - To perform an environmental analysis of South Africa and Zimbabwe by means of a literature study.

SO2 - To develop a stakeholder-oriented conceptual framework to measure brand equity of nation FDI.

SO3 - To measure South Africa's and Zimbabwe's nation FDI brand competitiveness by means of the conceptual framework.

SO4 - To validate the theoretical model by measuring country FDI brand strength of South Africa and Zimbabwe.

SO5 - To empirically evaluate the conceptual framework as a measure of country FDI brand attractiveness.

SO6 - To calculate the stakeholder-oriented nation FDI brand equity (SON-FDIBE) indices of South Africa and Zimbabwe.

SO7 - To compare South Africa and Zimbabwe on the basis of their SON-FDIBE brand reputations.

1.4.3 Hypotheses

In view of the extensive literature reviewed to build the SON-FDIBE conceptual framework (**see Tables 5.1A & 6.1, Chapters 5 & 6**), the study tested the following hypotheses:

- ***H_1:*** *There are statistically significant differences in stakeholder perceptions on determinants of SON-FDIBE in South Africa and Zimbabwe.*
- ***H_2:*** *There are eight determinants of SON-FDIBE in South Africa and Zimbabwe.*
- ***H_3:*** *Society is a determinant of SON-FDIBE in South Africa and Zimbabwe.*
- ***H_4:*** *Technology is a determinant of SON-FDIBE in South Africa and Zimbabwe.*
- ***H_5:*** *Ecology is a determinant of SON-FDIBE in South Africa and Zimbabwe.*
- ***H_6:*** *Economy is a determinant of SON-FDIBE in South Africa and Zimbabwe.*
- ***H_7:*** *Markets is a determinant of SON-FDIBE in South Africa and Zimbabwe.*

H_8: *Infrastructure is a determinant of SON-FDIBE in South Africa and Zimbabwe.*

H_9: *Organisation is a determinant of SON-FDIBE in South Africa and Zimbabwe.*

H_{10}: *Government is determinant of SON-FDIBE in South Africa and Zimbabwe.*

1.5 SCOPE OF THE STUDY

Places including countries are complex brands (Dinnie; 2008; Fetscherin & Marmier, 2010; Rainisto, 2003; Sevin, 2014) with many daughter brands like public diplomacy, exports, tourism, FDI, talent, and culture (Dinnie *et al*., 2010; Kilduff & Tabales, 2017; Laforet, 2010; Matiza & Oni, 2013; Therkelsen & Halkier, 2008; Van den Akker, 2011). Studies covering all or most of these areas generate umbrella or holistic nation brand pictures. There is a substantial number of umbrella nation branding models within the proprietary (e.g. Anholt GfK Roper, 2016b; Bloom Consulting, 2017b; Brand Finance®, 2015; IMD, 2014; WEF, 2016) and academic (e.g. Lee, 2009; Fanning, 2011; Fetscherin, 2010; Jacobsen, 2009; Mugobo & Ukpere, 2011; Passow, Fehlmann & Grahlow, 2005; Rojas-Me´ndez, 2013) literatures. Umbrella nation branding studies offer policymakers an overall picture of the performance of the place brand. However, such studies may be weak in that the number of sub-brands they cover limits the detail they can accommodate in each sub-area of the nation brand. As a result, some place branding studies focus on a few outcome areas (e.g. Sun, 2009) or only one sub-brand, for example, tourism (e.g. Balakrishnan, 2009; Khalifa, 2010; Ndlovu & Heath, 2013), FDI (e.g. AT Kearney, 2016; Jacobsen, 2009; Kalamova & Konrad, 2010; Matiza & Oni, 2013; Salem, 2015), regulations or doing business (World Bank, 2016a), global innovation competitiveness (Cornell University, INSEAD & WIPO, 2016), global manufacturing competitiveness (Deloitte Global & US Council on Competitiveness, 2016), governance (Mo Ibrahim Foundation, 2016), social progress (Social Progress Imperative, 2016a), Corruption (Transparency International, 2016b), and country fragileness (Fund for Peace, 2016). Research that focuses on one outcome area can be comprehensive in its coverage. However, such research only gives policymakers a limited picture of a country brand unless studies on the other sub-brands are also available or their attributes extend beyond the focal area. Only a few of the above-stated indices do so albeit to a limited extent. This study focuses on the FDI outcome area in the hope that other researchers have studied or will study other key areas of the nation brand in the selected case countries, South Africa and Zimbabwe (see Figure 1.2 above) and that the

relevance of its variables go beyond FDI. This scope was decided given the scarcity of studies on FDI destination branding and the resource limitations the research had as this was an academic study.

Existing academic nation branding studies cover one country (e.g. Buarque, 2015; Fullerton & Holtzhausen, 2012; Kim, 2011; Lee, 2011) or many countries (e.g. Fetscherin, 2010; Kalamova & Konrad, 2010; Sun, 2009). Single case nation branding studies enable sufficient coverage of the chosen place or country. Unless studies on other countries of a similar size and performance are available, the shortcoming of a single case study is that the studied country may not know how it is affected by competition. Multiple case studies enable the countries to view themselves relative to their competition. While it would have been ideal to cover a number of countries in this study, for example, all SADC members, this study covers only two neighbouring countries in Southern Africa, South Africa and Zimbabwe, in order to test-drive or validate the conceptual framework. The researcher hopes that the present study provides the foundation for further testing the theoretical model at SADC and Africa levels in order to fully explore how the countries are affected by their regional competition.

1.6 RESEARCH METHODOLOGY

This study designed and validated an eight-dimensional SON-FDIBE conceptual framework with 105 variables in all focusing on South Africa and Zimbabwe as comparative cases. The framework informed the study's questionnaire, which assessed FDI brand equity of case countries with a 7-point Likert scale ranging from Very Weak (1) to Very Strong (7). Given the wide range of stakeholders who ideally should participate in country branding (Dinnie & Fola, 2009; Dinnie, 2016; Tiberghien, Garkavenko & Ashirbekova, 2013) the population for this study comprised foreign investors (represented by management postgraduate students working for international firms), undergraduate business and economics students, and economic development agencies (i.e. investment promotion agencies, tourism promotion agencies, and export promotion agencies) in South Africa and Zimbabwe. This population was decided in accordance with the study's key assumption that comprehensive stakeholder participation in country FDI branding can moderate any overburdening policymaker- and/or investor-based brand values for the benefit of all main

stakeholders. To fulfil the study's objectives the researcher administered a pretested, standardised, and pre-coded questionnaire to a convenience sample of 560 elements drawn from the two countries i.e. 209 from South Africa and 351 from Zimbabwe covering the above-stated stakeholder groups.

Data were captured with the Statistical Package for Social Sciences (SPSS) Version 23 and analysed with the same package and SPSS Amos Version 23 using descriptive and inferential statistics. Descriptive, univariate, statistics employed included frequencies, mean scores, and standard deviations. Inferential statistical techniques used to analyse data included exploratory factor analysis using the principal component analysis method, Cronbach alpha coefficients, confirmatory factor analysis (CFA) or structural equation modelling (SEM), correlation matrices, paired sample *t*-tests, analysis of variances, and effect sizes. Factor analysis is a multivariate procedure used to establish construct validity of scales (Rattray & Jones, 2007; Zikmund *et al.,* 2013). The findings are presented in Chapters 8 through 10 under the study's secondary objectives.

1.7 SUMMARY CONTRIBUTIONS OF THE STUDY

This study has made a number of original and significant contributions to the existing body of knowledge on nation branding and FDI. Many classical theorists claim that there are only two approaches to measuring nation brand equity—CUBBE and COBBE (e.g. Atilgan, Aksoy & Akinci, 2005; Fetscherin, 2010; Dinnie, 2016, Ebrahimi, Kashani & Shojaei, 2012) yet there are, actually, five even though literature on the other three is sparse. The other theories are the CUCOBBE (Hampf & Lindberg-Repo, 2011; Kim, Kim & An, 2003; Sun, 2009; WEF, 2014), RBVBE (see e.g. Dinnie, 2016; Louro & Cunha, 2001; Sun, 2009), and SOBE (Donner, Fort & Vellema, 2014; Jones, 2005; Laforet, 2010; Rojas-Me´ndez, 2013). As far as this researcher knows, hitherto to this study there was hardly any single scholarly work that covered all five approaches. To that end, this study has made a fundamental conceptual contribution to existing literature. Furthermore, while the resource-based view or resource advantage theory is acknowledged as a theory of assessing country brand equity in the literature (Dinnie, 2016; FutureBrand, 2006; Louro & Cunha, 2001, Sun, 2009), this thesis has made a significant

theoretical contribution to the literature by coining the term "resource-based view of brand equity (RBVBE)", which barely existed in the language of brand management before. The study also made a significant addition to knowledge by developing a typology of nation brand equity models focusing on theories of place branding and foundation and coverage descriptors. The typology broadens knowledge on the theory of country branding as it applies to the choice of a macro theory to use and descriptors to include in a real country branding programme.

Compared to related outcome areas of nation brands like tourism and public diplomacy, the domain of FDI is hardly researched (Dinnie, 2008; Szondi, 2007; Van den Akker, 2011). Although there is fairly limited theory on FDI destination branding, there is a substantial amount of real-world FDI promotion activity. Countries are subtly but fiercely competing to increase their shares of this finite global resource; several of them have established investment promotion agencies and offer considerable incentives to attract foreign investors. Moreover, FDI determinants have been studied in economics for more than 60 years under the foreign trade theory. Country branding researchers have only but recently started to cross over to the domain of economics to enhance existing knowledge but only from the COBBE perspective (e.g. Fetscherin, 2010; Kalamova & Konrad, 2010) yet classical economic theories of FDI can still contribute to the other four brand equity approaches too. Several proprietary and academic place branding models now exist in the literature (e.g. Anholt-GfK Roper's NBI^{SM}, Brand Finance$^{®}$'s NBIF^{TM}, Fund for Peace's FSI, FutureBrand's CBI, IMD's WCS/Y, Mo Ibrahim Foundation's IIAG, World Bank's Doing Business, Fetscherin's CBSI, Jacobsen's investor-based place brand equity theoretical framework, Rojas-Me´ndez's nation brand molecule, Social Progress Imperative's Social Progress Index, et cetera). Although these models have added to the body of knowledge, most of them (especially proprietary ones) have hardly been interrogated comprehensively in the scientific literature. They have also not been considered for integration into an all-inclusive stakeholder-based FDI location brand equity model. In fact, many of the existing *bona fide* country brand reputation models (e.g. Anholt-GfK Roper's NBI^{SM}, Brand Finance$^{®}$'s NBIF^{TM}, Fetscherin's CBSI, Kalamova & Konrad's nation brands and FDI) appear not to have been conceived with developing countries in mind (especially those in Africa). The models are silent on the role of infrastructure and natural resources in country brand equity or competetiveness. To these ends, this study has made a significant contribution.

For more than a decade there have been passionate calls in nation brand literature to involve stakeholders in branding (Dinnie & Fola, 2009; Fan, 2006; Kasabov & Sundaram, 2011; Kavaratzis, 2012; Tatevossian, 2008; Temporal, 2014; Tiberghien, Garkavenko & Ashirbekova, 2013). Inclusiveness is important to success, and a failure to include all stakeholders in the nation branding process will certainly lead to a sub-optimum outcome characterised by intra-brand competition, a duplication of resources, and perhaps some confused consumers (Temporal, 2014:21). Winning the support of a destination's stakeholders is not only an important platform for successful place branding but also an indicator of a sustainable approach to destination brand development (Zouganeli *et al*., 2012:740). Even nation competitiveness experts, with their roots in economics, are calling on policymakers to embrace the stakeholder model of country management. For instance, in his preface to the Global Competitiveness Report 2015, Samans (2015:xiii) urges policymakers, businesses, and civil society leaders to work together to ensure continued growth and more inclusive outcomes of economic development. Nonetheless, the approaches from which most of the existing proprietary and academic place branding models are designed (**see Chapter 5**) do not provide for stakeholder involvement. To that end, the SON-FDIBE theoretical model is an important conceptual contribution to extant literature. Moreover, the study has added a new definition of "brand equity" framed from the SOBE approach. *Stakeholder-oriented brand equity* is the added value endowed on products as reflected in how stakeholders perceive and behave towards the brand with respect to what it stands for and how it is marketed.

While nation competitiveness (Delgado *et al*., 2012; Garelli, 2014; Sala-i-Martín *et al*, 2015a) and nation brand equity (Khalifa, 2010; Lee, 2009; Sun, 2009) are synonymous concepts because they seek to fulfil one goal – national progress and prosperity – country managerial practices in some emerging economies are yet to embrace this fact. For example, Zimbabwe's embryonic national competitiveness and umbrella nation branding projects are being run in isolation by the NECF and the Ministry of Tourism and Hospitality Industry respectively. However, South Africa appears to be well-advanced in its nation management practice given that its national competitiveness forum is actually an initiative of its nation branding agency, Brand South Africa (South African Competitiveness Forum, 2013d, 2014). Given the SON-FDIBE conceptual framework's roots in

both nation branding theory (see e.g. de Queiroz & Giraldi, 2015; Dinnie, 2016; Kaneva, 2011; Lee, 2009; Matiza & Oni, 2013; Sun, 2009) and economic or competitiveness theory (see e.g. Delgado *et al*., 2012; Garelli, 2014; Porter, 1990a; Sala-i-Martín *et al*., 2015a:4), its validation in this study implies that country branding and competitiveness campaigns should be run as a single, harmonised programme. To that end, this study has made an important managerial contribution. The SON-FDIBE model is a useful results-based management tool for national political leadership or policymakers and destination management technocrats. The model is also equally beneficial to multinational corporations and any businesses adopting FDI for the first time as an international market entry strategy.

Furthermore, many of the existing proprietary indices (e.g. Anholt-GfK Roper, 2016b; FutureBrand©, 2014; WEF, 2015b) and academic models (e.g. Fetscherin, 2012; Kalamova & Konrad, 2010; Sun, 2009; Rojas-Me´ndez, 2013) were designed to measure umbrella or overall nation brands. Umbrella nation branding is holistic and integrative in nature because it measures country brand equity from the perspective of all its fundamental outcome areas—those are tourism, talent, exports, FDI, culture, and diplomacy (see e.g. Dinnie, 2016; Laforet, 2010; Lee, 2009; Therkelsen & Halkier, 2008; Van den Akker, 2011). However, the umbrella nation branding paradigm may not lend itself to a sufficiently comprehensive interrogation of all performance areas in academic studies due to resource constraints. For example, an academic study carried out by Sun (2009:85) on determinants and outcomes of nation branding focusing on only three areas – tourism, FDI and exports – extracted two factors only in its FDI performance area—those are communications infrastructure and industry. This may have been due to the limited number of variables in the theoretical framework since Sun may have wanted to keep the number of attributes and constructs for each area to a manageable number. With its 105 items, the SON-FDIBE conceptual framework is therefore a fundamental contribution to literature in respect of comprehensiveness.

Sun (2009:96) appeals for studies on country branding that cluster countries by factors such as national image, geographic location, and political policies. He also calls for studies directed to each outcome variable of nation branding to provide strategic implications for those countries with focal interests in exports, FDI, or tourism. This study has closed part of the gap by investigating

the FDI brand competitiveness of neighbouring countries of South Africa and Zimbabwe, which are both members of the SADC.

Some people disapprove of the idea of treating nations as brands hence reject the concept of nation branding (Dinnie, 2008; Felknerová, 2014). Nation brand theorists need to bring to the attention of those critics the concept of social marketing (see e.g. Andreasen, 1994; Dibb, 2014; French, 2015; Kotler & Zaltman, 1971) first proposed in the early 1970s and now an established social science. Nation marketing and branding are, to some extent, branches of social marketing. By suggesting that social marketing theory be cited to justify treatment of nations as brands, this study has made an important theoretical contribution to the literature.

Many case studies of branding nations in the literature do not provide adequate empirical methods to analyse nation brands (Outhavong, 2007:vi). In fact, many existing proprietary models (especially those designed by consultants) do not reveal their formulas for example, Anholt-GfK Roper's NBI^{SM}, Brand Finance®'s NBIF^{TM}, Bloom Consuting's CBR-T, and FutureBrand's CBI and yet their reports are used by policymakers and consultants. This academic study has partly closed that gap; the equations of the SON-FDIBE conceptual framework are provided in this thesis. The study has made an important and original methodological contribution to the field of nation branding in two additional ways. As far as this researcher knows, hitherto the current study, there have been too few studies that have applied CFA and SEM to model country brands overall (exceptions are Kim, 2016; Lamelas, 2011) and barely any that applied the same tool to the nation FDI sub-brand in particular. In addition, there are also barely any nation branding and FDI sub-brand studies that have applied effect size analysis to determine the practical implications of their findings. Hence this study has contributed to the reduction of that methodological gap by pioneering the application of CFA, SEM and effect size analysis to the domain of stakeholder-led FDI destination branding.

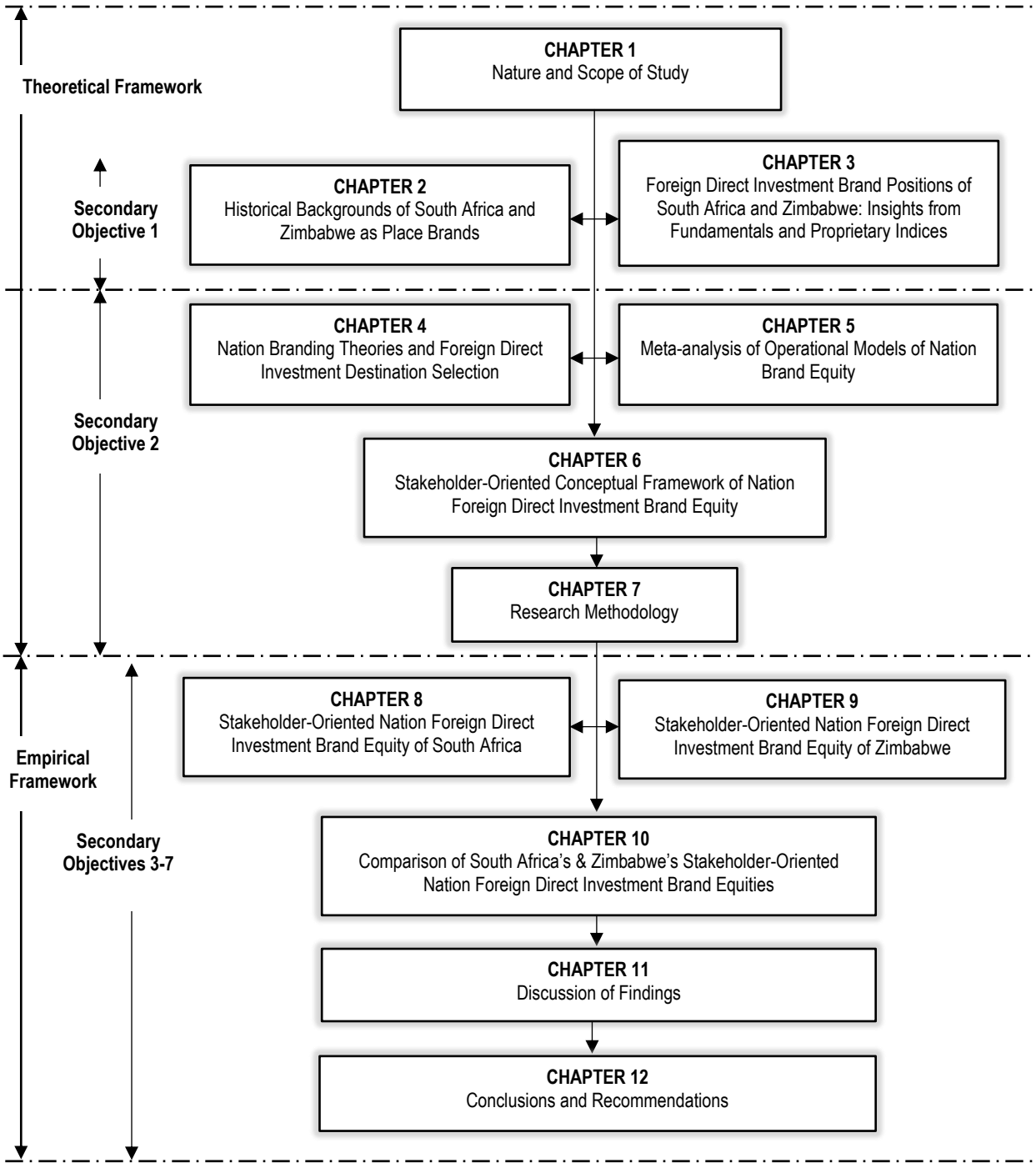
1.8 LAYOUT OF THE STUDY

The thesis comprises 12 chapters as shown in Figure 1.3 below (**Chapter 1** as already presented, which has added to knowledge and legitimated this study by highlighting the research gap).

Chapter 2 presents the historical backgrounds of South Africa and Zimbabwe and their competitive frames of reference that is, the SADC for both countries and Africa's top three economies and BRICS nations for South Africa. This chapter has made a managerial contribution to the literature by demonstrating how to scope the competition of countries focusing on the two case study countries. **Chapter 3** presents the current FDI brand positions of the two countries drawing on selected fundamentals those are population, GDP size and growth, FDI inflows, prevalence of poverty and epidemics. The chapter also analyses the performance of case countries drawing on over 10 leading proprietary nation branding indices, bona fide and default, covering the last three to five years. So, the chapter has contributed to knowledge by demonstrating how existing proprietary place branding indices can be applied to map out nation FDI brand positions. Although Zimbabwe and South Africa are already doing so, it is the former that is more advanced in this practice. Nonetheless, both countries are yet to be comprehensive by incorporating a large number of credible proprietary indices as reviewed in this thesis.

Chapter 4 critically reviews literature on the nation brand construct focusing on brand identity, image, perceptions and stereotypes and related concepts, and the benefits of FDI to national economic development. Next, the chapter links the notion of nation branding to the concepts of FDI destination selection and consumer decision making. It also reviews five principal theories of, or approaches to, country branding those are CUBBE, COBBE, CUCOBBE, RBVBE, and SOBE linking them to marketing management philosophies and models of strategy-making and public policymaking. This has demonstrated the link between nation branding and national development policymaking, implementation and evaluation in line with Simon Anholt's views. So, the chapter is an original and fundamental contribution to knowledge especially as it mobilised all five approaches into one document. As far as this researcher knows, there is barely any scholarly work or textbook covering all five approaches to measuring country brand equity.

Figure 1.3: A visual representation of the layout of this thesis



Chapter 5 deconstructs over 40 operational models for tracking nation brand equity categorising them into their suitable underlying brand equity theories as reviewed in Chapter 4. Among the models reviewed are FDI theories and FDI studies drawn from international economics literature,

an undertaking which has been barely acknowledged in existing country branding literature (exceptions are e.g. Kalamova & Konrand, 2010; van de Laar & De Neubourg, 2002). Serve for the six stakeholder-oriented models, the rest of the frameworks reviewed in the chapter are characterised by either overburdening consumer equity, shareholder equity or both. Therefore, this chapter uniquely illuminates the country brand concept, lays a firm foundation for the study's conceptual framework, and adds to knowledge by illustrating how nation brand attributes can be identified from extant literature.

Chapter 6 pulls together the dimensions of nation brand models and determinants of FDI reviewed in Chapter 5 and synthesises them into a comprehensive eight-dimensional stakeholder-oriented conceptual framework of brand equity of nation FDI, the SON-FDIBE. It explains and reviews the eight constructs and their 105 items, and states the 10 hypotheses of the conceptual model citing relevant literature. This chapter is the key to operationalising the measurement of nation FDI brands from a SOBE perspective. The building and presentation of SON-FDIBE conceptual framework is in itself an original and significant contribution to knowledge on FDI destination competitiveness.

Chapter 7 explains and justifies the methodology which was used to gather primary data to fulfil the study's objectives. It illuminates the research philosophy, research approach and research design (i.e. research strategy, population, sampling strategy, sample size, and how data were collected and analysed). The chapter has made an inventive contribution to knowledge by conceiving and explaining a research design for developing and testing a weighted SON-FDIBE composite index computation methodology from a SEM perspective.

Chapters 8 to **10** present the study's findings under themes drawn from empirical secondary objectives defined above. **Chapter 8** tabulates the findings in respect of the stakeholder-oriented nation FDI brand equity of South Africa, **Chapter 9** does the same focusing on Zimbabwe, and **Chapter 10** compares the two countries' SON-FDIBEs. The three findings' chapters are an addition to knowledge in that they provide the empirical basis for national FDI policy formulation and evaluation from a stakeholder perspective.

Chapter 11 discusses the findings in line with the study's secondary objectives. The discussion focuses on the common and unique factors influencing the SON-FDIBE of South Africa and Zimbabwe. This chapter contributes to existing knowledge by situating the study's findings within the extant literature and current positions of case study countries. The discussion shows precisely how policymakers, destination managers, researchers, and consultants can evaluate and formulate FDI policy, from a stakeholder standpoint.

Chapter 12 draws conclusions from the discussions of the study's findings presented in the previous chapter. The chapter presents the modified SON-FDIBE frameworks of South Africa and Zimbabwe and the theoretical, methodological, and public policy contributions of the study. It also presents the limitations of the study and recommendations. Next, the chapter presents the areas for further research, personal reflections, and summary.

1.9 SUMMARY

This chapter has provided an overview of the literature on nation branding focusing on gaps in existing approaches to and operational models of measuring nation brand equity. The chapter described and summarised the current economic and FDI brand positions of South Africa and Zimbabwe hence justified why the countries were chosen as case studies. It then presented the problem statement from a gaps' perspective and highlighted the scarcity of stakeholder-driven operational models for assessing brand equity of country FDI. Next, the chapter presented the study's objectives, hypotheses, and scope. Thereafter, it clarified the methodology that was employed in the study and the contributions the study has made to existing knowledge. Lastly, the chapter clarified how the thesis is structured. In the next chapter, a snapshot review of place branding and historical background descriptions of South Africa and Zimbabwe, the SADC, Africa, and the BRICS diplomatic group will be given.

CHAPTER 2

HISTORICAL BACKGROUNDS OF SOUTH AFRICA AND ZIMBABWE AS PLACE BRANDS

2. HISTORICAL BACKGROUNDS OF SOUTH AFRICA AND ZIMBABWE AS PLACE BRANDS

2.1 INTRODUCTION

This chapter, the first of four literature chapters, begins by presenting the circumstantial synopses of Africa, the Southern African Development Community (SADC) and the BRICS diplomatic bloc as place brands. Coe (2017:17) argues that it is not just the reputation of the individual countries that matters, but that of the region/regional organisation itself. For the purposes of this thesis, it was assumed that SADC member countries are a competitive brand set for South Africa and Zimbabwe as both are members of this bloc and that, given the size of its economy, countries in Africa and BRICS are also a competitive frame of reference for the former. So, the situational background of Africa, SADC and BRICS is presented first as it was assumed that the three place brands affect the performance of country brands operating within them. Subsequently, the chapter presents a brief overview of the background of South Africa and Zimbabwe. This is necessary to provide a foundation for the next chapter in which a marketing audit of the two countries' Foreign Direct Investment (FDI) brand positions is going to be conducted.

2.2 CONTEXTUAL OVERVIEW OF AFRICA, SADC AND BRICS AS PLACE BRANDS

Countries as place or nation brands exist within a complex regional, continental and global context. Globally, South Africa and Zimbabwe are part of the world's 200+ community of countries and territories hence their national progression is impacted by the global environment. The United Nations Industrial Development Organisation (UNIDO) states that investment is determined by macroeconomic and political conditions, social, physical and international factors (UNIDO, 2003:4). In regional economic integration and continental terms, South Africa and Zimbabwe are part of the SADC and Africa respectively. Furthermore, South Africa is a part of the BRICS (Brazil, Russian Federation, India, China, and South Africa) nations. The SADC is a suitable competitive frame of reference for South Africa and Zimbabwe since both are members of this

regional economic integration bloc. However, given the size of South Africa's economy vis-à-vis all other SADC countries put together, the competitive frame of reference for the country needs to be expanded beyond the SADC to include Africa as a whole continent and BRICS nations.

South Africa, Zimbabwe, the SADC, Africa, and BRICS are place brands. Although places including countries are more complex than organisations, they are being marketed and branded just like products and corporations (Laforet, 2010; Moilanen & Rainisto, 2009; Dinnie & Fola, 2009) because they have images with power and appeal that they rely on for progress and prosperity (Anholt, 2013a:6). Places should always distinguish themselves by creating an identity that is attractive to stakeholders in order to achieve economic and socio-psychological goals (Alonso & Bea, 2012:313). Places can effectively manage their image through place branding.

Place branding may focus on locations, cities, regions, whole nations or countries (Dinnie & Fola, 2009; Hanna & Rowley, 2007; Kilduff & Tabales, 2017) and is a mix of initiatives with which social and economic value is created through the reputation and perception of a place (Alonso & Bea, 2012:313). It improves the ability of a country, region, city or a tourist destination to compete for tourists, investors, residents, jobs, skilled migrants and other resources (Andersson, 2010; Alonso & Bea, 2012; Dinnie & Fola, 2009). Consequently, place branding is becoming a powerful tool for gaining competitive advantage (Alonso & Bea, 2012:311) and the term is used interchangeably with "destination branding". While the proposition that "a 'destination' brand denotes the tourism dimension of a place is widely supported" (Dinnie, 2008; Hanna & Rowley, 2007) the term "destination" is also used by *bona fide* country branding theorists (e.g. Dinnie, 2008; Szondi, 2007) and their default counterparts—economists (e.g. De Beule & Van den Bulcke, 2012; Delgado *et al*., 2012; Demirhan & Masca, 2008; Hornberger, Battat & Kusek, 2011) when they talk about FDI location competitiveness. Fullerton and Holtzhausen (2012:271) suggest that the concepts of place branding and country reputation often are used interchangeably in daily practice and viewed quite similarly even if there are academic distinctions. Like country reputation, place branding may be associated with public diplomacy but it also extends beyond what governments do through foreign policy and examines how actions taken by the media, a country's citizens and its private sector affect trade, culture, tourism, global investment and

immigration (Fullerton & Holtzhausen, 2012:273). It is with these ideas in mind that a background of Africa, the SADC, BRICS, South Africa and Zimbabwe are presented in the next sections.

2.2.1 Overview of Africa as a place brand

Africa is the second largest and second most populous continent in the world with more than 1 billion people (Klufio, 2011; African Development Bank & Mubila, 2012; Sippel, Kiziak, Woellert & Klingholz, 2011). Despite that Africa is one of the most richly-endowed geographic regions in natural resources among the five continents, it is the least developed and poorest of the world's five continents. This chapter explores some of the historical and current reasons explaining the untenable brand position Africa occupies on the planet.

The African continent has an interesting history marked by slave trade and colonialism, which are still affecting its socio-economic and political development to this day. Its current political evolution is also exerting an influence on how the region is perceived internally and externally. Africa was subjected to slave trade which resulted in its human capital being exported to the Americas, Europe, Middle East, and Indian Ocean Islands as slave labour. Slave trade affected economic development in Africa through ethnic fractionalisation and conflicts, weakened states, limited development of quality domestic institutions (Alemazung, 2010; Nunn, 2006; Nunn & Wantchekon, 2011) and destabilisation of African civilisation (Darity, 2005:18). Africa has also been affected by the partitioning it was subjected to by Western Europe during the scramble for Africa in the late 1800s, which accounts for the creation of most of the existing national boundaries in the continent and division of nations or ethnic groups. Ziltener, Künzler and Walter (2017:176) argue that the current situation of ethnic, linguistic and religious heterogeneity in African and Asian countries is a result of forced division or unification, in which colonialism played a key role. A border can be meandering and following a geographic feature as a river, but nonetheless divide, as the same people live on both sides of the river (Ziltener, Künzler & Walter, 2017:176).

Present-day national boundaries in Southern Africa fragmented otherwise harmonious precolonial nations. For example, the Manyikas are divided between Zimbabwe and Mozambique; Shangaans are now found in Zimbabwe, South Africa and Mozambique; Kalangas are distributed between

Zimbabwe and Botswana; Sothos are found in Botswana, South Africa and Zimbabwe; and Vendas are found in South Africa and Zimbabwe. But the saddest reality is that the fragmentation of these nations created at the time Africa was partitioned, confined some relatively large nations in pre-colonial Africa, such as, Shangaans, Kalangas, and Vendas into ethnic minorities in their present-day homelands. This reality may be affecting these nations' socio-cultural, political, and economic development. Presently, there are 54 countries in the continent with the latest addition being South Sudan, which seceded from Sudan in 2011 following many years of civil war. In its formative years, South Sudan has plunged into devastating civil war.

While the debate continues on whether Africa benefited from colonialism through industrialisation, urbanisation, modern institutions and technologies, research on tropical diseases, and infrastructural development, there is agreement among many scholars that the continent was drained of resources by the colonial countries (Darity, 2005; Farah, Kiamba & Mazongo, 2011; Hrituleac, 2011; Ojo, 2015; Robinson, Acemoglu, Heldring, Osafo-Kwaako & Reid, 2012; Ziltener & Künzler, 2013; Ziltener, Künzler & Walter, 2017). For example, Darity (2005:15) argues that colonies were a valued source of mineral wealth and raw materials that could not be found at home, and they guaranteed markets for the imperial power. Darity further asserts that colonial powers could control the rate of industrialisation in the colonies in order to stop colonised countries from advancing and compete with them in making goods the imperial country was manufacturing. It might be in the area of the economy that colonialism was virtually a bare-faced robber (Ojo, 2015:117). Colonisation also brought racism, discrimination, inequality and corrupted many African political and economic institutions (Robinson *et al*., 2012; Hrituleac, 2011). In addition, colonialism retarded the pace and tempo of cultural growth and the trend of civilisation in Africa (Farah, Kiamba & Mazongo, 2011; Darity, 2005). For instance, Africans were required to learn the language of their colonial masters (Hrituleac, 2011:23).

While the teaching and learning of foreign languages in a number of African countries has extended beyond the languages of the respective former imperial powers, it appears the scope is still too narrow to facilitate meaningful bilaterial, regional and global economic integration. University students mainly in the faculties of arts and, to some extent, education take courses in European languages despite that only the official language of the former colonising nation remains

the *de facto* language of business in every former colony. A lasting effect of this imperial history is that African regional economic integration blocs such as the Economic Community of West Africa (ECOWAS), Common Market of Eastern and Southern Africa (COMESA), and SADC should be finding it difficult to speedily integrate the economies of their member countries due to disparities in the languages of commerce. Much as languages of commerce used by countries in Africa facilitate the flow of trade between them and their respective former colonisers and other former colonies of the same imperial powers regionally and globally, psychic distance even among geographically close countries in one sub-region remains substantial **(see section 2.2.1.2.2 below)**.

Psychic distance is a perceptual distance which results from the perception of both cultural and business differences between the home market and the foreign market (Azar, 2013; Khojastehpour & Johns, 2014) and business language is one of its features. Psychic distance is embedded in a firm's perceptions of uncertainty and risk in a foreign target market (Figueiredo, da Rocha & da Silva, 2012; Newman, 2012) and it interferes with the flow of information between the company and its customers. International marketing studies have found a positive correlation between psychic distance and export performance (Kontinen & Ojala, 2010; Sousa & Lengler, 2009). Furthermore, while the terms "psyche distance" and/or "psychological distance" are generally non-existent in economic theory, several economists acknowledge that the existence of a common language between source and recipient countries affects the behaviour of FDI (Bénassy-Quéré, Coupet & Mayer, 2007; Hornberger, Battat & Kusek, 2011; Kalamova & Konrad, 2010; Somlev & Hoshino, 2005).

2.2.1.1 Sources of negative perceptions on Africa

The image of Africa is continuously being projected negatively with characterisation that focuses on issues like doom or disaster, pestilence or disease, poverty, underdevelopment, famine, corruption (Klufio, 2011; Osei & Gbadamos, 2010), political instability (Ong'ayo, 2008) and civil war (FutureBrand, 2011; Klufio, 2011; Kyriacou & Cromwell, 2004). In fact, the continent's name is associated with all these (Klufio, 2011:1). The devastating impact of disease, malnutrition, AIDS, civil unrest and war, alongside a rapidly increasing population and poor capital infrastructure, means that African country brands face a startling disadvantage (FutureBrand,

2011:77). These characterisations affect the image of the continent and are also the sources of negative perceptions on countries in Africa. "Africa is widely perceived as a large homogeneous mass, hence negative issues such as the Acquired Immune Deficiency Syndrome (AIDS), political corruption and famine are too often considered to be applicable to the entire continent" (Wanjiru, 2005:89).

Furthermore, some people, including celebrities, believe rather amusingly that Africa is a country rather than a continent (Osei & Gbadamosi, 2011:285). Osei and Gbadamosi state that Fox News reported that Sarah Palin, who was to become the Vice President of the USA had the Republicans won the presidential elections in November 2008, refers to Africa as a country rather than a continent. Two Mexican postgraduate students at Harvard University, Carlos Quintero Herrera Lasso and Dante Pérez Esquivel, also regard Africa as a country and, surprisingly this also slipped the sight of their academic supervisor(s). "Public officials and academics from regions and countries as diverse as India, Great Britain, Turkey, Serbia and **Africa** (emphasis added), have recognized and often praised the influence the diaspora has on the perception of their home country" (Lasso & Esquivel, 2014:16). It is not clear in the above quotation whether Africa is a continent or a country. Klufio (2011) decries that Africans are also contributing to the incorrect and unfortunate reference of their continent as a country. "When Africans speak of 'rebranding Africa' we bolster the conceptualization that we are trying to avoid: Africa is one vast land mass traversed by a homogenous people from desert to jungle, from famine-stricken village to war-stricken town, and so forth" (Klufio, 2011:1) and note the negative *stereotypes*. So, academics such as Osei and Gbadamosi are among Africans who Klufio is blaming for reinforcing the idea that Africa is a country. Although they forthrightly examine how the continent has been branded, Osei and Gbadamosi (2011:284) go on to suggest how Africa can be re-branded "as a viable continent for global business transactions". The conclusion echoes Anholt who in an interview with *New African* suggested that: "It needs to be the countries of Africa that together build the image of the continent" (Anholt cited in Carey, 2010:96). This implies that what each country in Africa does, positive and negative, ultimately contributes to how the whole continent and other countries within it are perceived.

2.2.1.1.1 Doom and Africa's image

Existing literature is full with publications that associate Africa as a brand to poverty, underdevelopment, corruption, doom, pestilence and several other sad features (Osei & Gbadamosi, 2011:284). The word "doom", in fact, fittingly summarises the challenges facing Africa, which are the source of negative perceptions on the continent and its countries. Poverty, underdevelopment, starvation, disease, corruption, political instability, and civil war all contribute to the despair that characterise a number of countries in Africa at any given time. The challenge is that a crisis in one country in Africa is usually generalised to all in the continent hence their image and reputations are affected. Presently, the reputation of every African country is shaped by the image of the continent, which is largely negative (Anholt cited in Carey, 2010:96).

2.2.1.1.2 Effect of poverty, famine and disease on Africa's image

Africa is the poorest part of the planet (Acemoglu & Robinson, 2010; Robinson *et al*., 2012). While poverty rates have fallen throughout the world, the reduction has been uneven hence there is need for sustained effort in the fight against poverty in order to meet the new targets (World Bank, 2014b:1). As shown in Table 2.1 below, Sub-Saharan Africa has the largest share of people living on less than US$1.25 day at the Purchasing Power Parity (PPP) of 2005. "For too long the face of sub-Saharan Africa has been one of dehumanizing hunger" (United Nations Development Programme, 2012:9)

Table 2.1: Percentage share of population living on less than 2005 Purchasing Power Parity of US$1.25 a day

Region	2008 Actual	2010 Estimate	2015 Forecast
Sub-Saharan Africa	49.2	48.5	42.3
South Asia	36.0	31.0	23.2
East Asia & Pacific	14.3	12.5	5.5
Latin America & Caribbean	6.5	5.5	4.9
Middle East & North Africa	2.7	2.4	2.6
Europe & Central Asia	0.5	0.7	0.4
Total	**22.7**	**20.6**	**15.5**

Source: World Bank (2014b:23)

Africa is poor today because it has experienced a long vicious circle of the development of political and economic institutions affected by slavery and its legacies and subsequently colonisation

(Acemoglu & Robinson, 2010:46) but there are other contemporary factors as well. Almost every country in Africa is still haunted by historical injustices and oppressive structures that were bequeathed to the post-colonial leadership (Ong'ayo, 2008:2). Ong'ayo notes that this explains the weak institutions of the state, flawed legislative systems and constant struggles for political power to the detriment of the wellbeing of many African nations, which might have moved on a path of development as part of modern societies. However, President of Liberia Mrs Ellen Johnson-Sirleaf argues that 'Africa is not poor but rather poorly managed' (Johnson-Sirleaf, 2008:4). Her opinion is echoed by theorists like Mills (2010:2-3) who argues that "[t]he main reason for African poverty is the bad choices made by African rulers" and Ojo (2015:130) who insinuates that endogenous "actors are the fundamental causes of Africa's underdevelopment".

The image of Africa is tainted by epidemics (Osei & Gbadamos, 2010:284). Epidemic diseases account for a huge cost in human suffering and lost development opportunities (World Bank, 2014:7). Poverty, armed conflict, and natural disasters contribute to the spread of disease and are increased by it (World Bank, 2014b:7). Common epidemics in Africa are malaria, Acquired Immuno Deficiency Syndrome (AIDS) which is caused by the Human Immune Deficiency Virus (HIV), tuberculosis, and cholera. Cholera, HIV and AIDS, tuberculosis, and malaria are collectively referred to as 'infectious diseases of poverty' (Bhutta, Sommerfeld, Lassi, Salam & Das, 2014; World Bank, 2014b; Talavera & Pérez, 2009). The so-called infectious diseases of poverty disproportionately affect the poorest population in the world and contribute to a cycle of poverty as a result of decreased productivity ensuing from long-term illness, disability, and social stigma (Bhutta *et al*., 2014:1).

Moreover, all countries in Africa are developing. "Developing countries carry tacit stigmatizations for being labeled as 'developing'" (Oliva & Stringari, 2014:8). Multilateral organisations such as the United Nations Conference on Trade and Development (UNCTAD), World Bank and the International Monetary Fund (IMF) cluster countries along two distinct labels based on economy size and level of industrialisation—developing countries and developed countries, industrialised countries and less industrialised countries, less or least developed economies and developed economies (IMF, 2014; World Bank, 2014b; UNCTAD, 2014). Reference to a country as developing, underdeveloped, less developed or least developed "connote the existence of an agreed

social arrangement which establish a conspicuous distinction between developed and developing countries in which the latter are marked tacitly as inferiors" (Oliva & Stringari, 2014:13&14). Branding is one reason there is always a growing gap between developing and developed countries (Shahid, Shafique & Shokat, 2012:13).

Mintz and Tauxe (2013:4) note that every year from 2007 through 2011, at least 20 African countries reported more than 100 000 cases of cholera to the World Health Organization (WHO). Tuberculosis remains one of the world's deadliest communicable diseases. In 2013, an estimated 9 million people developed tuberculosis and 1.5 million died from the disease, 360 000 of whom were HIV-positive (WHO, 2014a). The African region has approximately 25 percent of the world's tuberculosis cases, and the highest rates of cases and deaths relative to population i.e. 280 incident cases per 100 000 on average, more than double the global average of 126, WHO says. Africa accounted for about four out of every five HIV-positive tuberculosis cases and tuberculosis deaths among people who were living with HIV.

According to WHO (2014b:x), 198 million cases of malaria occurred globally in 2013 and the disease accounted for 584 000 deaths. The burden is heaviest in Africa, where an estimated 90 percent of all malaria deaths occur, and in children aged under 5 years, who account for 78 percent of all deaths (WHO, 2014b:x). The Joint United Nations Programme on HIV and AIDS (UNAIDS) estimates that by the end of 2013, there were 35 million people living with HIV globally of which 70 percent or 24.5 million of them were in sub-Saharan Africa (UNAIDS, 2014; World Bank, 2014a). The HIV pandemic disproportionately affects sub-Saharan Africa, where 70 percent of all new HIV infections occurred in 2012 (UNAIDS, 2013:12). As evident in Table 2.2 below, of the 46 out of the 54 countries in Africa whose sources of funding for national HIV response were analysed in 2013, the majority were found to be at least 75 percent dependent on international resources (UNAIDS, 2013:74). This means that most countries in Africa are only capable of meeting only up to 25 percent of their public health budgetary requirements with respect to the HIV and AIDS scourge. In addition, the West African sub-continent suffered the worst Ebola epidemic in history to date between 2014 and 2015. The hardest hit countries were Sierra Leone, Guinea and Liberia. Media reports state that Ebola claimed almost 10 000 lives in the West African sub-continent.

Table 2.2: Dependence of African countries' national HIV response on international resources

0-25 Percent	25-49 Percent	50-74 Percent	75-100 Percent
Algeria, Botswana*, Gabon Seychelles*, South Africa*	Angola*, Cape Verde, Egypt, Mauritius*, Morocco, Namibia*	Benin, Cameroon, Chad, Congo, Madagascar*, Niger Nigeria, Swaziland*, Tanzania*, Togo	Burkina Faso, Burundi, Central African Republic, Comoros, Democratic Republic of Congo (DRC)*, Côte d'Ivoire, Eritrea, Ethiopia, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Malawi*, Mali, Mauritania, Mozambique*, Rwanda, São Tomé and Príncipe, Senegal, Somalia, Tunisia, Uganda, Zambia*, Zimbabwe*
5 Countries	**6 Countries**	**10 Countries**	**25 Countries**

Countries with a * are members of the SADC.
Source: Adapted from UNAIDS (2013:74)

Media stories on the outbreaks of these epidemic diseases do not give a positive image to the African continent. Save for a few countries like South Africa and those in North Africa, most countries in the continent rely on international donors to fund the prevention and treatment of these diseases. This means that the majority of countries in Africa are incapable of guaranteeing public health with their own resources. The World Economic Forum (WEF) acknowledges that a country's public health delivery system determines the nation's global competitiveness (WEF, 2014, 2016).

2.2.1.1.3 Effect of civil war, genocide and political instability on Africa's image

Africa is associated with civil war (Marandu, Amanze & Mtagulwa, 2012; Klufio, 2011; FutureBrand, 2011). Many countries in Africa have at one point or another, after gaining their political independence, experienced civil war. Examples of such countries are Ethiopia, Sudan, Nigeria, Uganda, Rwanda, Angola, Sierra Leone, Liberia, Guinea, Somalia, South Sudan, and Mozambique. The continental image was soiled and its reputation remains muddied today by the Rwandan genocide, which took place in the mid-1990s. About 1 million Tutsis and moderate Hutus were brutally murdered in one of Africa's and the world's worst man-made disasters in modern history (see e.g. Christian Aid, 2004; Graybill, 2002; Hintjens, 1999; Longman, 2001; Omar & de Waal, 1994; Verwimp, 2004). For some people, mention of names such as "Africa", "Rwanda", "Hutu" or "Tutsi" may evoke memories of the genocide but genocides have been committed in other places as well. Genocide has taken place in other parts of the world before, for example, during World War II between 1939 to 1945 and the disintegration of the former Yugoslavia in the 1990s (Balorda, 2013; Gibbs, 2015; Maxwell & Ross, 2011). Consequently,

notwithstanding its dismissal by politicians in conflict affected countries (Fund for Peace, 2014:8) a notable default country brand tracking index, the Fragile States Index (FSI), reviewed in Chapter 3 and 5 of this thesis is motivated and justified by, among other reasons, such disastrous historical events driven by human heartlessness.

A number of armed conflicts have erupted in eastern DRC since 2000. Recently the Central African Republic was in civil war and is now under a transitional government supported by peace keepers from the United Nations. A genocide fuelled by disparities between Christianity and Islamic religions took place in the country before the current transitional government was installed. A civil war is raging in Libya where there are now two governments, one in the country's capital city of Tripoli and another in the country's second largest city, Benghaz. "Political instability in Africa, which also underpins the economic development often, has strong links to internal especially leadership and external special interests time and again" (Ong'ayo, 2008:5).

Referring to the civil war in Africa's and the world's youngest nation of South Sudan, a western diplomat says: "It's very clear most of the leaders do not care about the people; it is not a country with an army but an army with a country" (Manson, 2014:2). Egypt has been experiencing civil strife since the Arab spring in 2011. Nigeria is under threat from Boko Haram which has killed and maimed hundreds of people in recent years. Now armies from three African nations – Nigeria, Chad, and Cameroon – are engaging Boko Haram militants in Nigeria since the militants have sometime carried out terrorist activities in the other two countries.

The North African region continues to be affected by political turbulence which has affected the competitiveness of individual countries (WEF, 2013a:40). The WEF notes that economies that are significantly affected by unrest and political transformation and their neighbouring countries tend to drop or stagnate in terms of national competitiveness. For instance, the failing security situation in Egypt and persistent political instability are undermining the country's competitiveness and its growth potential in future (WEF, 2013a:42).

Civil strife, a substantial weakening in the state's ability to enforce the law and other characteristics of conflict-affected states, often brings about a substantial worsening of the conditions in which

the private sector operates (World Bank, 2014b:6). Images of civil strife and especially civil war characterised by mass beatings, rape, killings and wanton destruction of property, play out to the emotions of people. Investors, just like other people, form perceptions on places based on what they have heard, seen or read in the media during periods of civil strife and war. Six African countries – Somalia, South Sudan, Central African Republic, Sudan, Chad, and the DRC – are among the most fragile in the world (Very Higher Alert) and four others, Burundi, Guinea, Nigeria, and Zimbabwe are in the High Alert (second most fragile) clusters of the FSI (Fund for Peace, 2016:7).

2.2.1.1.4 Effect of underdevelopment on Africa's image

Africa is the least developed of the planet's five continents. For instance, none of the 36 economies included in the 2014-2015 Global Competitiveness Index (GCI) out of the 54 in the continent are in the innovation-driven stage of economic development, which is the equivalent of the developed or industrialised countries stage in the other classifications. As shown in Table 2.3 below, most African economies are in the factor-driven stage and the number of countries keeps thinning progressively from those in the "transition from factor-driven to efficiency-driven economies", "efficiency-driven economies", and "transition from efficiency-driven to innovation-driven economies". The GCI assumes that the first stage of economic development is the factor-driven stage, wherein the economy is factor-driven and countries compete based on their factor endowments mainly unskilled labour and natural resources (WEF, 2014:9). Countries are able to maintain competitiveness at this stage of development primarily basing on well-functioning public and private institutions, a well-developed infrastructure, a stable macroeconomic environment, and a healthy workforce that has received at least a basic education, WEF adds.

Table 2.3: Stages of development for selected African economies

Stage 1: Factor-Driven Economies	Transition from Stage 1 to Stage 2 Economies	Stage 2: Efficiency-Driven Economies	Transition from Stage 2 to Stage 3 Economies	Stage 3: Innovation-Driven Economies
Burkina Faso, Burundi Cameroon, Chad, Côte d'Ivoire, Ethiopia, Gambia, Ghana, Guinea, Kenya, Lesotho*, Madagascar*, Malawi*, Mali, Mauritania, Mozambique*, Nigeria Rwanda, Senegal, Sierra Leone, Tanzania*, Uganda, Zambia*, Zimbabwe*	Algeria, Angola*, Botswana*, Gabon Libya	Egypt, Morocco, Namibia*, South Africa*, Swaziland*	Mauritius, Seychelles	

* = SADC member countries
DRC was not yet to be included in GCI sample
Source: WEF (2014a:11)

Ong'ayo (2008:5) argues that there is no explanation for the underdevelopment of Africa while it sits on vast natural resources. Nigerian historian and/or political scientist, Ojo (2015:128), laments that dependency or modernisation theorists have overstressed the role of exogenous factors, especially the Atlantic slave trade and colonialism, in the underdevelopment of Africa. While modernisation theory partly explains why Africa is underdeveloped, endogenous "factors, particularly systemic corruption and vampirism, utter disregard for democratic ideals and the sit-tight syndrome, political instability and pervasive civil wars have rendered African states economically and technologically immobile since independence" (Ojo, 2015:129). Another possible explanation for the continent's underdevelopment is its history of extraction, symbolised by the slave trade and colonialism (Nunn, 2006:2). Many African scholars lament that the political instability in Africa, which also underpins the economic development often, has strong links to internal especially leadership and external special interests (Alemazung, 2010; Ong'ayo, 2008) and neo-colonialism (Hrituleac, 2011:13). As a result, Africa's resources have never been its blessing but a curse (Ong'ayo, 2008:5). Alao (2007:4) argues that controversies surrounding natural resources in Africa have led to many new conflicts while bringing in new and complex dimensions to existing ones. Europeans played a role in promoting political instability (Nunn,

2006:6). Nunn further argues that recent empirical research shows that a country's history of state of development is an important determinant of current economic performance.

2.2.1.1.5 Effect of corruption on Africa's image

Corruption has become endemic in Africa. The second-most problematic factor for doing business in sub Saharan Africa is corruption (WEF, 2012:41). Among the most corrupt countries in Africa WEF mentions are Benin, Burundi, Burkina Faso, Cameroon, Chad, Cote d'Ivoire, Ethiopia, Ghana, Guinea, Kenya, Madagascar, Mali, Mauritania, Morocco, Mozambique, Nigeria, Swaziland, Tanzania, Zambia, and Zimbabwe. Corruption affects the flow of investment into a destination (Al-Sadig, 2009; Kalamova & Konrad, 2010). Greater barriers to entry are correlated with higher perceived corruption and a larger informal sector (World Bank, 2009:11). There is also a positive association between improvements in doing business indicators and improvements in rule of law and control of corruption (World Bank, 2013:15).

2.2.1.1.6 Human development and its implications for Africa's image

Considering the current challenges facing Africa summarised above, its people have the least opportunities for progress. The Human Development Report of the United Nations Development Programme (UNDP), published in 2014, reveals that Sub-Saharan Africa has the lowest regional Human Development Index (HDI) value in the world, 0.502 (UNDP, 2014:33). The HDI is a composite index measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living (UNDP, 2014:171). It basically measures the chances that people have during their lifetime i.e. life expectancy at birth (measured in years), mean years of schooling, expected years of schooling, and gross national income per capita, which are aggregated into an HDI value (UNPD, 2014:34). The index has implications for measuring human development or progress and formulating policies. African countries, therefore, cannot afford to ignore the insight offered by the HDI in rebranding themselves to attract FDI. The HDI categorises countries into four groups: very high human development, high human development, medium human development, and low human development. Given the Sub-Saharan Africa's low HDI value, the majority of countries in this region should be in the low human development cluster.

2.2.1.2 Place branding: A solution to African nations' image challenges

Africa as a continent is persistently being negatively portrayed in the literature with characterisation that focus on issues such as poverty, underdevelopment, famine and corruption (Osei & Gbadamosi, 2010:296), disease, economic mismanagement, political instability, and civil war. African nations need to address the entrenched negative perceptions that plague them, whether or not those views accurately reflect reality (Klufio, 2011:3) hence they have to brand themselves (Wanjiru, 2005:93). Wanjiru suggests that branding would enable the countries to be identified individually with distinct cultures, history and mentality rather than the current view of them as a homogeneous mass with the same image. Many people, including celebrities and politicians, in developed countries tend to generalise problems in one country or a few countries in Africa to the whole continent and this tends to give all African countries a negative image and reputation.

Despite the gloomy picture painted on Africa in the literature, the continent has many investment opportunities (Osei & Gbadamosi, 2010:290) including power, natural resources, agriculture, tourism, and real estate. The massive differences in the continent's geography, peoples, cultures and economies cannot be underrated—nor can the enduring effect of historical and cultural issues that cut across borders (FutureBrand, 2011:77). In fact, the African situation is not as bleak as portrayed in the media (Ong'ayo, 2008:2). In June 2013, the United States of America (USA) government announced Power Africa – a project to double the number of people in sub-Saharan Africa with access to power. The USA government has committed more than US$7 billion in financial support and loan guarantees for the first phase over 2013–2018, which has influenced private sector partners, many of them transnational companies, to invest over US$14.7 billion in the power sectors of the target countries (UNCTAD, 2014:81). Due to the abundance of natural resources in Africa, there are substantial opportunities for foreign investment in extractive industries in the continent. Foreign investment in African natural resources is well documented (Osei & Gbadamosi, 2010:290). The Japannese government has established a US$2 billion support instrument for its transnational corporations to invest in natural resource development projects in Africa. One of the projects earmarked for support is Mitsui's investment – expected to be worth US$3 billion – in natural gas in Mozambique (UNCTAD, 2014:81).

As evident from UNCTAD (2017) world FDI inflows for the six -year period ending 2016, Africa's inflows have shrunk from US$78 billion in 2012 to US$59 billion in 2016 (Table 2.4 below). While the continent's FDI inflows grew between 2011 and 2013, its share of total global inflows remains too small. Comparing FDI flows to Africa to those of other geographical regions in the last six years (Table 2.4), the continent occupies a weak FDI position on the planet. The generally unfavourable FDI position of countries in Africa is worsened by the absence of reputable industries producing brand exports. Countries generate enviable country-of-origin brand (COOB) reputation from their brand exports (Laforet, 2010; Anholt-GfK Roper, 2009) yet common FDI opportunities in African nations are in natural resources, commodities and tourism (Osei & Gbadamosi, 2010; UNCTAD, 2014). Jacobsen (2009:70) decries that supply-side strategies have contributed to the homogeneity (commoditisation) of places which economic development professionals try to solve by creating place brands. In the last four years ending 2016 "FDI flows to Africa continued to slide, reaching $59 billion, down 3 percent from 2015, mostly reflecting low commodity prices" (UNCTAD, 2017:x).

Table 2.4: FDI inflows in US billions of dollars by group of economies and region (2011 to 2016)

Group of economies/region	2011	2012	2013	2014	2015	2016
World	**1591**	**1593**	**1443**	**1324**	**1774**	**1746**
Developed economies	**824**	**857**	**684**	**563**	**984**	**1032**
Europe	485	541	340	272	566	533
North America	270	242	271	231	390	425
Developing economies	**688**	**671**	**675**	**704**	**752**	**646**
Africa	66	78	75	71	61	59
Asia	426	401	422	460	524	443
Latin America & the Caribbean	194	189	176	170	165	142
Oceania	2	4	3	2	2	2
Transition economies	**79**	**65**	**84**	**57**	**38**	**68**

Source: UNCTAD (2017:222-225)

Negative brand reputation has not been helpful to brand "Africa" in terms of attracting foreign investments (Osei & Gbadamosi, 2010:297). "Stereotypes about a country may be used as a heuristic or a source of information about the quality of a country as an investment location" (Kalamova & Konrad, 2010:401). A strong country brand helps to increase investment

(Fetscherin, 2010:475). The overall FDI inflows to Africa seem to indicate that most of the 54 economies in the continent are viewed negatively because they are failing to attract higher inward FDI.

2.2.2 Overview of SADC as a place brand

2.2.2.1 Historical background of SADC

The SADC is a regional trade integration bloc founded in 1992 by Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe (SADC Treaty, 1992). Now the SADC has 15 member-countries with additional ones being the DRC, Madagascar, Mauritius, Seychelles, and South Africa. SADC's vision is to build a region in which there will be a high degree of harmonisation and rationalisation, to enable the pooling of resources to achieve collective self-reliance in order to improve the living standards of the people of the region (SADC, 2017a). The mission of the SADC is to promote sustainable and equitable economic growth and socio-economic development through efficient productive systems, deeper co-operation and integration, good governance, and durable peace and security so that the region emerges as a competitive and effective player in international relations and the world economy (SADC, 2017a). The main objectives of the SADC are to achieve economic development, peace and security, and growth, alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa, and support the socially disadvantaged (SADC, 2017a). These objectives are to be achieved through increased regional integration, built on democratic principles, and equitable and sustainable development (SADC, 2017a). The SADC also has a Protocol on Finance and Investment that defines the goals of investment promotion agencies in the region as, among others, to develop a favourable investment image of their countries and make recommendations for improvements of their countries as investment destinations.

A predecessor of the SADC was the Southern African Development Coordination Conference (SADCC). The SADCC was formed by majority-ruled states in Southern Africa in 1980—Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe to advance the cause of national political liberation in Southern Africa and to reduce dependence

particularly on the then apartheid South Africa through effective coordination of utilisation of the specific characteristics and strengths of each country and its resources. The SADCC was subsequently formalised by means of a Memorandum of Understanding (MOU) on the Institutions of the SADCC on the 20th of July 1981 (MOU on the Institutions of the SADCC, 1981). Namibia and South Africa at that time were still under minority rule. Given the purpose of the SADCC, the organisation longed for a more positive regional brand position in economic and public diplomacy terms than the one it was occupying.

The SADC has a lengthy history. Its forerunner, the SADCC, had its own predecessor also—the Frontline States. The Frontline States was a loose political coalition established in 1976 by the then seven majority-ruled countries in Southern Africa—Angola, Botswana, Lesotho, Mozambique, Swaziland, Tanzania, and Zambia. Its goal was to assist liberation movements in three countries in the subcontinent – South West Africa (now Namibia, which was under the settler occupation of then apartheid South Africa), South Africa, and Rhodesia (now Zimbabwe) – which were still fighting for self-determination to intensify their political and armed campaigns. Table 2.5 below shows years marking the onset and end of colonial rule in 12 of the 15 SADC countries.

Table 2.5: Onset and end of colonialism in selected SADC countries

Country	Main colonial power(s)	Onset of colonial domination	End of colonial domination	Years of colonial domination
Angola	Portugal	1573	1975	402
Botswana	United Kingdom (UK)	1885	1966	81
Congo, DR	France	1879	1960	81
Lesotho	UK	1845	1966	121
Madagascar	France	1642	1960	104*
Malawi	UK	1885	1965	79
Mozambique	Portugal	1505	1975	470
South Africa	Netherlands/UK/Settler	1652	1994	342
Swaziland	Settler/UK	1880	1968	88
Tanzania, UR	Portugal/UK/Germany	1502	1963	339*
Zambia	UK	1889	1964	75
Zimbabwe	Portugal/UK/Settler	1560	1980	225*

Notes: In some areas interruption(s) of colonial domination took place. In these cases (marked by *), there are fewer "years of colonial domination than the subtraction of the year of the onset from the year of end of colonialism".
Source: Adapted from Ziltener and Künzler (2013:294-295)

Southern Africa at that time was in turmoil. Besides the liberation wars raging in the three above-stated countries, there were civil wars in two of the then newly-independent Frontline States of Angola and Mozambique. Both countries are former Portuguese colonies and attained their independence in 1975. In Mozambique, the civil war was to continue until 1992 and in Angola until 1998. Angola relapsed into civil war after its United Nations monitored general elections of 1998 when former rebel leader of the National Union for the Total Independence of Angola (UNITA) Jonasi Savimbi rejected the results of the elections won by the Popular Movement for the Liberation of Angola (MPLA). The civil war eventually ended in 2002 when Savimbi was killed by government troops in the central-eastern province of Moxico.

Zimbabwe gained political independence in 1980 and became a founding member of the SADCC. The country experienced political disturbances in its Midlands and Matabeleland Provinces until 1987 when the government of the Zimbabwe African National Union (ZANU) Patriotic Front (PF) signed a unity accord with the then PF Zimbabwe African People's Union (ZAPU). From independence, Zimbabwe experienced political disturbances in its eastern borders with Mozambique until 1992. During the Mozambican civil war, guerrillas of the Mozambique National Resistance Movement (RENAMO) who were fighting the government of the ruling Front for the Liberation of Mozambique (FRELIMO) frequently crossed into Zimbabwe to terrorise villagers along the border. Zimbabwe was sucked into that civil war as it relied on the Beira Corridor for its fuel imports. Its army was guarding the pipeline running from the Port of Beira in Mozambique to Ferruka Oil Refinery in Mutare, Zimbabwe.

The liberation and civil wars being fought in Southern Africa at that time and civil wars raging in other parts of the developing world were not helped by the geopolitical configuration of the time, Cold War. The Cold War was mainly an ideological war between the West, led by capitalist USA, and the East, led by then communist Union of Socialist Soviet Republics (USSR). Cold war escalated an arms race between the USA and the USSR and pushed the world towards the brink of nuclear extermination. The civil wars in Southern Africa and other parts of the developing world during the Cold War period were, to some extent, proxy wars between the West and East. The Eastern bloc morally and materially supported the resistance against colonialism.

Namibia attained majority rule in 1990 and just in time became a founding member of the SADC, which was formed in 1991. South Africa attained independence in 1994 and became a member of the SADC the same year. Comparing the Southern Africa of the period before 1994 and that of today, which has all countries in the region as SADC members, the brand image of the subcontinent is now totally different. The background of SADC as a place brand today should, to some extent, be assessed within the broad context of colonialism and nationalism in Southern Africa and the geopolitical configuration before 1990, when the USSR disintegrated and Cold War ended. It is also fundamental to understand the SADC within the context of its economic performance in the last 17 years ending December 2015. Being an African entity, the economic performance of the SADC also needs to be understood from the perspective of the negative brand image of Africa as a continent.

2.2.1.2 SADC as a social and economic brand

From a situational analysis viewpoint, the SADC does not currently occupy a strong brand position. Its weak positioning is explained from a population, GDP, business language, and estimates of AIDS and HIV prevalence.

2.2.1.2.1 SADC population, GDP size and HIV and AIDS prevalence

According to 2013 estimates, the latest available on population and GDP, the SADC has a combined population of 294.1 million and GDP of US$650.3 billion (World Bank, 2015b). Without taking into consideration the explanatory effects of other demographic variables such as poverty rates and GDP per capita of the individual SADC member countries, the region's population and GDP size make it a significant market for goods and services. However, the image of the SADC as a regional brand is tainted by its high HIV and AIDS prevalence rate. Of the 24.5 million people living with HIV in Sub-Saharan Africa, which translates to 70 percent of global share, 14.5 million or 59.2 percent of them live in the SADC (UNAIDS, 2014). The brand position of the SADC is further weakened by the fact that most of its member countries depend on international donors for about 75 to 100 percent of the budget for their national HIV response (UNAIDS, 2013:74).

2.2.1.2.2 Business languages of SADC countries: Psychic distance

There are three languages of business in the SADC—English, French and Portuguese. These languages are the footprints of the United Kingdom, France, Belgium, and Portugal—the European countries which colonised countries in Southern Africa. As shown in Table 2.5 below, 10 of the 15 SADC countries use English as their language of commerce, three use French and two use Portuguese.

Although there is a scarcity of published literature on the impact of psychic distance (with language as one of the elements) on trade integration among SADC economies, it is likely that this is having an influence considering the performance disparities and possible solutions. Zimbabwe and Angola, which even have a bilateral trade agreement, are an example. Angola's economy grew from a humble US$6.4 billion in 1998 to US$102.6 billion in 2015 (World Bank, 2017; **Table 3.19 in Chapter 3**) (the 2015 statistics are preliminary hence may change). This presents remarkable export opportunities to fellow SADC countries through the SADC Protocol on Trade since the country largely relies on imports to meet its food and other basic requirements. On the contrary, Zimbabwe's economy grew from US$6.4 billion in 1998 to US$14.4 billion in 2015 and has the lowest mean GDP growth rate in the SADC, minus 0.73 percent over the last 17 years ending 2015 (World Bank, 2017; **Table 3.19**). Considering that Angola is hardly 1 000 kilometres from Zimbabwe, which is geographically close, one may wonder why Zimbabwe is not taking advantage of this factor to grow its struggling economy.

There is a huge psychic distance between the two countries—language in particular (See Table 2.6). While Zimbabwe was at some point under the Portuguese during the 225 years it was colonised (Ziltener & Künzler, 2013:295), it is the British who made a lasting cultural impression on the country. Today Zimbabweans are generally eloquent and proud English speakers. Many Zimbabweans would even jeer anyone who breaks English grammar rules! Basing on the failure by the country's businesses to penetrate Mozambique, Angola, the DRC, it is clear that too few Zimbabweans are prepared to learn other European languages like Portuguese and French yet these have immediate trade integration benefits for their country and its SADC trading partners. Angola was under Portugal's imperial rule for 402 years (Ziltener & Künzler, 2013:294). "Portuguese is the official language and Angolans are very proud of it and very few of them have been exposed

to the English language or are confident to communicate in English…" (ZimTrade & Africa Corporate Advisors, 2014:33).

Given the huge GDP disparities between Angola and Zimbabwe in favour of the former, it is obvious that it is citizens of the latter who should take the initiative to learn Portuguese to grow bilateral trade between the two countries. However, Zimbabweans' reluctance to learn Portuguese demonstrates how cultural imperialism has helped to entrench a false sense of linguistic superiority and psychic distance among Africans only a stone's through from each other.

Table 2.6: The business languages of SADC countries

Language	Countries	Total Countries using Language
English	Botswana, Lesotho, Malawi, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe[a]	10
French	DRC[b], Madagascar[c] and Mauritius[c]	3
Portuguese	Angola and Mozambique[d]	2

Legend: [a] = UK former colonies, [b] = Belgium former colony, [c] = France former colonies, [d] = Portugal former colonies.
Note: Mauritius also speaks English.

2.2.3 BRICS as a diplomatic brand

Public diplomacy, international relations or governance is one of the focus areas of nation branding (Anholt, 2005a; Anholt GfK-Roper, 2014b; Bloom Consulting, 2013; Dinnie, 2009; Matiza & Oni, 2013) alongside people, culture, tourism, exports, pride, and investment. Given the geographical dispersion of its members, the BRICS does not quite fit the description of a place brand but a diplomatic-political outfit, and diplomacy and politics are part of the governance construct. Brazil is located in South America, the Russian Federation (is in Eastern Europe), India and China (in Asia), and South Africa (in Africa). According to the Nation Brands Index (NBI), the governance dimension includes perceived competency and honesty of government, respect for citizens' rights and fair treatment, as well as global behaviour in the areas of international peace and security, environmental protection, and world poverty reduction (Anholt, 2005a; Anholt GfK-Roper, 2009b, 2016a).

2.2.3.1 Historical background of BRICS

Brazil, Russia, India and China were originally grouped by Jim O'Neil as BRICs in 2001 (Gauteng Province Provincial Treasury, 2013; Singh & Dube, n.d.). These emerging economies were forecast to grow faster and overtake some of the developed economies by year 2050. With a GDP of US$11 trillion for the year 2015 (World Bank, 2017), China has already moved to be the planet's second biggest economy after of the USA. Save for South Africa, the economic growth of Brazil, Russian Federation, India, and China is expected to influence a new global economic order that will replace the current one dominated by developed countries. These four economies officially became a diplomatic-political entity called BRIC in 2006 (Gauteng Province Provincial Treasury, 2013; Singh & Dube, n.d.). As already stated, public diplomacy is one of the six focus areas of nation or country branding.

South Africa officially joined BRIC in 2011 and the acronym immediately changed to BRICS. However, its joining of the BRICS is receiving mixed reactions. South Africa has to guard against cheaper imports that could impact negatively its locally produced goods resulting from the relationship with the BRICS group (Gauteng Province Provincial Treasury, 2013:4). In addition, as evident from the country's detailed FDI brand situational analysis presented in the next chapter, South Africa has the smallest economy and lowest annual GDP growth rate (World Bank, 2017). South Africa also has the highest total number of people living with HIV and AIDS and highest HIV percentage prevalence among adults aged 15 to 49 (UNAIDS, 2013) among BRICS countries (**Table 3.2 in Chapter 3**). The country will nonetheless profit from its BRICS affiliation through increased trade and the flow of FDI (Gauteng Province Provincial Treasury, 2013:4).

The original four BRICS economies occupy distinct brand positions. Brazil is the garden of the world, Russia is the gas station of the world, India is the back office of the world, and China is the factory of the world (Gauteng Province Provincial Treasury, 2013; Kahn, 2011). South Africa joined the BRICS as the jeweller of the world and gateway to Africa (Gauteng Province Provincial Treasury, 2013; Kahn, 2011; Kotler & Keller, 2016). Although high sounding, South Africa's dual position in the BRICS does not seem to give the country sustainable brand reputation. Kenya is turning into a favoured business hub for oil and gas exploration, manufacturing and transport in

Eastern Africa (UNCTAD, 2014:xix). In addition to South Africa, Kenya is also positioning itself as an outstanding performer in innovation in Sub-Saharan Africa (Cornell University, Institut Européen d'Administration des Affaires & World Intellectual Property Organization, 2015:xviii). So it remains to be seen whether fellow BRICS countries will always explore trade and investment opportunities in Africa via South Africa.

2.2.3.2 Socio-economic overview of BRICS

BRICS countries have a combined population of 3.6 billion (World Bank, 2015b) which makes it the biggest regional diplomatic entity in the world in terms of population. An estimated 9.7 million people in the BRICS are living with HIV and AIDS (UNAIDS, 2013). Except for India which did not have recent disaggregated data, all other BRICS nations are able to mobilise domestically 75-100 percent of the financial resources they need for their national HIV response.

BRICS economies share the challenge of infrastructure deficiency (Singh & Dube, n.d; Berardinelli, de Queiroz, Paz, Dalacqua & Maxnuck, 2012; Gokhberg, Kuznetsova & Zaytseva, 2012). They have now set up a BRICS development bank to help address the problem of infrastructure and sustainable development (Griffith-Jones, 2014:4). In 2015, the preliminary aggregate GDP of BRICS countries was US$16.5 trillion of which US$11 trillion was contributed by China (World Bank, 2017). The BRICS are a toothless tiger without China (Morazán, Knoke, Knoblauch & Schäfer, 2012:13). The huge GDP positions the BRICS as a significant economic brand in world trade and potentially powerful global political entity. BRICS are using their economic weight to bring change, which is challenging the position of traditional western donors in general and the European Union in particular (Morazán *et al*., 2012:4). Russian foreign minister Sergey Lavrov says that one of the groups' desires is to reform what he calls "the outdated global financial architecture, which does not reflect the increased economic weight of the BRICS and other emerging economies" (Lavrov, 2012:12).

Despite the negative social and economic factors militating against South Africa's membership of BRICS, there is still a relatively strong business and political case for the country to remain in the

diplomatic outfit. South Africa should remain in the group to mobilise increased FDI and trade from fellow BRICS countries as an insider.

2.3 BACKGROUND OF SOUTH AFRICA

South Africa has an interesting historical and current situation marked by colonialism, apartheid, and the country's position as the most advanced but second largest economy in Africa. Below is a description of South Africa's historical and circumstantial background.

2.3.1 Historical background of South Africa

South Africa attained majority rule in 1994. The country had been under colonial domination for 342 years initially by Netherlands, then the UK and lastly by settlers (Ziltener & Künzler, 2013:195). From 1994 to date, the country has held five general elections the last one of which was conducted in April 2014. General elections in South Africa have to date not been characterised by irregularities and allegations of fraud that have marred elections in other countries of Africa such as Nigeria, Kenya, Egypt, the DRC, and Zimbabwe. So, the manner in which South Africa manages its elections may be helping to project a positive image for the country.

2.3.2 Geographical and social description of South Africa

South Africa is situated in the southernmost end of the African continent extending from Cape Agulhas in the south to the Limpopo River in the north. It covers an area of 1.2 million square kilometres and shares borders with Mozambique and Swaziland in the north east and Zimbabwe, Botswana and Namibia in the north. To the east, south and west, the country borders the southern Indian and Atlantic oceans, with a coastline stretching some 2 968 kilometres. South Africa completely surrounds the tiny Kingdom of Lesotho.

South Africa has an estimated population of 53 million (World Bank, 2015b) of which 31.3 percent survive on less than US$2 a day. An estimated 6.3 million people in South Africa live with the HIV and AIDS (UNAIDS, 2013). This is the highest number that any one country in the SADC

has of people living with HIV in absolute terms. However, South Africa has an advantage in that it is able to meet up to 75 percent of the financial resources needed in its national HIV response (UNAIDS, 2013:74).

Black people in South Africa meet discrimination and exclusion because of long-lasting, historic cultural and social practices (UNDP, 2014:6-7) such as racism, apartheid and colonialism (Oliva & Stringari, 2014:65). In 2015, South Africa, regarded as a medium human development country, was ranked 119 out of 188 countries included in the 2016 edition of the UNDP's Human Development Report (UNDP, 2016:199). The country had an aggregate HDI value of 0.666, which is 0.143 higher than the HDI value of 0.523 for the Sub-Saharan Africa region (UNDP, 2016:199&201; **Table 3.11, Chapter 3)**. Nonetheless, the country should be concerned about the low life expectancy (56.9), which denotes low quality of life, and also low mean years of schooling (9.9) and expected years of schooling (13.1) (UNDP, 2014:161). The low mean years of schooling and expected years of schooling shows that the country has a weak foundation for educational and skills development. South Africa should also be concerned with the perceptions about individual well-being especially on healthcare quality (46 percent satisfied), standard of living (27 percent satisfied), labour market (29 percent answering good), effort to deal with the poor (25 percent satisfied), and trust in national government (43 percent satisfied) (UNDP, 2014:222). A study carried out by Oliva and Stringari found that South Africa is mainly perceived by the online community as a country afflicted with numerous social conflicts. "The most recurrent semantic field found in the comments is 'social problems' which encloses entries related with crime, violence, poverty, inequality, sexual assaults, racism and discrimination" (Oliva & Stringari, 2014:63). This is consistent with the country's performance in the 2016 Social Progress' personal safety (41.84 percent) and health and wellness (45.63 percent) sub-categories **(Table 3.8, Chapter 3)**.

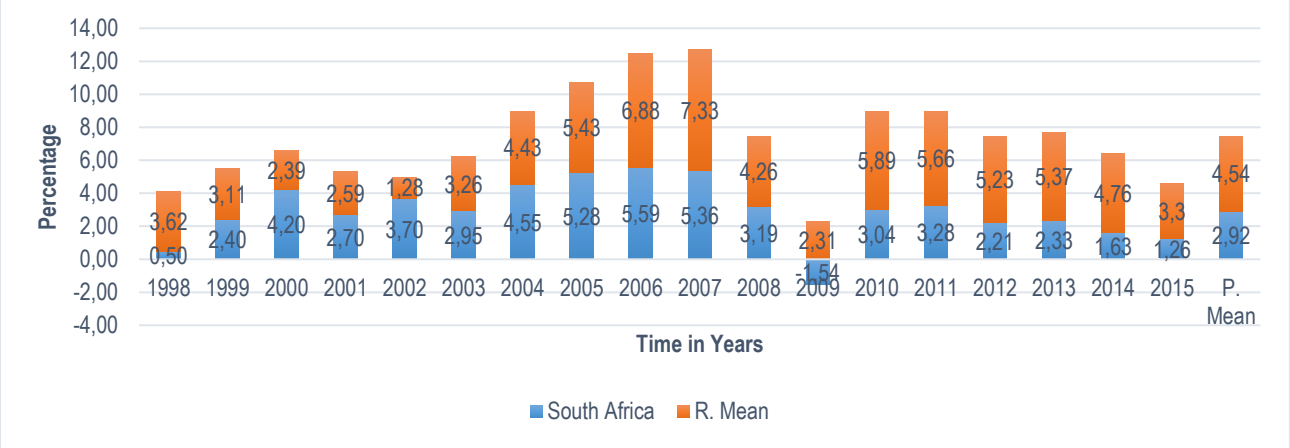
2.3.3 Economic situation of South Africa

South Africa shares the African continent's heritage of plentiful natural resources, which has underpinned its economy for centuries. The country is endowed with a variety of natural resources including minerals, ranging from precious metals to precious stones and coal. South Africa is the

biggest producer of gold and platinum group metals in the world, the fifth producer of diamonds, and fourth producer of hard coal (UNIDO, 2003:3). In addition, South Africa has a number of sea ports the major ones of which are Durban, Port Elizabeth, and Cape Town, which provide the gateway for merchandise imports for and exports from many countries in Southern and Eastern Africa.

For the 17 years ending December 2015 South Africa's economy grew by an average of 2.92 percent per annum compared to the SADC's mean GDP growth rate of 4.3 percent for the same period (see Figure 2.1 below). The country only managed to surpass the SADC annual GDP growth rate in 2000, 2001 and 2002, which is rather unsatisfactory performance considering that South Africa is the biggest economy in the region.

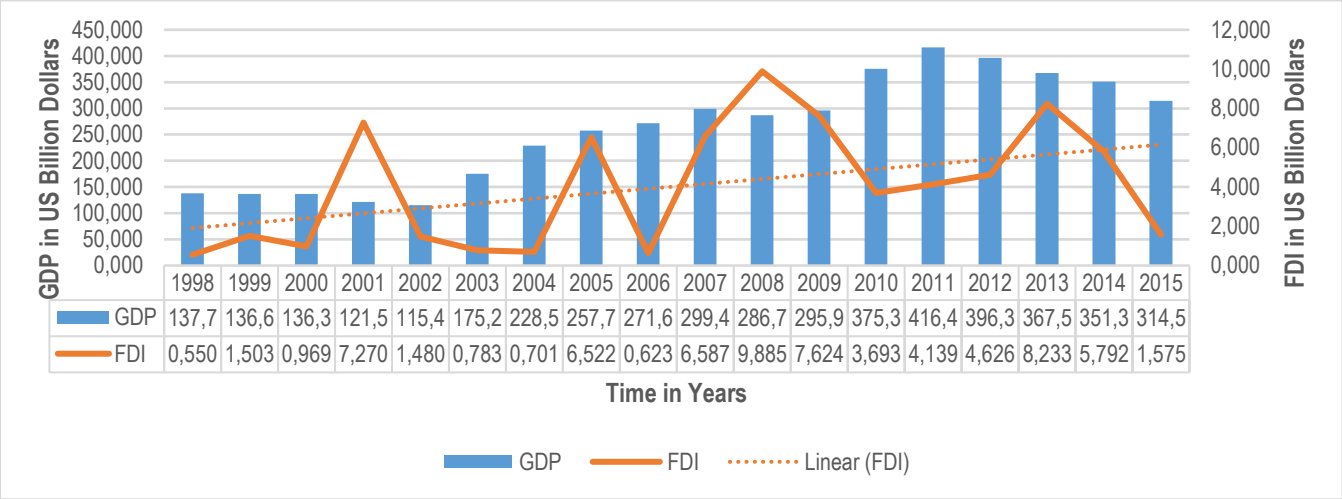
Figure 2.1: South Africa and SADC percentage GDP growth rates for period 1998 to 2015



Source: World Bank (2017)

Figure 2.2 below shows the annual GDP and inward FDI statistics for South Africa for the 18-year period ending December 2015. As evident in the figure, the behaviour of the country's FDI inflows in relation to GDP has proven to be highly unpredictable. Inward FDI declined with declining GDP in 2000 and 2001; rose in 2002 while the economy continued to slide; and shrunk as the economy grew in 2005, 2006, 2009, 2010, and 2012.

Figure 2.2: GDP and FDI inflow of South Africa for period 1998 to 2015 in US Billion Dollars



Source: World Bank (2017)

According to the SADC website, South Africa has the most advanced economy on the African continent, with a sophisticated financial system that includes one of the top 10 stock exchanges in the world, and well-developed physical, telecommunications, and energy infrastructures (SADC, 2017b). The country has deep and liquid capital markets, which can raise long-term capital for the government, state enterprises and the private sector at competitive rates (South Africa National Budget 2012:11). As an emerging market in the global economy, South Africa is a competitive producer of raw commodity exports and value-added goods, such as motor vehicles (SADC, 2017b). The SADC website adds that the major sub-sectors of the manufacturing sector include chemicals, food, transport equipment, and iron and steel of which modern and sophisticated metal and engineering industries represent one-third of the manufacturing sector's contribution to GDP. South Africa's reliance on mining has declined and so has its degree of exposure to risk of changing global commodity prices. The country is one, and top, of the only three African countries featured in the Global Manufacturing Competitiveness Index (see Deloitte Global & US Council on Competitiveness, 2016:4)

The country's tourism industry is rapidly developing into an important generator of employment opportunities. It is presently the fourth largest economic sector in South Africa with around 700 hotels, 2,800 guest houses, and more than 10,000 restaurants (SADC, 2017b). South Africa was

ranked 3rd in sub-Saharan Africa out of 31 countries and 64th out of 140 countries included in the 2013 Travel & Tourism Competitiveness Index (TTCI) globally (WEF, 2013b:xxv). In the TTCI 2015, the country led the Sub-Saharan ranking and ranked 48th overall, driven by its rich natural (22nd) and cultural (20th) resources, a positive business environment (15th) characterised by little red tape and modest administrative burden and relatively good infrastructure compared to neighbouring countries (WEF, 2015b:22). South Africa is blessed with plentiful wildlife (25th) and many World Heritage sites (15th), which attract the attention of tourists worldwide, ranking 24th in online searches for nature-related activities, WEF states. But the country is weakly ranked in the TCCI in respect of security (119th) and health (114th), which, combined with the labour market (135th), represent the key challenges for South Africa's general competitiveness (WEF, 2015b:22). Tourism is one of the five priority sectors in the country's growth plan.

2.3.4 South Africa and the paradigm of nation branding

A country has an image and reputation whether or not it actively seeks to influence how it is seen. South Africa is one of few nations in Africa which have a deliberate and arguably well-coordinated nation branding strategy. The history of nation brand strategic thinking in South Africa dates back to the first six years of the country's independence. The country established the International Marketing Council (IMC) of South Africa in August 2000 after realising that it was important to create a positive and compelling brand image of South Africa (Johnston, 2008:5). South Africa emerged from its long history of apartheid to forge a new and vibrant society and economy that is still undergoing profound economic changes (UNIDO, 2003:3). Being a young democracy taking over from a predecessor whose foundation of governance was social injustice, the need to step up the world's correct understanding of South Africa that was so fundamental to the attraction of trade, tourism, investment, and meaningful involvement in international politics could not have been overemphasised. The mandate of the IMC was "to establish a compelling brand image for South Africa, which correctly positions the country in terms of investment potential, credit worthiness, export opportunities, tourism potential and international relations" (Johnston, 2008:5).

Through the IMC way back then and now Brand South Africa, which the IMC has transformed into, it is clear that South Africa has a deliberate, well-coordinated and resourced, evidence-based

and stakeholder-driven nation brand strategy (see South African Competitiveness Forum, 2013a-2013d, 2014; Brand South Africa & De Kock, 2013; Johnston, 2008). Brand South Africa employs a team of full-time staff which includes a research manager. The organisation commissions and carries out proprietary perception studies on the brand image of the country and also reviews a number of private international country brand tracking indexes. In addition, the country has a number of public institutions that are responsible for investment promotion such as provincial investment promotion agencies (there are nine such regional investment agencies), Industrial Development Corporation (IDC), and the Development Bank of South Africa (UNIDO, 2003:4-8).

South Africa's nation brand strategic thinking is guided by stakeholder consultations, surveys, fundamentals (statistics), and a number of existing reputed country competitiveness indices such as Global Competitiveness Index (GCI), Mo Ibrahim's Ibrahim Index of African Governance (IIAG), Human Development Index (HDI), Anholt-GfK Roper's Nation Brand Index^{SM} (NBI^{SM}), World Bank's Doing Business (South African Competitiveness Forum, 2013a-2013d, 2014; Brand South Africa & De Kock, 2013; De Kock, 2012, 2015). Considering the variety of indices used to analyse the country's FDI reputation in Chapter 3, South Africa is still relying on a limited number of proprietary indices. Nonetheless, the fact that the South African Competitiveness Forum is an initiative of Brand South Africa is evidence that South Africans realise that nation competitiveness and country branding are complementing theoretical tools in national development management (see South African Competitiveness Forum, 2013a-2013d, 2014). This is consistent with opinions of South Korean nation branding theorists (e.g. Lee, 2009, Sun, 2009).

2.4 BACKGROUND OF ZIMBABWE

Zimbabwe has a relatively long, interesting history and current situation marked by colonialism, a diverse cultural heritage, natural resource endowment, and post-independence political and economic challenges. This section describes the history and current situation of Zimbabwe.

2.4.1 Historical background of Zimbabwe

Zimbabwe gained political independence in April 1980 following a relatively prolonged armed struggle dating back to the mid-1960s. The nation had been under the yoke of colonialism initially by Portugal, then the UK and settler governments for a total period of 225 years (Ziltener & Künzler, 2013:195). Soon after gaining majority rule, Zimbabwe joined the Frontline States, the forerunner of the SADCC. Consequently, the country endured a share of the brunt of the then apartheid South Africa's repression against South African liberation movements such as the African National Congress and Pan Africanist Congress, which were operating from Frontline States and subsequently SADCC countries. Zimbabwe was one of the founding members of the SADCC and later the SADC.

The country's early years of majority rule were characterised by political disturbances in Matabeleland and parts of Midlands provinces, which ended in December 1987 with the signing of the Unit Accord between the ruling ZANU PF and then opposition PF ZAPU. In addition, Zimbabwe experienced rebel disturbances along its eastern border with Mozambique. RENAMO insurgents occasionally crossed into the country to harass villagers living along the border during the Mozambican civil war.

2.4.2 Zimbabwe's geographical and social situation

Zimbabwe is a land-locked country bordered by Zambia to the north, Mozambique to the east, South Africa to the south, and Botswana to the west. It occupies 390 757 square kilometres of land in south central Africa, between the Zambezi and Limpopo rivers (SADC, 2017b). The country lies entirely within the tropics and is part of the huge plateau which criss-crosses Africa. Parts of the country experience regular periods of drought. For instance, the 1982 to 1984 drought in Zimbabwe increased the likelihood of child stunting and delayed the school enrolment of children by an average of 3.7 months, which impaired their performance in school up to 16 years after the disaster (UNDP, 2014:73). If the 1982 to 1984 drought had such negative impacts on people certainly the one in 1992, the worst in the country's living memory, should have had much more serious impacts.

Zimbabwe has an estimated population of 14.1 million (World Bank, 2015) of which about 1.4 million are living with the HIV and AIDS (UNAIDS, 2013). This is one of the highest rates of people living with HIV in the SADC and yet UNAIDS (2013:74) says that Zimbabwe is able to mobilise locally only up to 25 percent of the money it needs to finance its national HIV response. In 2015, Zimbabwe, classified in the HDI as a low human development country, had an HDI value of 0.516, which was 0.007 below sub-Saharan Africa's HDI value of 0.523, and was ranked 154 out of 188 included in the Human Development Report for the same year **(**UNDP, 2016:200-201; **Table 3.11, Chapter 3)**. The country should be concerned about the low life expectancy (59.9), which is evidence of low quality of life, and also low mean years of schooling (7.2) and expected years of schooling (9.3) (UNDP, 2014:162), which suggest that there is a low basis for skills development. Zimbabwe should also be concerned with the perceptions about individual well-being especially education quality (62 percent satisfied), healthcare quality (58 percent satisfied), standard of living (48 percent satisfied), safety (52 percent answering yes), freedom of choice (45 percent satisfied), labour market (33 percent answering good), effort to deal with the poor (36 percent satisfied), and trust in national government (41 percent satisfied) (UNDP, 2014:222). Nonetheless, WEF's GCI shows that the country has a long way to go to improve its ratings on trust in national government. Zimbabwe is ranked 134th out of 138 countries and mean rated 1.6 on a 7-point scale ranging from 1 representing low to 7 representing high for the variable public trust in politicians (WEF, 2016:369).

2.4.3 Economic situation of Zimbabwe

Zimbabwe has an agricultural-driven economy which is, to a large extent, also driven by mining and tourism. Its major agricultural exports are tobacco, cotton and sugar. Mining contributes 4.3 percent to GDP, employs 7 percent of the country's labour force (SADC, 2017c). The country is richly endowed in minerals: over 40 minerals are being mined of which the key ones are gold, chrome, asbestos, coal, iron ore, nickel, copper, diamonds and platinum (SADC, 2017c). However, the country presently relies on an old colonial period Mines and Minerals Development Policy (Zimbabwe National Budget Statement, 2014:184). Confidence building and ability to attract investment for exploration and production into the mining sector require a clear mining

policy and requisite legal framework hence the country plans to overhaul the current Mines and Minerals Act and amend the Precious Stones Trade Act (Zimbabwe National Budget Statement, 2014:184).

The country has one of the most diversified tourism resource bases in the SADC but little tourism development has taken place since 1996 due to inadequate support and few promotional activities for the sector (SADC, 2017c). It was ranked 22nd for its rich natural resources, which have long drawn international travellers to the country, and a number of World Heritage natural sites, much nationally protected land area, and rich fauna (WEF, 2013b:26). Despite this strength, Zimbabwe was ranked 118th out of 140 countries in the WEF's TTCI 2013, an extremely low ranking for a country that was, until the early 2000s, a popular tourist destination. WEF (2013b:26) mourns that Zimbabwe's policy environment continues to be among the least supportive of travel and tourism industry development in the world (ranked 138th), with extremely poor assessments for laws related to FDI and property rights. In addition, the WEF notes that starting a business is extremely time consuming and expensive. The negative perceptions on these variables deny the country's travel and tourism sector an opportunity to grow. Tourism contributes at least 10 percent to the country's GDP (Institute of Chartered Accountants of Zimbabwe, 2010; Ministry of Tourism and Hospitality Industry, 2013; World Travel & Tourism Council, 2014) and employs over 100 000 people (Makochekanwa, 2013; World Travel & Tourism Council, 2014).

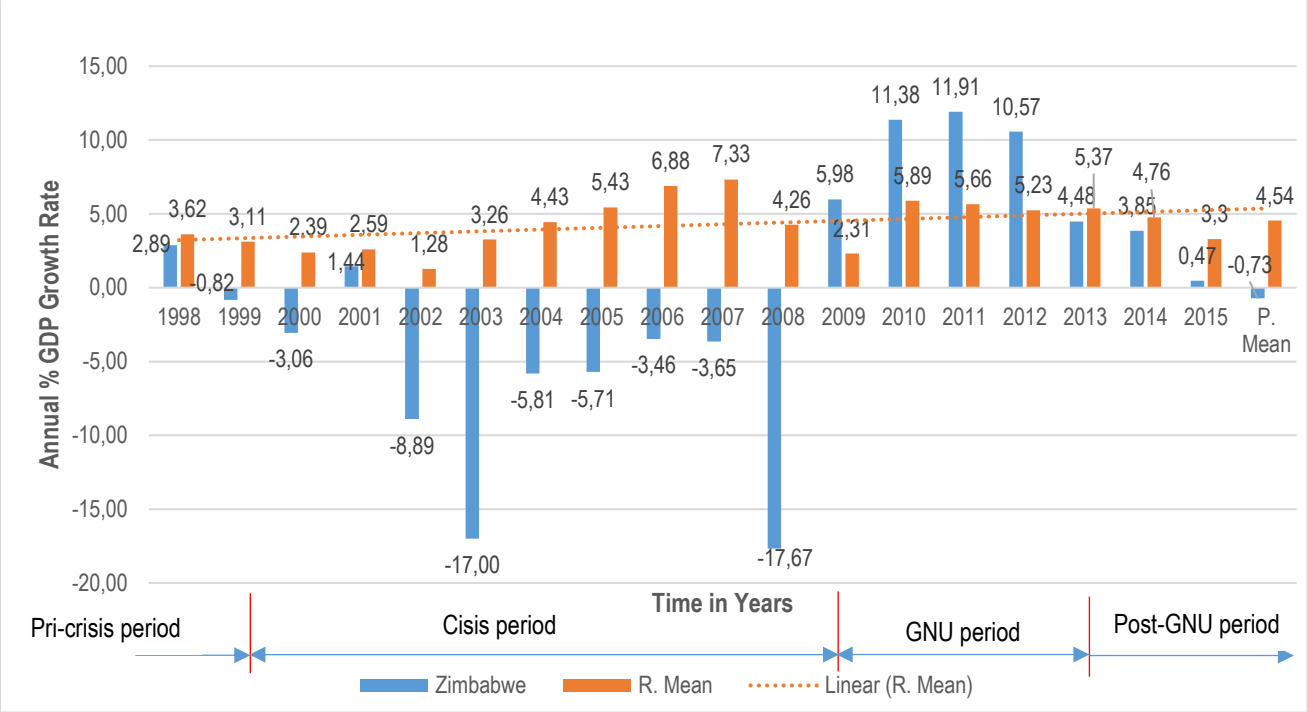
Zimbabwe experienced daunting political and economic crisis from 1999 to 2008, which impacted negatively on its economy. Before the crisis, the country had the second most advanced manufacturing sector in the SADC after South Africa's but has since lost that position. The loss can be partly attributed to the economic decline between 1999 and 2008 (Figure 2.3 below) and from then on, to capacity underutilisation, and closure of companies which the Zimbabwe National Budget Statement (2012:98) referred to as "de-industrialisation, highly informalised economy, and absence of capacity to deliver on infrastructure deficit and social services". The political and economic crisis had sustained negative effects on the country's economy resulting in cumulative fall of GDP by over 40 percent or nearly 50 percent for the 8 years ending December 2008 (African Development Bank, 2011; Confederation of Zimbabwe Industries, 2010; Mlambo, 2017; ZIMASSET, 2013; Zimbabwe National Budget Statement, 2009). The crisis period was

characterised by hyperinflation, shortage of basic commodities in the formal market, and devaluation of the local currency. The country experienced unprecedented inflation from 2000, which jumped to three digits in 2006 and accelerated to hyperinflation in 2007 (African Development Bank, 2011; Mlambo, 2017). By July 2008, the official inflation estimate was 231 million percent (Confederation of Zimbabwe Industries, 2010:8; Government of Zimbabwe & United Nations Country Team, 2010:3) while independent approximations pegged it at 500 billion percent by the end of 2008 (African Development Bank, 2011:3; Mlambo, 2017:107). The government blames the disaster on the "illegal economic sanctions imposed by the Western countries" (ZIMASSET, 2013:17) led by Britain, the country's former colonial ruler, and its allies, European Union countries and the United States of America, following the land reform programme in 2000. African Development Bank (2011:4) suggest that a mix of factors, including economic mismanagement, poor governance chiefly evolving from weaknesses in the rule of law in respect of the government's fast-tracked land reform programme, the simultaneous loss of support from the international community, capital flight, and low investment are responsible. Mlambo (2017:107) alleges that the steep and unprecedented economic decline arose from the awarding of large unbudgeted gratuities to liberation war veterans in November 1997, deployment of Zimbabwean soldiers in the Democratic Republic of the Congo in August 1998 to defend that country's president who was being fought by Congolese rebels, and the land invasions of 2000 that are connected with the government's unplanned and somewhat chaotic fast-track land reform programme are to blame.

The decade is, therefore, fittingly described as a crisis decade, with consecutive years of economic decline and a tense socio-political environment that inspired the adoption of regressive and repressive legislation which largely sought the political survival, and overall control over the citizenry's various liberties by the ruling elite (Zhou & Zvoushe, 2012:220). The crisis generated floods of negative publicity for Zimbabwe in local and international media thereby reflecting negatively on the country's brand image. This probably partly resulted in the country's GDP and FDI declining. As a result, as shown in Figure 2.3 below, the country's economy grew by -0.73 percent compared to the SADC mean growth rate of 4.54 percent for the last 17 years ending December 2015. For a country the GDP growth rate of which was only 0.7 percent below the region's 3.6 percent in 1998, this performance is far from satisfactory. Economic growth drives

development (World Bank, 2016b:16; **also see SDG 8, Productive employment and economic growth**).

Figure 2.3: Zimbabwe's and SADC's annual and mean GDP growth rates for 1998 to 2015



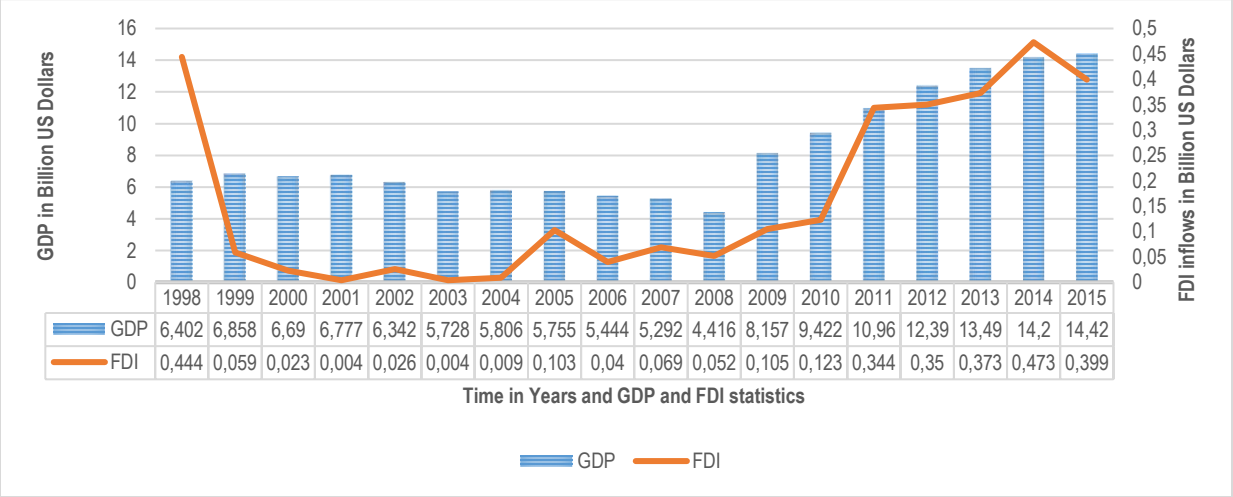
Source: Adapted from World Bank (2017)

Between March 2009 and July 2013, Zimbabwe had an inclusive government popularly known in the country as the Government of National Unity (GNU), which was guaranteed by the SADC and African Union (AU). This followed the violent and disputed presidential runoff of June 2008 (SADC Election Observer Mission, 2008; Zimbabwe Human Rights NGO Forum, 2009), which paved the way for negotiating and signing of the General Political Agreement (GPA) in October 2008 and the inauguration of the GNU in March 2009. Statistics of the number of opposition (mainly MDC-T) supporters killed in the presidential run-off election vary from more than 100 (McGreal, 2008; Zimbabwe Human Rights NGO Forum, 2009) to about 200 (Freedom House, 2010:3). In addition, the statistics on rape, abductions, and torture vary according to sources. For instance, Freedom House (2010:3) states that international and domestic human rights organisations recorded that 5 000 people were tortured by security forces or militias and more than 10,000 required medical treatment for injuries sustained. For the 12 months ending December

2008, Zimbabwe Human Rights NGO Forum (2009:2) recorded "137 abductions/kidnappings, 1913 cases of assault, 19 cases of disappearances, 629 of displacements and 2 532 violations on freedoms of association and expression". Zimbabwe has suffered a rise in the level of political and social polarisation that, undoubtedly, converted into violence, compromising the security and protection of persons (Government of Zimbabwe and United Nations Country Team, 2010:13). "The intense polarisation that characterises most of Zimbabwe's electoral processes has fuelled violence in communities…" (Government of Zimbabwe & United Nations Country Team, 2010:71).

As evident in Figure 2.3 above and Figure 2.4 below, the country's economy remarkably recovered during the first three to four years tenure of the inclusive government and began slumping in the fourth to final, fifth, year. The inclusive government had been difficult terrain for the country because of inter-party-political tussles, infighting and persisting economic and social challenges (Zhou & Zvoushe, 2012:219). The tussles were much more pronounced in the final years and especially last months of the GNU's life and the country's GDP growth, GDP size and FDI inflows bear the suitable evidence (Figures 2.3 and 2.4). Reserve Bank of Zimbabwe (2012:12) notes that there were similarities in the challenges the economy faced between the period 2003 to 2008 and those it has faced since 2009, which among others, include "policy reversals and inconsistencies".

Figure 2.4: Zimbabwe and SADC annual GDP and FDI inflows for 1998 to 2015



Source: Adapted from World Bank (2017)

Figure 2.4 above shows that the country's FDI performance declined correspondingly with the shrinkage in its economy especially between 1999 and 2008. In its Short Term Emergency Recovery Programme (STERP), the inclusive government acknowledged the need to create a climate conducive for investment promotion in the country (STERP, 2009:20). Zimbabwe as an investment destination has a high-risk profile (Zimbabwe National Budget Statement, 2011, 2012, 2015). The most problematic factors for doing business in Zimbabwe are policy instability (Confederation of Zimbabwe Industries, 2015, 2016; WEF, 2016), access to financing, corruption, inefficient government bureaucracy, inadequate supply of infrastructure, restrictive labour regulations, tax rates, foreign currency regulations, government instability, insufficient capacity to innovate, and tax regulations (WEF, 2016:368).

The country held general elections on 31 July 2013 the outcome of which, while endorsed by the SADC and AU, was disputed by one of the former coalition government partners, the Movement for Democratic Change Tsvangirayi (MDC-T), the United States of America and the European Union. Although there had been marginal economic recovery during the tenure of the GNU (Figures 2.3 and 2.4 above), it appears the country is sliding back into economic crisis. It remains to be seen if the country's economy will, indeed, grow by the forecasts in ZANU PF's 2013 general election manifesto cum post-GNU national economic blueprint, ZIMASSET (Table 2.7 below). ZIMASSET's conservative estimate that the economy would grow by 3.4 percent in 2013 was surpassed as it grew by 4.5 percent (see Figure 2.3 above) but the country has missed the targets for 2014 to 2015 by a huge margin. It is clear that Zimbabwe, which enjoyed dollarisation induced economic stabilisation spin-offs between 2009 and 2013, now presents symptoms of fragility, with GDP collapsing from peaks of 10.6 percent in 2010 to present levels of 1.1 percent in 2015, and 0.7 percent for 2016 as the country struggles with a liquidity crisis (Chizema, 2017:69). Consequently, it remains to be seen whether the remaining ZIMASSET overall growth projections for years 2017 and 2018 as shown in the table will be met.

Table 2.7: Zimbabwe's projected GDP percentage growth targets for five years ending 2018

Sector	2013	2014	2015	2016	2017	2018
Agriculture, hunting and fishing	-1.3	9.0	5.1	7.0	8.0	12.5
Mining and quarrying	6.5	11.4	9.2	6.5	12.0	12.6
Manufacturing	1.5	3.2	6.5	7.5	8.4	9.5
Electricity and water	4.2	4.5	7.0	9.8	11.0	16.0
Construction	10.0	11.0	13.5	12.0	13.0	15.0
Finance and insurance	2.6	6.4	6.2	6.2	8.1	10.3
Real Estate	10.0	11.0	13.5	12.0	13.0	15.0
Distribution, hotels and restaurants	3.4	5.2	5.0	5.0	7.1	9.3
Transport and communication	3.4	4.4	5.5	5.3	5.4	8.0
Public administration	5.2	4.2	4.5	3.5	2.4	2.5
Education	5.5	4.0	4.5	5.0	4.5	4.4
Health	4.3	3.4	4.3	6.2	2.0	4.0
Domestic services	1.5	1.5	3.0	1.8	2.1	2.2
Other services	2.5	2.5	3.0	2.5	2.8	2.8
GDP at market prices	**3.4**	**6.1**	**6.4**	**6.5**	**7.9**	**9.9**

Source: ZIMASSET (2013-2018:28)

Commenting on Zimbabwe's FDI inflow of US$373 million for 2013 (World Bank, 2017), journalists in the state media (e.g. Moyo, 2014:B2; Mapakame, 2014:B4) referred to it as paltry compared to the FDI flows received by neighbouring countries like Mozambique (US$6.7 billion) and Zambia (US$2.1 billion) for the same period. While indeed the FDI inflows the country received then and now (2015) are below citizens' expectations, if sentiments expressed by Moyo and Mapakame are shared nationally, they are still substantial given the challenges the country is facing. The Zimbabwe Investment Authority had set an FDI inflow target of US$1 billion for 2013 and the grand plan was to attract inward FDI of US$2 billion from 2015 onward (Moyo, 2014:B2). As evident in Figure 2.4, the country missed its 2013 to 2015 targets although it should congratulate itself for having surpassed its 1998 inflow for the first time in 17 years. It is also turning out that the target of US$2 billion for the 2015 onward is overambitious given that the country has received US$399 million for the year (World Bank, 2017) or US$421 million according to UNCTAD (2017:223). Although the latest World Bank FDI inflows are preliminary, it appears unlikely the inflow will fufil the ambitious target for 2015 unless there is a drastic change in perceptions on Zimbabwe's investment climate. Such change will take time given that the existing negative perceptions are correlated to the national development policy—the nation brand.

The latest Confederation of Zimbabwe Industries (CZI) manufacturing survey reveals that capacity utilisation in companies operating in Zimbabwe has improved from 34.3 percent in 2015 (CZI, 2015:13) to 47.4 percent in 2016, an improvement questioned by economic analysts and independent newspapers (Majaka, 2016; Mhlanga, 2016). The CZI 2016 survey is surprisingly optimistic despite the worsening economic situation in the country that has seen the year's forecast GDP growth rate being slashed by half (Majaka, 2016). Economic experts including Christopher Mugaga of the Zimbabwe National Chamber of Commerce, a trade association of medium-size businesses, argue that although the latest CZI survey findings are positive, concerns from stakeholders about the quality of information captured in the survey and the fact that Zimbabwe is de-industrialising because companies have closed and some are operating at zero percent cannot be ignored (Mhlanga, 2016). Mugaga's sentiments are reasonable especially given that there are no consolidated statistics on companies that have retrenched and/or liquidated since the onset of the economic crisis 18 years ago.

Zimbabwe's business environment is rated as extremely unfavourable, with a ranking of 155 out of 189 countries in the 2016 World Bank's doing business index. "While there is no doubt some of the uncompetitive rating of our business environment drew from negative perceptions over the country, there are major areas where there is need for reform with regards to doing business in our market" (Zimbabwe National Budget Statement, 2014:193. National Economic Consultative Forum (NECF) concurs: "There is a general perception that the regulatory environment in the country is still very high and costly for business operations" (NECF, 2016:65). The main areas frustrating potential domestic and foreign investors and compromising the country's competitiveness relate to licensing processes, multiplicity of levies, multiplicity of authorities, and delays in utility connections (Zimbabwe National Budget Statement, 2015:219), starting business, dealing with construction permits, registering property, getting credit, paying taxes, trading across borders, enforcing contracts, and resolving insolvency (Zimbabwe National Budget Statement, 2014:193). Interestingly, the challenges underlying investors' lack of confidence in the country have been highlighted in previous national budget statements dating as far back as 2009 when the inclusive government took office but meaningful reforms are yet to be carried out. "Apparently, the entrenched '*not in a hurry attitude'* has prolonged the necessary reforms and hence, costing the country through foregone investment" (Zimbabwe National Budget Statement, 2015:219). In

a foreword to the Zimbabwe National Competitiveness Report 2016 published by the NECF, President Robert Gabriel Mugabe agrees that the country must "take heed of the issues that have been flagged out in this report and address all areas that need our respective attention for the development of our nation" (Mugabe, 2016:v). He further argues that the report is a barometer measuring the wellness of the economy and that his government is ready to spearhead meaningful reforms in order to attain national goals defined in the ZIMASSET. Zimbabwe has potential to attract FDI if it creates a conducive investment climate, ensures policy consistency and clarity on matters which affect investors (Mwanawashe, 2014:B2). Public institutions continue to receive weak assessment, particularly related to corruption, government favouritism, and the protection of property rights (WEF, 2014:41). The Zimbabwe competitiveness report is "an important source of information that guides the decision making process of both domestic and foreign investors" (Mugabe, 2016:iv). It is also an essential benchmarking tool for national policymaking as already alluded to by President Mugabe above.

2.4.4 Zimbabwe and paradigm of nation branding

As evident from the foregoing subsections, Zimbabwe's FDI destination brand is affected by a number of issues. Unlike South Africa, Zimbabwe has no nationally coordinated umbrella nation brand strategy. The country invested in an iniative to establish such a country brand plan through the then Office of the Vice Prime Minister, Arthur Mutambara, during the tenure of the GNU. But the initiative fizzled out with the termination of the GNU in September 2013. The fact that a country has no centrally coordinated umbrella nation branding effort does not imply that it has no image and brand reputation. It appears that Zimbabwe is coordinating its nation branding efforts through a sectorial approach. The Zimbabwe Investment Authority (ZIA), the mandate of which is to promote investment in the country, Zimbabwe Tourism Authority (ZTA), which promotes domestic and international tourism in Zimbabwe, and ZimTrade, the purpose of which is to promote exports, are the lead economic agencies in the country's sector-led nation brand strategy. ZIA and ZTA are statutory bodies and ZimTrade is a public private partnership. Zimbabwe's plans to set up a competitiveness commission and national productivity institute are both at an advanced stage of implemantion (Mugabe, 2016:v). The initative is going to strengthen the country's efforts to manage its domestic and international reputation. Furthermore, in 2016, the country's Ministry

of Tourism and Hospitality Management hosted a stakeholder's conference in Harare to lay the foundation for designing Zimbabwe's nation brand strategy. In this formative stage, however, it is not clear whether there is a realisation among country's internal stakeholders that national competitiveness and nation branding serve complimenting, if not same, goals. Unlike South Africa, Zimbabwe's infant national competitiveness strategic thinking, as inferred from its competitiveness reports, is mainly guided by fundamentals and two private indices—WEF's GCI and World Bank's Doing Business (see NECF, 2015, 2016; Mugabe, 2016). The country is yet to deploy the multitude of other relevant nation performance indexes such as HDI, IIAG, NBI to analyse its international competitiveness.

2.5 SUMMARY

This chapter, the first of four literature chapters, opened with brief situational analyses of Africa, the SADC and BRICS as place brands. The chapter argued that SADC countries constitute a shared competitive set for South Africa and Zimbabwe. In addition, given the size of its economy, the two other largest economies in Africa and all BRICS members were considered rivals of South Africa. Next the chapter presented overview backgrounds of South Africa and Zimbabwe within their respective competitive frames of reference. This was necessary to underpin the foundation for examining the countries' FDI brand positions presented in the next chapter. Key issues affecting the FDI destination reputation of the two nations identified in this chapter will be consolidated with those identified in the next chapter and synthesised into a comprehensive strengths, weaknesses, opportunities, and threats analysis, a summary of which was presented in the previous chapter. From this and the next chapter, it is evident that, while both South Africa and Zimbabwe are yet to tap fully into the existing reputable private indexes to analyse their brand positions, it is Zimbabwe that is far off in that respect.

CHAPTER 3

FOREIGN DIRECT INVESTMENT BRAND POSITIONS OF SOUTH AFRICA AND ZIMBABWE: INSIGHTS FROM FUNDAMENTALS AND PROPRIETARY INDICES

3. FOREIGN DIRECT INVESTMENT BRAND POSITIONS OF SOUTH AFRICA AND ZIMBABWE: INSIGHTS FROM FUNDAMENTALS AND PROPRIETARY INDICES

3.1 INTRODUCTION

Building on the background given in Chapter 2 and guided by the marketing audit framework, this chapter presents a theoretical overview of the key issues facing the South African and Zimbabwean foreign direct investment (FDI) brands. A marketing audit is a comprehensive, systematic, independent, and periodic examination of a company's or business unit's marketing environment, objectives, strategies, and activities, done with a view to identifying key issues and recommending a plan to improve the object's marketing performance (Kotler & Keller, 2016:740). The Southern African Development Community (SADC) is the common competitive set for the two countries. Given the small size of its economy, the FDI brand audit for Zimbabwe was limited to the SADC. Nonetheless, South Africa's FDI brand analysis extended to Africa and the BRICS considering the largeness of its economy and global political influence. In Africa, besides South Africa itself, the audit encompassed two of the continent's other largest economies, Egypt and Nigeria. In the BRICS, South Africa's FDI brand position was analysed alongside those of fellow BRICS economies i.e. Brazil, Russia, India, and China. The chapter closes with a presentation on the strengths, weaknesses, opportunities and threats (SWOT) analysis of South Africa and Zimbabwe. This is meant to highlight and provide evidence for the key issues facing the two neigbouring FDI destination brands. Chen, Lee, Yang and Lee (2013:1516) contend that every country has its brand strengths and weaknesses.

Apart from drawing on country fundamentals, namely, statistics from reputable intergovernmental and multilateral organisations such as the World Health Organization (WHO), World Bank, et cetera, the chapter also draws from over 15 internationally reputable proprietary- or privately-owned country brand ranking indexes, to map the FDI positions of South Africa and Zimbabwe.

The indices are Transparency International's Corruption Perception Index, AT Kearney's AT Kearney FDI Confidence Index®, World Economic Forum's (WEF's) Global Competitiveness Index, Institute of Management Development's (IMD's) World Competitiveness Scoreboard or Yearbook, Cornell University, Institut Européen d'Administration des Affaires (INSEAD) and World Intellectual Property Organization's (WIPO's) Global Innovation Index, World Bank's Doing Business, United Nations Development Programme's (UNDP's) Human Development Index, Mo Ibrahim Foundation's Ibrahim Index of African Governance, Deloitte Global & US Council on Competitiveness's Global Manufacturing Competitiveness Index, FutureBrand's Country Brand Index and Status-Experience Strength Matrix, Anholt-GfK Roper's Nation Brands Index℠, Bloom Consulting's Country Brand Ranking®, Brand Finance®'s Nation Brand Impact™ Framework, Fund for Peace's Fragile States Index, and Social Progress Imperative's Social Progress Index. These indices glaringly distinguish South Africa and Zimbabwe on one hand and the two nations among other countries within Africa and globally on the other hand. The disparity between developing and developed countries is clearly visible in these brand ranking systems designed by specialised consultancy firms (Oliva & Stringari, 2014:14), multilateral agencies, intergovernmental organisations, and non-governmental organisations (NGOs).

3.2 SOCIAL COMPETITIVENESS OF SOUTH AFRICA AND ZIMBABWE FDI BRANDS

The social environment of countries comprises many factors such as population, epidemics, and corruption, social progress, and human development each of which has a number of variables. Combined, these factors affect the attractiveness of nations as markets for goods and services, and as FDI destinations as well.

3.2.1 Social competitiveness of South African FDI brand within top three economies in Africa and BRICS nations

Below the social competitiveness of the South African FDI brand is examined within the context of the largest three economies in Africa and then the BRICS nations. The destination brand is analysed focusing on population and the prevalence of poverty and the Human Immuno Deficiency Virus (HIV) and Acquired Immuno Deficiency Virus Syndrome (AIDS) pandemic.

3.2.1.1 Population

Among other social variables, Table 3.1 below compares the populations of the largest three economies in Africa—Egypt, Nigeria and South Africa. Among these three FDI destinations, South Africa is the smallest in respect of population. Consequently, the country may be the least attractive of the three locations for foreign investors who consider population as a determinant of FDI destination choice. Furthemore, Table 3.2 below shows that South Africa has the smallest population among the BRICS economies hence is, again, the least competitive FDI location in this bloc. Investors consider population as an attribute for selecting an investment destination (FutureBrand©, 2006; Kalamova & Konrad, 2010; Rojas-Me´ndez, 2013).

Table 3.1: Social competitiveness of South Africa within top three economies in Africa—Population, poverty rate, and HIV and AIDS prevalence

Country	Population (in millions)	Poverty Rate (Percentage population surviving on <US$2 a day)	Estimate of AIDS and HIV Prevalence[4]	
			People living with HIV	%Prevalence in Adults (15-49)
South Africa	53.0	31.3	6 300 000	19.1
Nigeria	173.6	84.5	3 400 000	3.1
Egypt. Arab Rep.	83.4	15.4	6 300	<0.1

Source: World Bank (2014a:20-22), World Bank (2015b) and UNAIDS (2013)

Table 3.2: Social competitiveness of South Africa within BRICS economies—Population, poverty rate, and HIV prevalence

Country	Population (in billions)	Poverty Rate (percentage population on <US$2 a day)	Estimate of AIDS and HIV Prevalence[4]	
			People living with HIV	Percentage prevalence in adults (15-49)
China	1.400	<2	780 000	<0.1
India	1.300	68.7	2 100 000	0.3
Brazil	0.202	10.8	530 000	0.4
Russian Fed.	0.141	…	…	…
South Africa	0.053	31.3	6 300 000	19.1

Source: World Bank (2014b:20-22), World Bank (2015) and UNAIDS (2013)

3.2.1.2 Prevalence of poverty

The percentage of people surviving on less than US$2 a day in Egypt is 15.4 percent (World Bank, 2014b:20) hence the country has the least prevalence of poverty among the top three economies in

Africa (Table 3.1 above). South Africa has the second least population surviving on less US$2 a day, 31.3 percent, and Nigeria has the largest, 84.5 percent. Consequently, for investors who consider poverty prevalence as a determinant for selecting a foreign investment location in this competitive set, South Africa may be the destination of second choice. As evident in Table 3.2 above, South Africa has the second highest poverty rate in the BRICS after India's, which at 68.7 percent, has the highest number of people surviving on less than US$2 day. This makes South Africa the second least preferred FDI destination among BRICS countries. Nation branding literature agrees that poverty influences how a country is perceived (Anholt-GfK Roper, 2009; Klufio, 2011; Osei & Gbadamos, 2010).

3.2.1.3 Prevalence of HIV and AIDS

Despite having the smallest population in the two competitive frames of reference, South Africa has the highest number of people living with HIV and the highest HIV prevalence rate in adults aged 15-49 among the three top African economies and also BRICS nations (Tables 3.1 and 3.2 above). This positions the country at a competitive disadvantage in both competitive sets for investors that consider HIV and AIDS prevalence as a basis for selecting FDI destinations. However, a strength that South Africa has within sub Saharan Africa is that it is among countries whose national HIV response is only 0-25 percent dependent on international donors (UNAIDS, 2013:74). This is indicative of a country that is, largely, able to take care of its own social challenges. In comparison, Nigeria is among countries whose national HIV response is 50-74 percent dependent on international donors (UNAIDS, 2013:74). The soundness of a country's public health system affects how countries are perceived (Fund for Peace, 2016; Outhavong, 2007; Rojas-Me´ndez, 2013; WEF, 2016) hence is a determinant of FDI inflow (Anyanwu, 2012; Chatterjee, Mishra & Chatterjee, 2013; Delgado *et al*., 2012).

3.2.2 Social competitiveness of South Africa and Zimbabwe within the SADC

Like in the previous section, the social competitiveness of South Africa and Zimbabwe is also examined focusing on three fundamental factors: population, prevalence of poverty, and prevalence of HIV and AIDS.

3.2.2.1 Population

With 53 million people, South Africa is the second largest country in the SADC by population size after the Democratic Republic of Congo (DRC) whose population is 67.5 million (Table 3.3 below). Consequently, from a population standpoint, South Africa is the second most competitive FDI destination in the region after the DRC. In comparison, Zimbabwe has the nineth biggest population in the SADC, 14.1 million. This means that Zimbabwe has no competitive advantage at all in the bloc except when considered alongside the geographically-massive but sparsely populated nations of Namibia and Botswana, and the small nations of Lesotho, Mauritius, Swaziland, and Seychelles, whose populations are also all below the regional mean population of 19.6 million per country (Table 3.3 below). The population size of a country has a direct influence on the potential size of its economy and FDI inflows (Gauteng Province Provincial Treasury, 2013; Kalamova & Konrad, 2010).

Table 3.3: Social competitiveness of South Africa and Zimbabwe within the SADC—Population, poverty, and HIV and AIDS prevalence

Country	Population (in Millions)	Poverty Rate (Percentage Population surviving on <US$2 a day	Estimate of AIDS and HIV Prevalence[4]	
			People living with HIV	Percentage Prevalence in Adult (15-49)
DRC	67.5	95.2	480 000	1.1
South Africa	53.0	31.3	6 300 000	19.1
Tanzania, UR	49.3	87.9	1 400 000	5.0
Mozambique	25.9	81.8	1 600 000	10.8
Madagascar	22.9	92.6	54 000	0.4
Angola	21.5	67.4	250 000	2.4
Malawi	16.4	82.2	1 100 000	10.3
Zambia	14.5	86.6	1 100 000	12.5
Zimbabwe	14.1	..	1 400 000	15.0
Namibia	2.3	51.1	250 000	14.3
Lesotho	2.1	62.3	360 000	22.9
Botswana	2.0	49.4	340 000	21.8
Mauritius	1.3	..	9 600	1.2
Swaziland	1.2	60.4	210 000	26.5
Seychelles	0.1	<2	..	..
TOTALS	**294.1**	**850.2**	**14 853 600**	**163.3**
Regional Mean	**19.6**	**65.4**	**1 060 971**	**11.7**

Source: World Bank (2014a:20-22), World Bank (2015) and UNAIDS (2013)

3.2.2.2 Prevalence of poverty

SADC countries are characterised by extreme levels of poverty measured by percentage of their people surviving on less than US$2 a day (Table 3.3 above). Out of the 13 nations in the region covered in the 2014 World Development Indicators (World Bank, 2014b), six have extreme levels of poverty ranging from 81.8 percent for Mozambique to 95.2 percent for the DRC. South Africa has the second lowest percentage of people surviving on less than US$2 day, 31.2, coming after Seychelles' less than 2 percent, the lowest in the region. Therefore, South Africa should be the second preferred FDI destination in the SADC for investors who consider poverty rate as a basis for choosing an investment destination.

World Bank (2014b) has no recent poverty prevalence rate for Zimbabwe. However, given the unprecedented economic challenges Zimbabwe went through between 1999 and 2008 **(see section 3.5.3 below)** and the high levels of conservative unemployment estimates ranging from "above 50 percent" (ZIMASSET, 2013:23) to 80 percent (African Development Bank, 2011:4), its estimate of poverty measured by percentage of people surviving on less than US$2 a day should be above 65.2 percent, the regional mean (Table 3.3). In fact, Zimbabwe's poverty prevalence rate was estimated at over 70 percent (African Development Bank, 2011:4) and this rate is likely to have climbed given that the country's economy is continuing to deteriorate. Thus using poverty rate as a determinant for choosing an investment destination, Zimbabwe may not be an attractive FDI destination within the SADC.

3.2.2.3 Prevalence of HIV and AIDS within SADC

Africa's image is partially tainted by epidemic diseases one of which is HIV and AIDS. Out of 35 million people living with HIV worldwide, 24.5 million (70 percent) of them live in sub-Saharan Africa (UNAIDS, 2014; Word Bank, 2014b). As evident in Table 3.3 above, about 14.5 million or 59.2 percent of these people live in the SADC (UNAIDS, 2014). This estimate positions the SADC as the region hardest-hit by HIV and AIDS in the world.

With an HIV prevalence rate of 19.1 percent, South Africa is the fourth hardest-hit country in the region coming after Botswana on the third place, Lesotho on the second place, and Swaziland on the first place, whose prevalence rates are way above the regional prevalence rate of 11.7 percent (Table 3.3 above). Zimbabwe comes on the fifth position with a prevalence rate of 15 percent. This places South Africa and Zimbabwe among the least competitive FDI destinations in the SADC from an HIV prevalence standpoint. However, South Africa's reputation within the HIV and AIDS variable is somewhat saved by the country's ability to meet 75 to 80 percent of the budget needed to fight the scourge (UNAIDS, 2013:74). In comparison, Zimbabwe's reputation in this respect is among the weakest in the region as the nation is only able to meet 25 percent of its budget for the national response to HIV and AIDS.

3.2.3 South Africa's and Zimbabwe's attractiveness in the Corruption Perception Index (CPI)

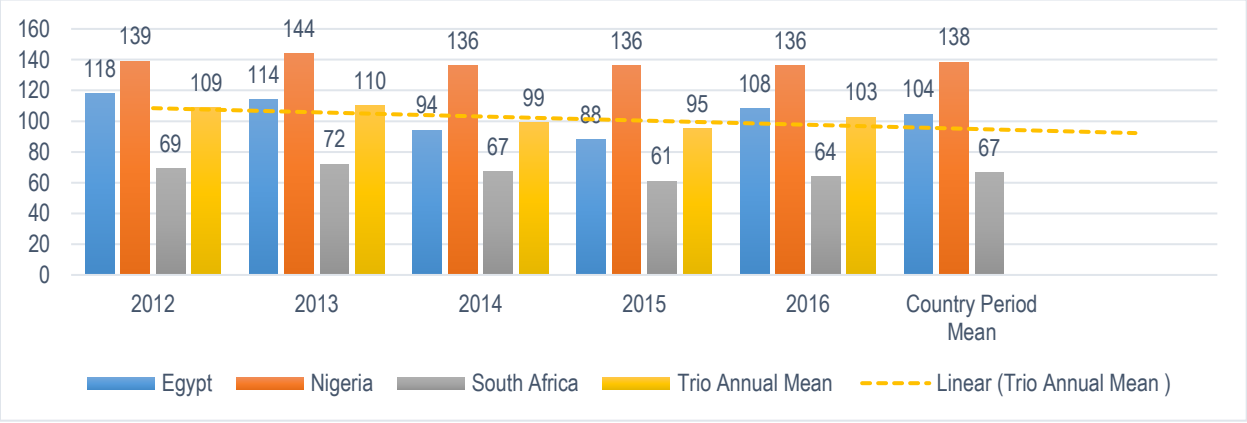
Corruption is no longer just a local, national or regional problem but a global one too. Economic and country branding literature agree that corruption affects country FDI competitiveness (Al-Sadig, 2009; Anyanwu, 2012; Kalamova & Konrad, 2010; Ledyaeva, Karhune & Whalley, 2013; Tosun, Yurdakul & İyidoğan, 2014). The CPI designed in 1995 by Transparency International – a multinational NGO headquartered in Berlin, Germany – is the globally-acclaimed methodology for measuring corruption. It is a composite index, a combination of surveys and assessments of corruption, collected by a variety of reputable institutions (Transparency International, 2014, 2015). The CPI scores and ranks countries based on how corrupt a country's public sector is perceived to be. A country's score indicates the perceived level of public sector corruption on a scale ranging from 0 to 100, where 0 means *Highly Corrupt* and 100 means *Very Clean*. Any state whose index is below 50 points has an ineffectively functioning institutional environment with inadequate capacity for opposing corruption (Transparency International, 2016a:5). "A poor score is likely a sign of widespread bribery, lack of punishment for corruption and public institutions that don't respond to citizens' needs" (Transparency International, 2014:3). Thus, as in all other indices applied to map South Africa's and Zimbabwe's FDI brand positions in this chapter, the

country score is more important although there is a tendency to overemphasise the country rank on this index. Furthermore, the lower the rank the better the performance of the country in the index (all indices in this theoretical chapter are interpreted similarly except the Fund for Peace's Fragile State Index) or the higher the score the better the rank.

3.2.3.1 South Africa's corruption perception performance within the top three African economies (2012 to 2016)

As shown by both its consistently low actual annual and mean global ranks in Figure 3.1 below in comparison to Egypt's and Nigeria's, South Africa is the least corrupt among these largest three economies in Africa for the five-year period ending 2016. This positions South Africa as the most attractive FDI destination among the region's top economies for investors who hate corruption. However, all three countries have CPI scores below 50 percent, which means that their institutional structures are unable to deal with corruption (see Transparency International, 2012, 2013, 2014, 2015, 2016a). In fact, the best performing economy in this competitive set, South Africa, has a mean CPI index of 43 for the period under review (Table 3.4 below).

Figure 3.1: South Africa's corruption perception rankings within largest three economies in Africa (2012 to 2016)



Note: Means were computed by researcher

Source: Compiled Transparency International (2012 – 2016a)

3.2.3.2 Corruption perception competitiveness of South Africa and Zimbabwe within SADC (2012 to 2016)

Basing on CPI mean scores and ranks for the period 2012 to 2016 (Table 3.4 below), South Africa is the fifth least corrupt country in the SADC (Seychelles is excluded from this analysis because it has no score and rank for 2016). Therefore, for investors who detest corruption, Botswana, Mauritius, Namibia, and Lesotho in that order may be the FDI destinations of choice in the region. Furthermore, South Africa must be concerned that its annual scores and mean value for the period are below 50 percent. CPI scores below 50 imply a country lacks institutional capacity to effectively control corruption.

Table 3.4: South Africa's and Zimbabwe's corruption perception scores and ranks within the SADC (2012 to 2016)

Country	2012 (n=176)		2013 (n=177)		2014 (n=175)		2015 (n=175)		2016 (n=176)		Period Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Botswana	65	30	64	30	63	31	63	28	60	35	**63**	**31**
Seychelles*	52	51	54	47	55	47	55	40			**54**	**46**
Mauritius	57	43	52	52	54	47	53	45	54	50	**54**	**47**
Namibia	48	58	48	57	49	55	53	45	52	53	**50**	**54**
Lesotho	45	64	49	55	49	55	44	61	39	83	**45**	**64**
South Africa	43	69	42	72	44	67	44	61	45	64	**44**	**67**
Swaziland*	37	88	39	82	43	69					**40**	**80**
Zambia	37	88	38	83	38	83	38	76	38	87	**38**	**83**
Malawi	37	88	37	91	33	110	31	112	31	120	**34**	**104**
Tanzania	35	102	33	111	31	119	30	117	32	116	**32**	**113**
Mozambique	31	123	30	119	31	119	31	112	27	142	**30**	**123**
Madagascar	32	118	28	127	28	133	28	123	26	145	**28**	**129**
DRC	26	160	22	154	23	154	22	147	21	156	**23**	**154**
Zimbabwe	20	163	21	157	21	157	21	150	22	154	**21**	**156**
Angola	22	157	23	153	19	161	15	163	18	164	**19**	**160**
Regional Annual Mean*	**39**	**93**	**39**	**93**	**39**	**94**	**38**	**91**	**36**	**105**		

Legend: * = Researcher's calculations

Source: Adapted from Transparency International (2012, 2013, 2014:4-5, 2015, 2016a:9-13)

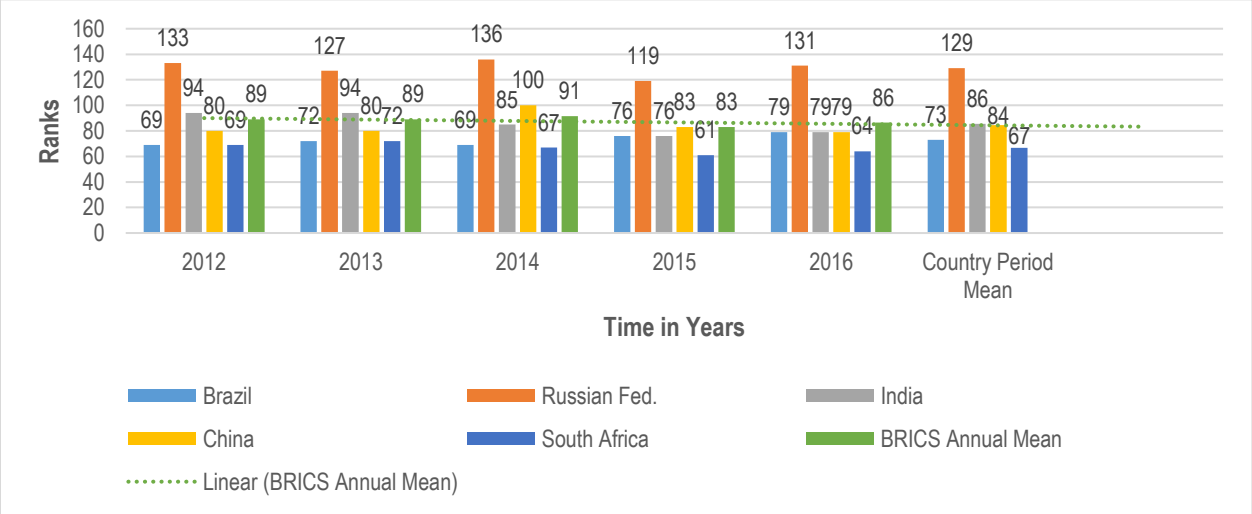
Zimbabwe, with a mean CPI global ranking of 156 for the five-year period, is positioned as the second most corrupt country in the region beaten only by Angola. Given the perceived high level of corruption in its public sector, Zimbabwe is unlikely to attract significant FDI if foreign

investors consider corruption as an attribute for choosing an investment location. Policymakers and businesspeople in Zimbabwe should even be more worried that the country's annual mean score for the period under review is 21 percent (Table 3.4).

3.2.3.3 Corruption Perception Competitiveness of South Africa within BRICS

South Africa's annual and period mean CPI ranks for the five years ending 2016 show that it is the least corrupt of all BRICS countries (Figure 3.2 below). Consequently, the country may be the most attractive FDI destination for investors that consider corruption prevalence as the most important determinant for selecting an investment location within the BRICS bloc. Interestingly, however, corrupt destinations may also attract investment from corrupt investors. Some regions in the Russian Federation are infamous for attracting this kind of investment (see Ledyaeva, Karhunen & Whalley, 2013). Since the mean CPI score for the best performing country in the diplomatic group, South Africa, is 44 (Table 3.4 above), all BRICS countries should be concerned that their scores are below 50 percent.

Figure 3.2: South Africa's corruption perception rankings within BRICS nations (2012 to 2016)



Note: Means were calculated by researcher. **Source:** Transparency International (2012 – 2016a)

3.2.4 South Africa's and Zimbabwe's attractiveness in the Social Progress Index (SPI)

Working under the guidance of a group of academics and policy experts, an American NGO, Social Progress Imperative, designed the SPI a few years back as a complementing measure to GDP per capita that is frequently used as a measure of national performance, nonetheless, focussing on social progress. Social progress is "the capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential" (Social Progress Imperative, 2016b:4). The SPI is a percentile scale that combines social and environmental factors to measure social progress in six score bands or clusters: *Very High Social Progress* (87 - 100), *High Social Progress* (75 - 86), *Upper Middle Social Progress* (67 - 74), *Lower Middle Social Progress* (56 - 66), *Low Social Progress* (43 - 55), and *Very Low Social Progress* (0 - 42) (Social Progress Imperative, 2016a:17-18). The index is organised into three dimensions of social progress – basic human needs, foundations of wellbeing, and opportunity – each of which has four components as shown in Table 3.7 below. Given that nation branding theorists and economists consider social factors as a basis for measuring nation reputation and FDI competitiveness (**see Chapter 5 and 6**), the SPI may be an important source from which to draw variables for assessing Zimbabwe's and South Africa's current FDI brand positions.

3.2.4.1 South Africa's social progress performance within largest three economies in Africa (2014 to 2016)

As evident in Table 3.5 below, South Africa is the leading performer in the top three economies in Africa in the SPI for the three years ending 2016. This means that for foreign investors that rely on social progress as a basis of measuring national performance, South Africa should be the FDI destination of choice in this group. While its composite SPI score has significantly improved since 2014, the country must keep watch of Egypt's position which is only 5.19 scores below South Africa's. South Africa and Egypt are in the *Lower Middle Social Progress* (56 - 66) cluster while Nigeria is in the *Low Social Progress* (43 - 55) category.

Table 3.5: South Africa's social progress performance within Africa's top three economies (2014 to 2016)

Country	2014 (n=132)		2015 (n=133)		2016 (n=133)		Country Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Egypt	59.97	84	59.91	89	60.74	89	**60.21**	**87**
Nigeria	42.65	123	43.31	125	46.49	119	**44.15**	**122**
South Africa	62.96	69	65.64	63	67.6	59	**65.40**	**64**
Bloc Means*	**55.19**	**92**	**56.29**	**92**	**58.28**	**89**		

Legend: * = Researcher's calculations

Source: Social Progress Imperative (2014:17, 2015:17, 2016a:17-18)

3.2.4.2 South Africa's social progress performance within the BRICS diplomatic bloc (2014 to 2016)

For the three years ending 2016, South Africa is the second best performing country in the SPI coming after Brazil on the first position within the BRICS (Table 3.6 below). This implies that for foreign investors considering social progress as a determinant of FDI location choice, the country may be the destination of second choice within the BRICS diplomatic group. Brazil is in *Upper Middle Social Progress* (67 - 74) band, South Africa, Russia, and China are in the *Lower Middle Social Progress* (56 - 66) cluster, while India is in the *Low Social Progress* (43 - 55) group. It is remarkable that the annual SPI and country mean scores of all BRICS countries are above 50. This implies they are all above average in terms of offering opportunities and meeting the basic needs of their citizens.

Table 3.6: South Africa's social progress performance within the BRICS group (2014 to 2016)

Country	2014 (n=132)		2015 (n=133)		2016 (n=133)		Country Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Brazil	69.97	46	70.89	42	71.7	46	**70.85**	**45**
South Africa	62.96	69	65.64	63	67.6	59	**65.40**	**64**
Russian Fed.	60.79	80	63.64	71	64.19	75	**62.87**	**75**
China	58.67	90	59.07	92	62.1	84	**59.95**	**89**
India	50.24	102	53.06	101	53.92	98	**52.41**	**100**
Bloc Means*	**60.53**	**77**	**62.46**	**74**	**63.90**	**72**		

Legend: * = Researcher's calculations

Source: Social Progress Imperative (2014:17, 2015:17, 2016a:17-18)

3.2.4.3 South Africa's and Zimbabwe's social progress performance within the SADC (2014 to 2016)

South Africa is the third most attractive country in the SADC after Mauritius and Botswana on the first and and second places respectively in the SPI for the period 2014 to 2016 (Table 3.7 below). This suggests that the country is the third most preferred investment destination for foreign direct investors who consider social progress as a determinant of investment location.

Table 3.7: South Africa's and Zimbabwe's social progress performance within the SADC (2014 to 2016)

Country	2014 (n=132)		2015 (n=133)		2016 (n=133)		Period Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Mauritius	73.68	34	73.66	36	73.24	40	**73.53**	**37**
Botswana	65.60	57	65.22	65	67.03	62	**65.95**	**61**
South Africa	62.96	69	65.54	63	67.60	59	**65.37**	**64**
Namibia	61.19	78	62.71	75	62.01	85	**61.97**	**79**
Lesotho	48.94	107	52.27	103	52.39	103	**51.20**	**104**
Zambia	49.88	104	51.62	105	50.75^	105^	**50.75**	**105**
Malawi	48.79	109	48.95	111	53.44	100	**50.39**	**107**
Swaziland	48.87	108	50.94	107	51.76	106	**50.52**	**107**
Tanzania	46.06	114	47.14	116	49.99	109	**47.73**	**113**
Mozambique	45.23	117	46.02	120	47.96	117	**46.40**	**118**
Madagascar	44.28	119	44.50.	124	45.91	123	**44.90**	**122**
Angola	39.93	127	40.00	129	39.70	130	**39.88**	**129**
Zimbabwe					49.11	114		
Regional Mean*	**52.95**	**95**	**54.05**	**96**	**54.68**	**96**		

Legend: * = Researcher's calculations; ^ = Score and rank are an average of country score and rank for the previous two years
Source: Social Progress Imperative (2014:17, 2015:17, 2016a:17-18)
Note: DRC and Syechelles have no scores and ranks for the period covered hence are excluded from this analysis

Mauritius, with a mean score of 73.53 is the only SADC country in the *Upper Middle Social Progress* (67 - 74) bracket of the SPI. Three SADC countries – Namibia, South Africa, and Botswana – are in the *Lower Middle Social Progress* (56 - 66) cluster of the SPI while the remaining countries in the table including Zimbabwe are in the *Low Social Progress* (43 - 55) band. The researcher could not do a full analysis of Zimbabwe's performance in terms of mean score and ranks, which he did for all other SADC nations in the table, because it only has the necessary data for the latest year of the three-year period.

Table 3.8 below shows the SPI performance of South Africa and Zimbabwe within the SADC competitive set for the year 2016. Among the 12 SADC countries whose 2016 overall SPI scores were computed, South Africa has the second best overall SPI value (67.60) in the group after Mauritius' 72.24 while Botswana (67.03) lies too close in South Africa's shadows. With an overall SPI score of 49.11, Zimbabwe occupies the 9th rank in the region beating only three countries—Mozambique (47.96), Madagascar (45.91), and Angola (39.70). The composite scores for the DRC, Seychelles and Zambia could not be computed due to lack of data for some dimensions and factors.

In dimension terms, South Africa trails behind Mauritius and Botswana in the basic human needs and foundations of wellbeing and beats the two in respect of the opportunity dimension. In terms of factors under the three dimensions, South Africa excelled in nutrition and basic medical care, water and sanisation (basic human needs), access to basic knowledge, access to information and communications (foundations of wellbeing), and personal rights and personal freedom and choice (opportunity). With a modest value of 53.14, South Africa is the best performing country in the access to advanced education factor in the SADC and its worst performance of 41.84 is in the personal safety factor. In comparison, Zimbabwe's best performance at dimension level is in the foundations of wellbeing (62.33) with its best performing factor therein being access to bacic knowledge (75.98). Furthermore, by dimension, Zimbabwe's worst performance is in the opportunity dimension (33.72), the third worst for all SADC countries. In this dimension Zimbabwe's worst performing factor is personal rights (14.01), also the worst in the SADC. Related to this is its performance in the tolerance and inclusion factor (39.90) and access to advanced education (27.14).

Table 3.8: An overview of social progress performance of South Africa and Zimbabwe within the SADC in 2016

Country	Social Progress Index (Overall)	Social Progress Index by Dimension			Social Progress Index by Dimension Factor											
					Basic Human Needs				Foundations of Wellbeing				Opportunity			
		Basic Human Needs	Foundations of Wellbeing	Opportunity	Nutrition and Basic Medical Care	Water and Sanitation	Shelter	Personal Safety	Access to Basic Knowledge	Access to Information and Communications	Health and Wellness	Environmental Quality	Personal Rights	Personal Freedom and Choice	Tolerance and Inclusion	Access to Advanced Education
Mauritius	**73.24**	89.44	72.84	57.46	96.32	97.64	81.02	82.77	94.14	74.40	61.48	61.34	62.27	69.67	67.21	30.69
South Africa	**67.60**	66.95	68.23	67.61	87.00	72.96	66.02	41.84	85.12	78.50	45.63	63.19	75.15	75.73	66.40	53.14
Botswana	**67.03**	71.94	70.37	58.77	75.76	77.48	59.52	75.00	86.85	70.41	53.41	70.82	76.25	77.78	60.13	20.90
Namibia	**62.01**	61.75	66.14	58.14	65.25	57.99	57.74	65.99	74.53	73.50	50.11	66.42	80.63	75.38	53.52	23.02
Malawi	**53.44**	54.62	57.82	47.87	67.08	50.52	34.37	66.50	66.12	41.94	61.20	62.01	75.45	59.24	38.20	14.59
Lesotho	**52.39**	53.44	51.56	52.17	67.69	45.32	41.98	58.76	60.05	61.02	37.92	47.23	67.16	61.86	54.74	24.94
Swaziland	**51.76**	58.08	56.33	40.87	65.58	54.56	49.88	62.29	76.04	53.24	39.77	56.25	18.76	64.74	56.09	23.91
Tanzania	**49.99**	47.13	60.95	41.90	66.84	23.35	36.47	61.84	61.14	51.57	64.31	66.79	48.84	54.01	39.04	25.70
Zimbabwe	**49.11**	51.29	62.33	33.72	61.46	44.43	47.02	52.26	75.98	57.58	56.26	59.49	14.01	53.84	39.90	27.14
Mozambique	**47.96**	45.50	58.76	39.62	62.06	19.95	41.17	58.83	56.86	53.65	62.79	61.76	58.28	38.11	59.63	10.47
Madagascar	**45.91**	43.76	56.91	37.05	69.12	15.91	24.50	65.52	62.93	43.79	62.95	57.96	43.37	40.32	48.14	16.37
Angola	**39.70**	43.74	49.73	25.65	62.41	27.69	31.12	53.73	52.19	52.23	51.58	42.91	21.36	23.77	43.13	14.32
Zambia		49.19		42.49	54.75	36.13	40.63	65.26		53.97	64.68	59.00	40.32	60.81	46.75	22.09
DRC			51.99	28.72		19.70	27.03	40.55	60.42	41.50	55.58	50.48	24.34	36.03	36.79	17.70
Regional Annual Mean*	**55.01**	**56.68**	**60.30**	**45.15**	**69.33**	**45.97**	**45.61**	**60.80**	**70.18**	**57.66**	**54.83**	**58.98**	**50.44**	**56.52**	**50.69**	**23.21**

Legend: * = Researcher's calculations

Source: Adapted from Social Progress Imperative (2016a:136-138). ^Seychelles is yet to be included in the SPI.

3.2.5 Human development competitiveness of South Africa and Zimbabwe

The Human Development Index (HDI) is an annual composite measure of *income*, *education* and *health* designed in 1990 by the United Nations Development Programme (UNDP), as an alternative to GDP. Since the time it was introduced, human development measures of inequality, gender and poverty have been added to the index. The general adoption of the HDI by world governments confirms the need of policymakers to appreciate "whether, how and why people are doing better" (UNDP, 2014:27). The HDI principally measures the opportunities that people have during their lifetime, which are, life expectancy at birth (measured in years), mean years of schooling and expected years of schooling, and gross national income (GNI) per capita, which are aggregated into an HDI value ranging from 0 to 1. The HDI categorises countries into four groups, namely, less than 0.550 for *Low Human Development,* 0.550–0.699 for *Medium Human Development,* 0.700–0.799 for *High Human Development* and 0.800 or greater for *Very High Human Development* (UNDP, 2016:193).

3.2.5.1 Human development competitiveness of South Africa within BRICS nations (2013 to 2016)

Drawing on country HDI mean values and ranks for the four-year period ending 2016, South Africa's human development competitiveness only beats that of India among the five BRICS nations (see Table 3.9 below). Furthermore, its mean human development value of 0.655 is below the BRICS and world annual mean values. This indicates that South Africa does not have human development competitiveness within the BRICS competitive set.

Table 3.9: Human development competitiveness of South Africa within the BRICS (2013 to 2016)

Country	2013 (n=186)		2014 (n=187)		2015 (n=188)		2016 (n=188)		Country Mean*	
	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank
Russian Fed.	0.788	55	0.778	57	0.798	50	0.802	49	**0.792**	**53**
Brazil	0.730	85	0.744	79	0.755	75	0.754	79	**0.746**	**80**
China	0.699	101	0.719	91	0.727	90	0.738	90	**0.721**	**93**
South Africa	0.629	121	0.658	118	0.666	116	0.666	119	**0.655**	**119**
India	0.554	136	0.586	135	0.609	130	0.624	130	**0.593**	**133**
BRICS Annual Mean*	**0.680**	**100**	**0.697**	**96**	**0.711**	**92**	**0.7168**	**93**		
WorAnnual Mean	**0.702**		**0.702**		**0.711**		**0.717**			

Legend: * = Researcher's calculations

Source: Adapted from UNDP (2016:198-201, 2015:208-211, 2014:160-163, 2013:143-147)

3.2.5.2 Human development competitiveness of South Africa within Africa's top three economies (2013 to 2016)

As evident in Table 3.10 below, all top three African economies are in the medium human development bracket with Egypt leading the pack and South Africa beating Nigeria. This shows that South Africa has lower human development competitiveness than Egypt. The two countries are in the *Medium Human Development* cluster while Nigeria is in the *Low Human Development* band. It is encouraging that South Africa's annual and mean HDI values for the four years are above the annual averages for the three countries and for Sub-Saharan Africa, which is indicative of a country that is performing above its regional peers except Egypt.

Table 3.10: Human development competitiveness of South Africa within context of top three economies in Africa (2013 to 2016)

Country	2013 (n=186)		2014 (n=187)		2015 (n=188)		2016 (n=188)		Country Mean*	
	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank
Egypt	0.662	112	0.682	110	0.690	108	0.691	111	**0.681**	**110**
South Africa	0.629	121	0.658	118	0.666	116	0.666	119	**0.655**	**119**
Nigeria	0.471	153	0.504	152	0.514	152	0.527	152	**0.504**	**152**
Trio Annual Means*	**0.587**	**129**	**0.615**	**127**	**0.623**	**125**	**0.628**	**127**		
Sub-Saharan Africa	**0.502**		**0.502**		**0.518**		**0.523**			

Legend: * = Researcher's calculations

Source: Adapted from UNDP (2016:198-201, 2015:208-211, 2014:160-163, 2013:143-147)

3.2.5.3 Human development competitiveness of South Africa and Zimbabwe within the SADC (2013 to 2016)

South Africa is the fourth most human development competitive country in the SADC (Table 3.11). Thus Seychelles, Mauritius and Botswana may be the first, second and third most preferred FDI destinations in the SADC for investors who consider the HDI as a determinant of FDI location. Zimbabwe is the fourth least (or the 12th most) competitive in the 15-member region. Its annual and mean HDI values for the four-year period ending 2016 are all below 0.549, which imply it is a *Low Human Development* country (UNDP, 2016:193). The country's mean ranking out of 187 countries included in the HDI is 159, a weak position in the HDI globally and even in the SADC as the country only beats four countries—DRC, Mozambique and Malawi.

Table 3.11: South Africa's and Zimbabwe's human development competitiveness within the SADC (2013 to 2016)

Country	2013 (n=186)		2014 (n=187)		2015 (n=188)		2016 (n=188)		Country Mean*	
	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank
Seychelles	0.806	46	0.756	71	0.772	64	0.782	63	0.779	61
Mauritius	0.737	80	0.771	63	0.777	63	0.781	64	0.767	68
Botswana	0.634	119	0.683	109	0.698	106	0.698	108	0.678	111
South Africa	0.629	121	0.658	118	0.666	116	0.666	119	0.655	119
Namibia	0.608	128	0.624	127	0.628	126	0.640	125	0.625	127
Zambia	0.448	163	0.561	141	0.586	139	0.579	139	0.544	146
Swaziland	0.536	141	0.53	148	0.531	150	0.541	148	0.535	147
Angola	0.508	148	0.526	149	0.532	149	0.533	150	0.525	149
Tanzania, UR	0.476	152	0.488	159	0.521	151	0.527	152	0.503	154
Madagascar	0.483	151	0.498	155	0.51	154	0.512	158	0.501	155
Lesotho	0.461	158	0.486	162	0.497	161	0.497	160	0.485	160
Zimbabwe	0.397	172	0.492	156	0.509	155	0.516	154	0.479	159
Malawi	0.418	170	0.414	174	0.445	173	0.476	170	0.438	172
Mozambique	0.327	185	0.393	178	0.416	180	0.418	181	0.389	181
DRC	0.304	186	0.338	186	0.433	176	0.435	176	0.378	181
Annual SADC Mean*	**0.518**	**141**	**0.548**	**140**	**0.568**	**138**	**0.573**	**138**	0.552	139
Annual Sub-Saharan Africa Means	**0.502**		**0.502**		**0.518**		**0.523**			
World Annual Means	**0.702**		**0.702**		**0.711**		**0.717**			

Legend: * = Researcher's calculations

Source: Adapted from UNDP (2016:198-201, 2015:208-211, 2014:160-163, 2013:143-147)

3.3 GLOBAL MANUFACTURING COMPETITIVENESS OF SOUTH AFRICA AND ZIMBABWE

Countries earn brand equity from their reputable, well-developed, industries (Passow, Fehlmann & Grahlow, 2005; Sun, 2009), reputable brands (Anholt, 2005a; Buhmann & Ingenhoff, 2015; FutureBrand, 2014; Kalamova & Konrad, 2010; Laforet, 2010; Sun, 2009; Reputation Institute, 2016), and exports (Anholt-GfK Roper, 2016a; Bloom Consulting, 2013; Dinnie, 2016; Fetscherin, 2010; Jacobsen, 2009; Kemming, 2009; Simonin, 2008; Sun, 2009; Rojas-Me´ndez, 2013). "Once a country's brand image begins to improve, a virtuous circle comes into play: the country promotes the brands and the brands promote the country" (Anholt, 2005a:130). Therefore, manufacturing competitiveness is a source of country brand image and reputation. In 2009, Deloitte Global and US Council on Competitiveness created the Global Manufacturing Competitiveness Index (GMCI), which is an indicator of the influence of manufacturing on driving the competitiveness of global economies. The GMCI assesses global manufacturing competitiveness on 12 drivers: talent, cost competitiveness, workforce productivity, supplier network, legal and regulatory system, education infrastructure, physical infrastructure, "economic, trade, financial and tax system", innovation policy and infrastructure, energy policy, local market attractiveness, and health care system (Deloitte Global & US Council on Competitiveness, 2016:17). Many of the drivers of global manufacturing competitiveness are also consistent with the determinants of FDI measured in FDI studies done under the classical theory of economics (e.g. Al-Sadig 2009; Andrés, Nunnenkamp & Busse, 2013; Anyanwu 2012; Hornberger, Ledyaeva, Karhune & Whalley 2013; Mohamed & Sidiropoulos 2010). The GMCI surveys chief executives and manufacturing executives on the importance of drivers for manufacturing competitiveness and the current and future ratings of countries in respect of manufacturing competitiveness using 10-point, self-anchoring scales, with "1" representing least competitive and "10" representing extremely competitive (Deloitte Global & US Council on Competitiveness, 2016:65). The scores are converted to a 100 percentile scale to give a composite GMCI index with 10 representing low competitiveness and 100 representing high competitiveness.

3.3.1 South Africa's global manufacturing competitiveness within BRICS nations (2010 to 2016)

Three GMCI editions have been published to date. South Africa's is the second least globally competitive manufacturing country in the BRICS beating only Russia. China and India are not only the leading and second-leading manufacturers in the BRICS but also the first and sixth most competitive global manufacturers (Table 3.12 below). This implies that South Africa has no global manufacturing competitiveness within the BRICS bloc hence may be the least preferred destination for foreign investors considering country manufacturing competitiveness as a determinant of FDI location.

Table 3.12: South Africa's global manufacturing competitiveness within BRICS bloc from 2010 to 2016

Country	2010 (n=26)		2013 (n=38)		2016 (n=40)		Mean Score*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank
China	100	1	100	1	100	1	100.0	1
India	81.5	2	76.5	4	67.2	11	75.1	6
Brazil	54.1	5	71.3	8	46.2	29	57.2	14
South Africa	22.8	22	49.2	24	48.1	27	40.0	24
Russian Fed.	25.8	20	43.5	28	43.9	32	37.7	27
BRICS Annual Mean*	**56.84**	**10**	**68.1**	**13**	**61.1**	**20**	**62.0**	**14**

Legend: * = Researcher's calculations

Source: Deloitte Global & US Council on Competitiveness (2010:21, 2013:2, 2016:4)

Note: GMCI scores for 2010 and 2013 were converted from a 10-point scale to 100-percentile scale which the GMCI changed to in 2016.

3.3.2 South Africa's and Zimbabwe's global manufacturing competitiveness within Africa (2010 to 2016)

Egypt, Nigeria, and South Africa, the largest three economies in Africa, are the only ones in the continent included in the GMCI with South Africa having been included from the outset, Egypt from the second (2013) edition, and Nigeria from the third (2016) edition. This is obviously an indication that although Africa is richly endowed in natural resources, it is predominantly an importing and consuming region. Given its scores and ranks in the GMCI, South Africa is the undisputed most globally manufacturing competitive country on the continent followed by Egypt

(Table 3.13 below). South Africa is projected to improve its rank and score to 25 and 49.3 respectively in the next five years (Deloitte Global & US Council on Competitiveness, 2016:4).

Table 3.13: South Africa's global manufacturing competitiveness within top three economies in Africa (2010 to 2016)

Country	2010 (n=26)		2013 (n=38)		2016 (n=40)		Mean Score*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Egypt			32.4	36	29.2	37	**30.8**	**37**
Nigeria					23.1	38		
South Africa	22.8	22	49.2	24	48.1	27	**40.0**	**24**
Trio Annual Means*			**40.8**	**30**	**33.47**	**34**		

Legend: * = Researcher's calculations
Source: Deloitte Global & US Council on Competitiveness (2010:21, 2013:2, 2016:4)
Note: GMCI scores for 2013 were converted from a 10-point scale to 100-percentile scale which the GMCI was moved to in 2016.

In comparison, Zimbabwe has no manufacturing competitiveness at all. Instead, the country is battling low industrial capacity utilisation (Confederation of Zimbabwe Industries, 2016:56) and deindustrialisation (Confederation of Zimbabwe Industries, 2014; Mlambo, 2017; Mugaga cited by Mhlanga, 2016; Zimbabwe National Budget Statement, 2013:98). At the same time, it is worrying that "there seem to be no deliberate, focused, appropriate plan of action towards addressing the crisis that is upon the economy" (Gadzikwa, 2013). Given its depressed economic performance, it is not possible to predict when Zimbabwe and similar countries in Africa will be included in the GMCI.

3.4 GLOBAL INNOVATION COMPETITIVENESS OF SOUTH AFRICA AND ZIMBABWE

In recent years, globalisation has pushed innovation to the apex of policymaking and senior executive agendas (Dutta, INSEAD & Caulkin, 2007:26). Innovation is no longer just the basis for competitiveness at organisational level but also country level. Consequently, many developed and developing economies have put innovation at the heart of their national development strategies. Furthermore, one of the 17 sustainable development goals (SDGs) adopted by the United Nations General Assembly in its 2030 Agenda for Sustainable Development is SDG 9, industry, innovation and infrastructure (World Bank, 2016b:20). For almost a decade now, a

proprietary index, the Global Innovation Index (GII), is being published annually measuring and ranking countries on their capabilities to innovate. The GII was founded in 2007 by World Business, a British magazine, and INSEAD, a French business school (see Dutta, INSEAD & Caulkin, 2007:26) but is now published by Cornell University, INSEAD and WIPO. Over the years, the index, which covers over 140 countries worldwide annually, has evolved from a 7-point to a 100-point multidimensional scale.

Oxford Advanced Learner's Dictionary (2015:787) defines innovation as "the introduction of new things, ideas or ways of doing [things]". Nations hardly gain competitive advantage if they are not creative and innovative (Dimnwobi, Ekesiobi & Mgbemena, 2016:29; Mugabe, 2012:v). "For a nation to be able to develop sustainable solutions to pressing developmental challenges and to grow in a competitive global marketplace, there is need to be innovative and make use of the dynamic new technologies that create the ability to generate its own solutions while it adapts outside technical knowledge to suit the local environment" (Mugabe, 2012:v). The GII provides an environment where innovation factors are continuously assessed and presents an instrument and comprehensive database of metrics for designing and purifying national innovation policies. It comprises two sub-indices, namely, innovation the input sub-index and innovation output sub-index that have seven factors, 21 sub-factors and over 80 indicators. The factors or pillars of innovation in the GII are institutions, human capital and research, infrastructure, market sophistication, business sophistication, knowledge and technology outputs, and creative outputs. World Bank (2010b:1) argues that national innovation policymaking must involve "not only those who are directly involved with technology, industry, science, and education but also those in charge of finance and economics, and indeed the top government leadership, which plays a crucial role in successful innovation policies".

3.4.1 South Africa's and Zimbabwe's global innovation competitiveness within SADC (2012 to 2016)

As evident in Table 3.14 below, South Africa is the second most globally innovative country within the SADC after Mauritius. In comparison, Zimbabwe is the second least globally innovative country among the 14 SADC member countries included in this analysis beating only Angola. A

concern for South Africa, Zimbabwe, and all SADC countries should be that their GII scores are below 50 percent.

Table 3.14: South Africa's and Zimbabwe's global innovation competitiveness within SADC (2012 to 2016)

Country	2012 (n=141)		2013 (n=142)		2014 (n=143)		2015 (n=141)		2016 (n=128		Country Mean**	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Mauritius	39.2	49	38	53	40.94	41	39.23	49	35.86	53	**38.65**	**49**
South Africa	37.4	54	37.6	58	38.25	53	37.45	60	35.85	54	**37.31**	**56**
Botswana	31.4	85	31.14	91	30.87	92	30.49	90	29.96	90	**30.77**	**90**
Namibia	34.1	73	28.36	109	28.47	108	28.15	107	29.24	93	**29.66**	**98**
Mozambique	26.3	110	26.5	121	28.52	107	30.07	95	29.84	84	**28.25**	**103**
Swaziland	32	82	29.6	104	25.33	127	25.37	123	28.08*	109*	**28.08**	**109**
Malawi	25.4	120	26.73	119	27.61	113	29.71	98	27.26	98	**27.34**	**110**
Lesotho	25.7	116	26.29	124	27.01	117	26.97	118	26.49*	119*	**26.49**	**119**
Tanzania	23.9	128	26.35	123	25.6	123	27	117	26.35	105	**25.84**	**119**
Zambia	26.4	107	26.79	118	25.76	121	24.64	124	19.92	125	**24.70**	**119**
Madagascar	24.2	126	22.95	140	25.5	124	24.42	125	24.79	111	**24.37**	**125**
Zimbabwe	25.7	115	23.98	132	24.31	130	22.52	133	24.13*	128*	**24.13**	**128**
Angola	22.2	135	23.46	135	23.82	135	26.2	120	23.92*	131*	**23.92**	**131**
Regional Annual Mean**	**28.76**	**100**	**28.29**	**110**	**28.61**	**107**	**28.63**	**105**	**27.82**	**100**		

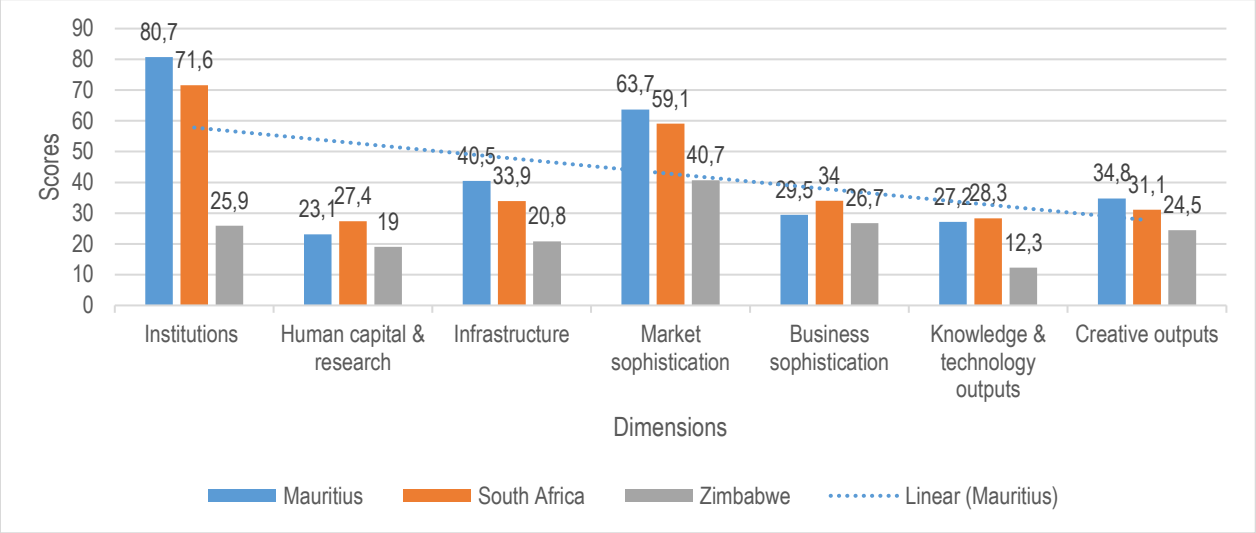
Legend: ** = Researcher's calculations; * = Scores and Ranks are averages calculated by researcher

Note: The GII is a 0-100 point scale; DRC has not been included in the GII to date; Seychelles is exluded from this analysis because it had only been included in 2014 and 2015 editions of the GII during the five-year period.

Source: INSEAD and WIPO (2012:xviii-xix) and Cornell University, INSEAD and WIPO (2013:xx-xxi, 2014:xxiv-xxv, 2015:xxx-xxxi, 2016:xviii-xix)

Figure 3.3 exhibits the 2015 GII performance of the case study countries vis-à-vis the top globally innovative country within their SADC competitive set, Mauritius. Although trailing Mauritius on four of the seven dimensions, South Africa's performance in the institutions and market sophistication pillars is very good. However, Zimbabwe's scores are all way below 50 percent with its best performance being in the market sophistication pillar, which has a score of 40.8 percent. Overall, the table above and the figure below show that Zimbabwe lacks any global innovation competitiveness.

Figure 3.3: GII 2015 dimensional performance of South Africa and Zimbabwe vis-à-vis Mauritius



Note: The researcher chose 2015 as the latest comparison year because Zimbabwe is not included in the 2016 GII edition.
Source: Cornell University, INSEAD and WIPO (2016:241, 276&302)

3.4.2 South Africa's global innovation competitiveness within the BRICS (2012 to 2016)

With a mean score of 37.31 for the five-year period ending 2016, South Africa occupies the middle or 3rd position in the GII in terms of global innovation competitiveness within the BRICS countries bloc (Table 3.15 below). Therefore it is likely to lose FDI from prospective investors who prefer innovative destinations within the BRICS diplomatic community who might be attracted to, especially, China and, to some extent, Russia respectively. Save for the institutions and market sophistication pillars of the GII, South Africa is overwhelmingly outflanked by China (Figure 3.4 below).

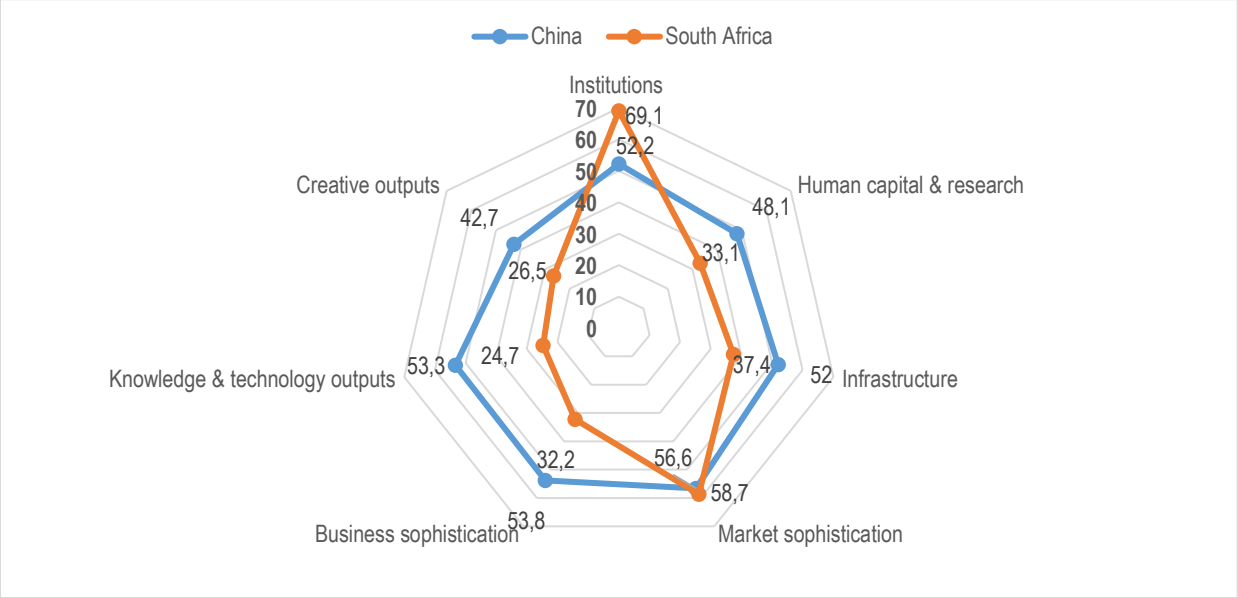
Table 3.15: South Africa's global innovation competitiveness within the BRICS from 2012 to 2016

Country	2012 (n=141)		2013 (n=142)		2014 (n=143)		2015 (n=141)		2016 (n=128		Country Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
China	45.4	34	44.66	35	46.57	29	47.47	29	50.57	25	**46.93**	**30**
Russia	37.9	51	37.2	62	39.14	49	39.32	48	38.5	43	**38.41**	**51**
South Africa	37.4	54	37.6	58	38.25	53	37.45	60	35.85	54	**37.31**	**56**
Brazil	36.6	58	36.33	64	36.29	61	34.95	70	33.19	69	**35.47**	**64**
India	35.7	64	36.17	66	33.7	76	31.74	81	33.61	66	**34.18**	**71**
Bloc Annual Mean*	**38.60**	**52**	**38.39**	**57**	**38.79**	**54**	**38.19**	**58**	**38.34**	**51**		

Legend: * = Researcher's calculations

Source: INSEAD and WIPO (2012:xviii-xix) and Cornell University, INSEAD and WIPO (2013:xx-xxi, 2014:xxiv-xxv, 2015:xxx-xxxi, 2016:xviii-xix)

Figure 3.4: Comparison of South Africa's and China's 2016 global innovation competitiveness



Source: Adapted from Cornell University, INSEAD and WIPO (2016:199&281)

3.4.3 South Africa's global innovation competitiveness within top three economies in Africa (2012 to 2016)

South Africa is the most globally innovative economy within the three leading African economies' competitive set beating Egypt and Nigeria with huge margins in terms of scores and ranks (Table

3.16 below). However, the country's infrastructure is rated almost the same as Egypt's infrastructure component (Figure, 3.5 below).

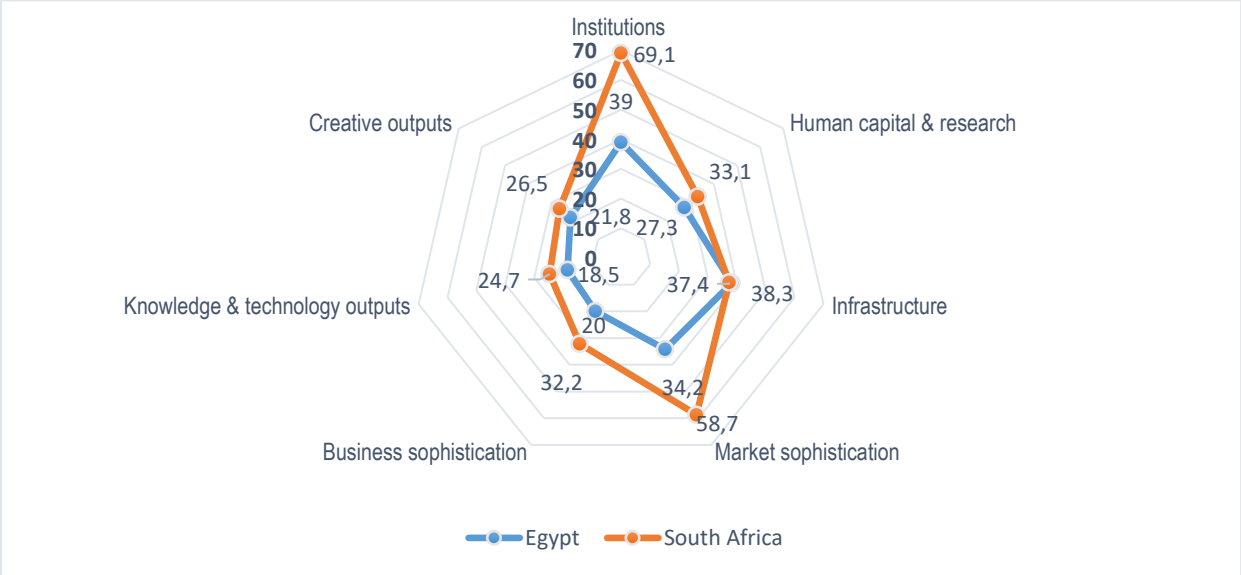
Table 3.16: South Africa's global innovation competitiveness within top three African countries (2009 to 2016)

Country	2012 (n=141)		2013 (n=142)		2014 (n=143)		2015 (n=141)		2016 (n=128		Country Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	**Score**	**Rank**
South Africa	37.4	54	37.6	58	38.25	53	37.45	60	35.85	54	**37.31**	**56**
Egypt	27.9	103	28.48	108	30.03	99	28.91	100	25.96	107	**28.26**	**103**
Nigeria	24.6	123	26.57	120	27.79	110	23.72	128	23.15	114	**25.17**	**119**
Group Mean*	**29.97**	**93**	**30.88**	**95**	**32.02**	**87**	**30.03**	**96**	**28.32**	**92**		

Legend: * = Researcher's calculations

Source: INSEAD and WIPO (2012:xviii-xix) and Cornell University, INSEAD and WIPO (2013:xx-xxi, 2014:xxiv-xxv, 2015:xxx-xxxi, 2016:xviii-xix)

Figure 3.5: Comparison of South Africa's and Egypt's 2016 global innovation competitiveness



Source: Adapted from Cornell University, INSEAD and WIPO (2016:209&281)

3.5 GDP COMPETITIVENESS OF SOUTH AFRICA AND ZIMBABWE

Gross Domestic Product (GDP) is the total value of goods and services produced by an economy over a defined period of time hence is often taken as a proxy indicator of economy size. GDP is

one of the variables considered by investors to select foreign investment destinations (AT Kearney, 2016; Anyanwu, 2012; Lee, 2009; IMD, 2014; Kalamova & Konrad, 2010; Mohamed & Sidiropoulos, 2010). Businesses also usually take GDP as a proxy variable for market size.

3.5.1 GDP competitiveness of South Africa within the BRICS (2011 to 2015)

South Africa is the smallest of all BRICS economies in GDP terms. Its mean GDP for the five-year period ending 2015 of US$369 billion is too small compared to the mean GDPs of all fellow BRICS economies, which range from the lowest of US$1.931 trillion for India to the largest of US$9.446 trillion for China (Table 3.17 below). The country's annual and mean GDP statistics for the period are all far below the annual and mean GDP figures for BRICS countries put together. For instance, South Africa's mean GDP for the five-year period under review is 8.9 times smaller than the BRICS annual average GDP for 2015 whereas India's, the second smallest economy in the group, is only 1.7 times smaller. Consequently, South Africa is the least competitive FDI destination of all BRICS countries for foreign investors who consider GDP size as a location decision criterion.

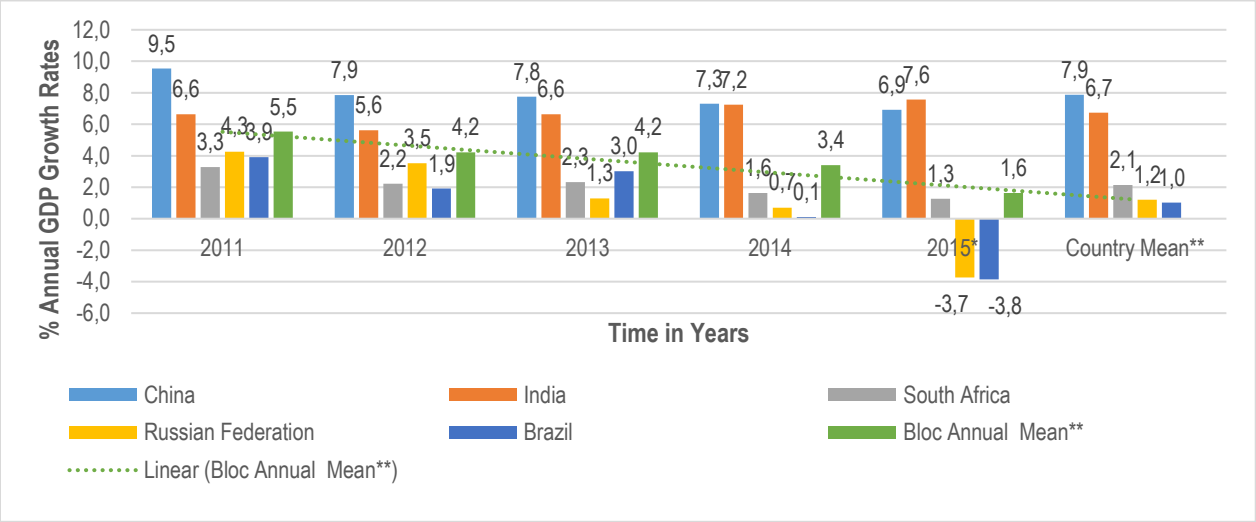
Table 3.17: South Africa's GDP within BRICS bloc in billion US dollars (2011 to 2015)

Country	2011	2012	2013	2014	2015*	Country Mean**
China	7572.554	8560.547	9607.224	10482.37	11007.72	**9446.083**
Brazil	2614.573	2460.658	2465.774	2417.046	1774.725	**2346.555**
Russian Fed.	2034.007	2154.067	2231.827	2052.807	1331.208	**1960.783**
India	1822.99	1828.985	1863.208	2042.439	2095.398	**1930.604**
South Africa	416.419	396.342	367.594	351.305	314.572	**369.246**
Bloc Annual Mean (μ)**	**2892.109**	**3080.120**	**3307.125**	**3469.194**	**3304.725**	

Legend: ** = Researcher's calculations; * = 2015 GDP statistics are preliminary as they were downloaded on 3 March 2017
Source: World Bank (2017)

Figure 3.6 below indicates that South Africa has the third highest mean GDP growth rate for the period 2011 to 2016 among BRICS economies after China and India on the first and second place. This means that the country has relative higher GDP growth rate attractiveness than Brazil and Russia for foreign investors considering to invest in the BRICS bloc basing their decision on GDP growth rate.

Figure 3.6: GDP growth rates of BRICS nations for 2011 to 2015



Legend: ** = Researcher's calculations; * = 2015 GDP statistics are preliminary as they were downloaded on 3 March 2017
Source: World Bank (2017)

3.5.2 South Africa's GDP competitiveness within top three economies in Africa (2011 to 2015)

South Africa is the second largest economy in Africa after Nigeria in respect of annual and mean GDP for the last five years ending 2015 (Table 3.18 below). This means that for an investor relying on GDP size as a basis for selecting an investment destination from Africa's top three economies, Nigeria is the likeliest destination of first choice.

Table 3.18: South Africa's GDP within Africa's top three economies in US billion dollars (2011 to 2015)

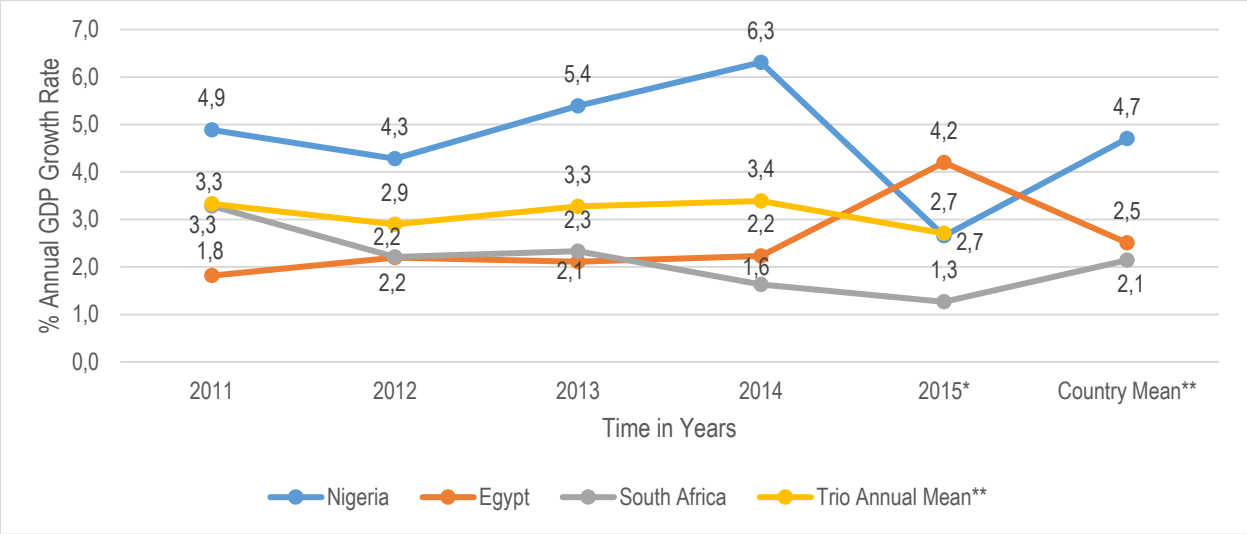
Country Name	2011	2012	2013	2014	2015*	Country Mean**
Nigeria	411.744	460.954	514.966	568.499	481.066	**487.446**
South Africa	416.419	396.342	367.594	351.305	314.572	**369.246**
Egypt	236.002	276.353	286.011	301.499	330.779	**286.129**
Trio Annual Mean**	**354.722**	**377.883**	**389.524**	**407.101**	**375.472**	

Legend: ** = Researcher's calculations; * = 2015 GDP statistics are preliminary as they were downloaded on 3 March 2017
Source: Adapted from World Bank (2017)

In GDP growth rate terms, it is also evident that South Africa loses its second position to Egypt (Figure 3.7 below). Its mean GDP growth of 2.1 percent, which is below the annual mean GDP

growth rates of all its two regional rivals for the period under review, is evidence of an economy that is underperforming by regional standards. This implies that, for investors considering to invest in one of the continent's largest three economies, Nigeria and Egypt are likely to be the first and second destinations of choice respectively.

Figure 3.7: South Africa's GDP growth rates within Africa's top three economies (2011 to 2015)



3.5.3 South Africa's and Zimbabwe's GDP competitiveness within SADC (1998 to 2015)

With a mean GDP of US$260.26 billion for the last 17 years ending 2015, South Africa is the biggest economy in the SADC (Table 3.19 below). In mean GDP terms, the South African economy is 4.6 times and 10.9 times bigger than the region's second and third biggest economies, Angola and Tanzania respectively. This positions South Africa as the region's undisputed leading economy and the country is likely to maintain this position in the short- to medium term. Hence South Africa is likely to be the location of first choice for all foreign investors considering GDP size as a criterion for choosing an FDI destination within the SADC.

In comparison, Zimbabwe is the eighth biggest economy among the 15 economies in the bloc, with a mean GDP of US$8.252 billion for the period 1998 to 2015; and Namibia (Mean GDP = US$8.062 billion) and Mauritius (Mean GDP = US$8.041 billion) are keeping too close in its

shadows (Table 3.19 below). Although Zimbabwe was the fourth biggest economy in the SADC in 1998, it has since been overtaken by the DRC, Mozambique, Botswana, and, most spectacularly, by Zambia. With a GDP of US$6.402 billion in 1998, Zimbabwe's economy was 1.8 times bigger than Zambia's economy (GDP = US$3.538) but the relationship has now been reversed as the latter's economy is 1.9 times bigger than the former's (Zambia 2014 GDP = US$27.151 billion; Zimbabwe 2014 GDP = US$14.197 billion). This shows that Zimbabwe has lost competitiveness to its regional counterparts in the last 18 years. If the country had not gone through the decade of hyperinflation (1999 to 2008) and maintained economic dominance over Zambia, its economy could have been, at the minimum, almost the same size as Zambia's economy in 2014. But because this is not the case, Zimbabwe's occupies an untenable position in the region from a GDP size viewpoint, which maybe working to its competitive disadvantage from the perspective of FDI location decision making.

In annual GDP growth rate terms spanning the last 18 years, both South Africa and Zimbabwe are either dogs or question marks within the SADC competitive frame of reference. With mean GDP growth rates of 2.92 and -0.73 percent for the period under review, South Africa and Zimbabwe are the second least and least growing economies in the region respectively (Table 3.20 below). This makes them the least attractive FDI destinations in the bloc for investors that consider GDP growth rate as a basis for making investment destination decisions. On the contrary, as shown in the table, the four fastest growing and most attractive investment destinations in the SADC by mean GDP growth rate are Mozambique (7.70 percent), Angola (7.30 percent), Tanzania (6.34 percent), and Zambia (6.03).

Table 3.19: Annual GDP for SADC countries in billion US dollars for period 1998 to 2015

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	C. Mean*
South Africa	137.77	136.63	136.36	121.52	115.48	175.26	228.59	257.77	271.64	299.42	286.77	295.94	375.35	416.42	396.34	367.59	351.30	314.57	**260.26**
Angola	6.445	6.153	9.130	8.936	12.497	14.189	19.641	28.234	41.789	60.449	84.178	75.492	82.471	104.12	115.40	124.91	126.78	102.63	**56.86**
Tanzania	9.345	9.698	10.186	10.384	10.806	11.659	12.826	16.930	18.610	21.502	27.368	28.574	31.408	33.879	39.088	44.333	48.197	45.628	**23.912**
DRC	6.216	4.711	19.088	7.438	8.728	8.938	10.297	11.964	14.297	16.364	19.206	18.263	20.523	23.849	27.463	30.015	32.782	35.238	**17.521**
Zambia	3.538	3.404	3.601	4.094	4.194	4.902	6.221	8.332	12.757	14.057	17.911	15.328	20.266	23.460	25.503	28.045	27.151	21.154	**13.551**
Botswana	4.790	5.484	5.788	5.490	5.439	7.512	8.957	9.931	10.127	10.939	10.945	10.267	12.787	15.683	14.686	14.815	15.880	14.390	**10.217**
Mozambique	4.873	5.303	5.016	4.767	5.032	5.597	6.832	7.724	8.312	9.367	11.495	10.912	10.154	13.131	14.534	16.019	16.961	14.807	**9.491**
Zimbabwe	6.402	6.858	6.690	6.777	6.342	5.728	5.806	5.755	5.444	5.292	4.416	8.157	9.422	10.956	12.393	13.490	14.197	14.419	**8.252**
Namibia	3.827	3.819	3.909	3.547	3.361	4.931	6.607	7.261	7.979	8.741	8.487	8.876	11.282	12.410	13.016	12.713	12.854	11.492	**8.062**
Mauritius	4.170	4.291	4.583	4.537	4.767	5.610	6.386	6.284	7.029	8.150	9.990	9.129	10.004	11.518	11.669	12.130	12.803	11.682	**8.041**
Madagascar	3.739	3.718	3.878	4.530	4.397	5.474	4.364	5.039	5.516	7.343	9.413	8.550	8.730	9.893	9.920	10.602	10.674	9.739	**6.973**
Malawi	1.751	1.776	1.744	1.717	3.496	3.209	3.476	3.656	3.998	4.431	5.321	6.195	6.957	7.984	5.981	5.432	6.055	6.404	**4.421**
Swaziland	1.577	1.548	1.705	1.524	1.407	2.171	2.762	3.107	3.180	3.362	3.241	3.575	4.526	4.960	4.868	4.611	4.493	4.118	**3.152**
Lesotho	0.928	0.913	0.887	0.826	0.776	1.158	1.511	1.682	1.800	1.825	1.876	1.870	2.392	2.796	2.666	2.499	2.539	2.278	**1.735**
Seychelles	0.608	0.623	0.615	0.622	0.698	0.706	0.839	0.919	1.016	1.034	0.967	0.847	0.970	1.066	1.134	1.411	1.423	1.438	**0.941**
SADC Total*	**195.98**	**194.93**	**213.18**	**186.70**	**187.42**	**257.04**	**325.12**	**374.59**	**413.49**	**472.27**	**501.58**	**501.97**	**607.24**	**692.12**	**694.66**	**688.62**	**684.09**	**609.99**	
SADC Mean*	**13.066**	**12.995**	**14.212**	**12.447**	**12.495**	**17.136**	**21.675**	**24.973**	**27.566**	**31.485**	**33.439**	**33.465**	**40.483**	**46.141**	**46.311**	**45.908**	**45.606**	**40.666**	

Legend: * = Researcher's calculations; C. Mean = Country Mean
Source: World Bank (2017)

Table 3.20: South Africa and Zimbabwe's GDP growth rates within SADC countries for the period 1998 to 2014 (n=15)

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	*C. Mean
Mozambique	11.86	7.82	1.68	12.72	8.79	6.50	7.81	8.72	9.85	7.43	6.88	6.35	6.69	7.12	7.20	7.14	7.44	6.61	**7.70**
Angola	6.80	3.24	3.01	4.22	-6.94	5.25	10.88	18.26	20.74	22.59	13.82	2.41	3.41	3.92	5.16	6.81	4.80	3.01	**7.30**
Tanzania	3.71	4.84	4.93	6.00	7.16	6.89	7.83	8.17	4.66	8.46	5.57	5.38	6.36	7.90	5.14	7.26	6.97	6.96	**6.34**
Zambia	-0.39	4.65	3.90	5.32	4.51	6.94	7.03	7.24	7.90	8.35	7.77	9.22	10.30	5.56	7.60	5.06	4.70	2.92	**6.03**
Namibia	3.29	3.37	3.49	1.18	4.79	4.24	12.27	2.53	7.07	6.62	2.65	0.30	6.04	5.09	5.06	5.65	6.46	5.30	**4.74**
Mauritius	6.07	2.61	9.03	2.57	2.11	3.66	5.75	1.24	8.54	5.73	5.39	3.32	4.38	4.08	3.50	3.36	3.74	3.47	**4.36**
Botswana	0.72	9.67	1.99	0.25	6.07	4.63	2.71	4.56	8.36	8.28	6.25	-7.65	8.56	6.05	4.46	9.86	3.20	-0.25	**4.32**
Malawi	3.90	3.04	1.58	-4.97	1.70	5.71	5.42	3.27	4.70	9.60	7.64	8.33	6.87	4.85	1.89	5.20	5.70	2.83	**4.29**
DRC	-1.62	-4.27	-6.91	-2.10	2.95	5.58	6.74	6.14	5.32	6.26	6.23	2.86	7.08	6.86	7.16	8.50	8.97	6.92	**4.04**
Lesotho	1.58	0.59	3.97	3.92	1.51	5.11	1.76	2.97	4.36	4.16	6.73	2.17	6.25	7.00	5.47	2.02	4.54	1.61	**3.65**
Seychelles	8.40	1.87	1.51	-2.27	1.21	-5.89	-2.85	9.01	9.41	10.42	-2.15	-1.11	5.95	7.89	6.61	6.05	3.32	3.50	**3.38**
Swaziland	2.60	2.95	1.76	1.90	3.24	4.56	3.11	5.19	5.07	4.05	4.42	2.57	1.81	1.90	3.43	4.57	2.75	1.87	**3.21**
Madagascar	3.93	4.66	4.76	6.02	-12.67	9.78	5.26	4.60	5.02	6.24	7.13	-4.01	0.26	1.45	3.03	2.26	3.32	3.05	**3.00**
South Africa	0.50	2.40	4.20	2.70	3.70	2.95	4.55	5.28	5.59	5.36	3.19	-1.54	3.04	3.28	2.21	2.33	1.63	1.26	**2.92**
Zimbabwe	2.89	-0.82	-3.06	1.44	-8.89	-17.0	-5.81	-5.71	-3.46	-3.65	-17.67	5.98	11.38	11.91	10.57	4.48	3.85	0.47	**-0.73**
SADC Mean*	**3.62**	**3.11**	**2.39**	**2.59**	**1.28**	**3.26**	**4.83**	**5.43**	**6.88**	**7.33**	**4.26**	**2.31**	**5.89**	**5.66**	**5.23**	**5.37**	**4.76**	**3.30**	

Legend: * = Researcher's calculations; C. Mean = Country Mean
Source: World Bank (2017)

3.6 SOUTH AFRICA'S AND ZIMBABWE'S FDI COMPETITIVENESS

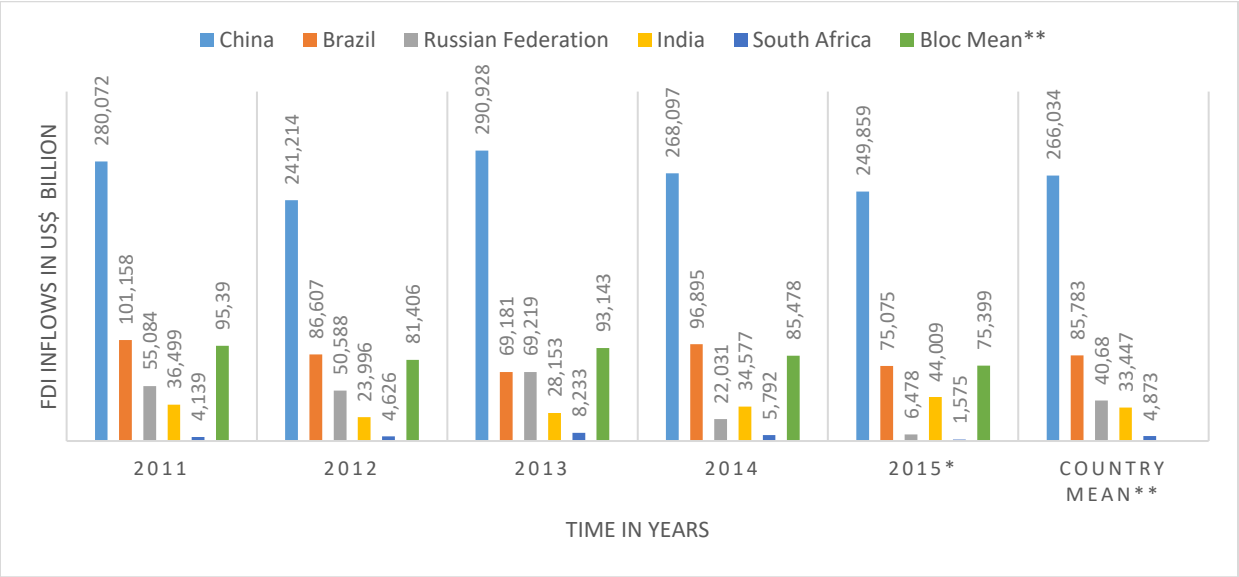
Applying the hypothesis of agglomeration, FDI inflows are likely to be a source of destination brand equity or competitiveness for host nations. Agglomeration economies can exist considering that foreign investors can be attracted to countries with larger existing FDI (Anyanwu, 2012; Mukim & Nunnenkamp, 2010; Sichei & Kinyondo, 2012). In fact, Anyanwu (2012:442) argues that when foreign investors are less familiar with a country's investment climate, they "may view the investment decisions by others as a good signal of favourable conditions and invest there too, so as to reduce uncertainty". As a result, the FDI brand equities of South Africa and Zimbabwe are considered from the perspective of their FDI inflows vis-à-vis those of their competitors using statistics from World Bank and, where feasible, United Nations Conference on Trade and Development (UNCTAD). In addition, South Africa's competitiveness is examined from the standpoint of its performance in the AT Kearney FDI Confidence Index.

3.6.1 FDI competitiveness of South Africa within BRICS: FDI inflow and AT Kearney FDI Confidence Index® perspectives

3.6.1.1 FDI competitiveness of South Africa in BRICS: An FDI inflow perspective (2011 to 2015)

Drawing on FDI inflows of BRICS nations compiled by World Bank (2017), South Africa is the least attractive FDI destination within the diplomatic group (Figure 3.8 below). The country's mean FDI inflow of US$4.873 billion for five years ending 2015 is 54.6 times and 6.9 times smaller than those of the most attractive and second least attractive nations in the bloc, China and India, whose average inward FDI for the same period are US$266.034 billion and US$33.447 billion respectively. As evident in the figure, South Africa's mean is way below the bloc's annual mean FDI inflows, suggesting that the country is performing far below its peers.

Figure 3.8: South Africa's FDI inflows in billion US dollars within BRICS nations for the period 2011 to 2015



Legend: ** = Researcher's calculations; * = 2015 figures are preliminary
Source: World Bank (2017)

China and Brazil are the most attractive FDI destinations in the bloc with the latter's mean FDI inflow for the five-year period being US$85.783 billion (Figure 3.8). China's annual and mean FDI inflows overwhelmingly exceed the bloc's annual averages for the period, which is suggestive of a country performing far above its peers. Going by the hypothesis of agglomeration economies that argues that FDI goes where other FDI goes, it is likely that South Africa and India will continue to receive the least and second least FDI inflows respectively within the BRICS competitive set in the foreseeable future, while China, Brazil, and Russia will, at the same time, be receiving the largest share of foreign capital in descending order.

3.6.1.2 South Africa's performance in the AT Kearney FDI Confidence Index® (2012 to 2016)

The AT Kearney FDI Confidence Index® is a proprietary methodology designed in 1998 by AT Kearney, an American multinational management consulting firm, to measure the level of confidence business executives have in adopting FDI as a foreign market entry strategy. The index examines overarching trends and ranks the top 25 FDI attracting countries in the world on how changes in their political, economic and regulatory systems are likely to affect FDI inflows in

coming years (AT Kearney, 2014:1) using a 0 to 3 scale where 0 represents *Low Confidence* and 3 represents *High Confidence*. The issue of destination confidence is synonymous with destination trustworthiness. Brand trustworthiness is a key attribute of nation brands (Jacobsen, 2009; Kemming, 2009; Passow, Fehlmann & Grahlow, 2005; Reputation Institute, 2016). Drawing on the mean values and rankings of BRICS nations in the index between 2012 and 2016, South Africa is the second least reputable FDI destination in the group after Russia only based on the three years it featured in the index during the period (Table 3.21 below). The country's mean value for the period, 1.58, is below the bloc's annual mean values for the period, which is symptomatic of an underperforming economy going by the region's standards. Thus, South Africa is the destination within the BRICS where investors have the second lowest confidence to invest in. China and Brazil are destinations in which foreign investors have the highest and second highest confidence respectively to engage in FDI within the BRICS competitive frame of reference. This corroborates the conclusion already made above based on World Bank's (2017) latest FDI inflows covering the five-year period ending 2015.

Table 3.21: South Africa's performance in AT Kearney FDI Confidence Index® within BRICS nations (2012 – 2016)

Country	2012		2013		2014		2015		2016		Country mean*	
	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank
China	1.87	1	2.02	2	1.95	2	2.00	2	1.82	2	**1.93**	**2**
Brazil	1.6	3	1.97	3	1.91	5	1.87	6	1.53	12	**1.78**	**6**
India	1.73	2	1.85	5	1.81	7	1.79	11	1.60	9	**1.76**	**7**
South Africa	1.40	11	1.63	15	1.70	13					**1.58**	**13**
Russia	1.39	12	1.71	11							**1.55**	**12**
BRICS Average*	**1.60**	**6**	**1.84**	**7**	**1.84**	**7**	**1.89**	**6**	**1.65**	**8**		

Legend: * = Researcher's calculations

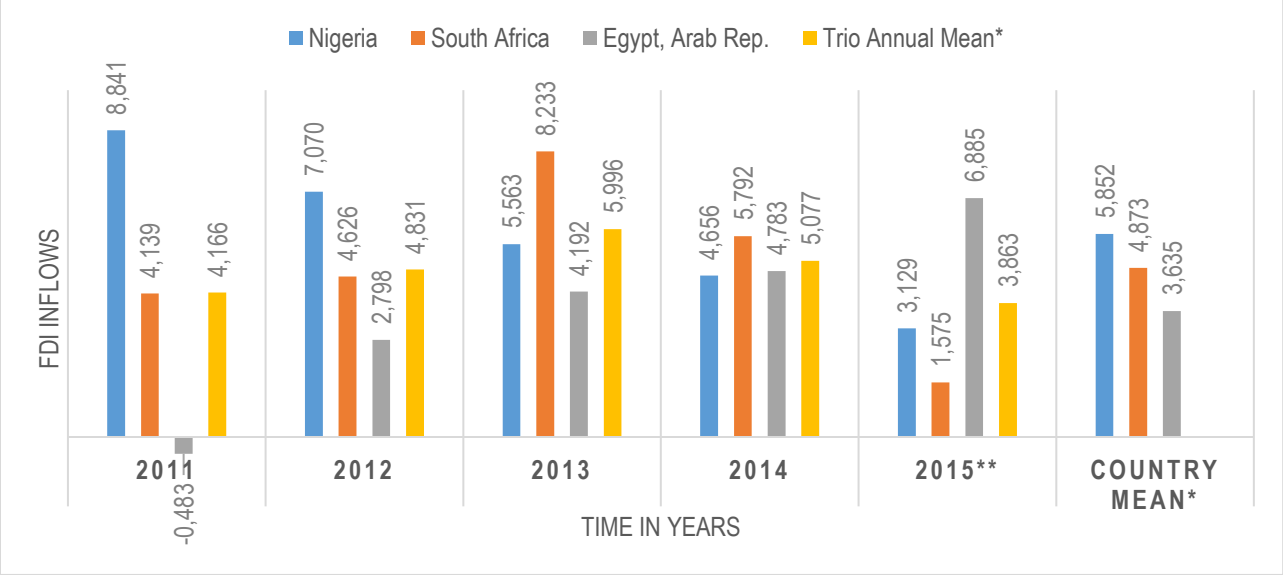
Source: Adapted from AT Kearney FDI Confidence Index® (2012:2, 2013:3, 2014:1, 2015:3; 2016:3)

3.6.2 South Africa's FDI attractiveness within top three African economies (2011 to 2016)

With a mean FDI inflow of US$4.873 billion for the five-year period ending 2015, South Africa is the second most competitive FDI destination among the top three economies in Africa (Figure 3.9 below). Nigeria leads the pack with a mean inward FDI of US$5.852 billion and Egypt is the

least competitive, with an average FDI inflow of US$3.635 billion for the period. South Africa should be worried about its current FDI position because it should have been capitalising on political risks of its two continental rivals. Personal security in some states of Nigeria cannot be guaranteed because of Boko Haram insurgents and Egypt's stability has been shaky since the Arab spring in December 2010.

Figure 3.9: South Africa's FDI inflows in billion US dollars within top three African economies



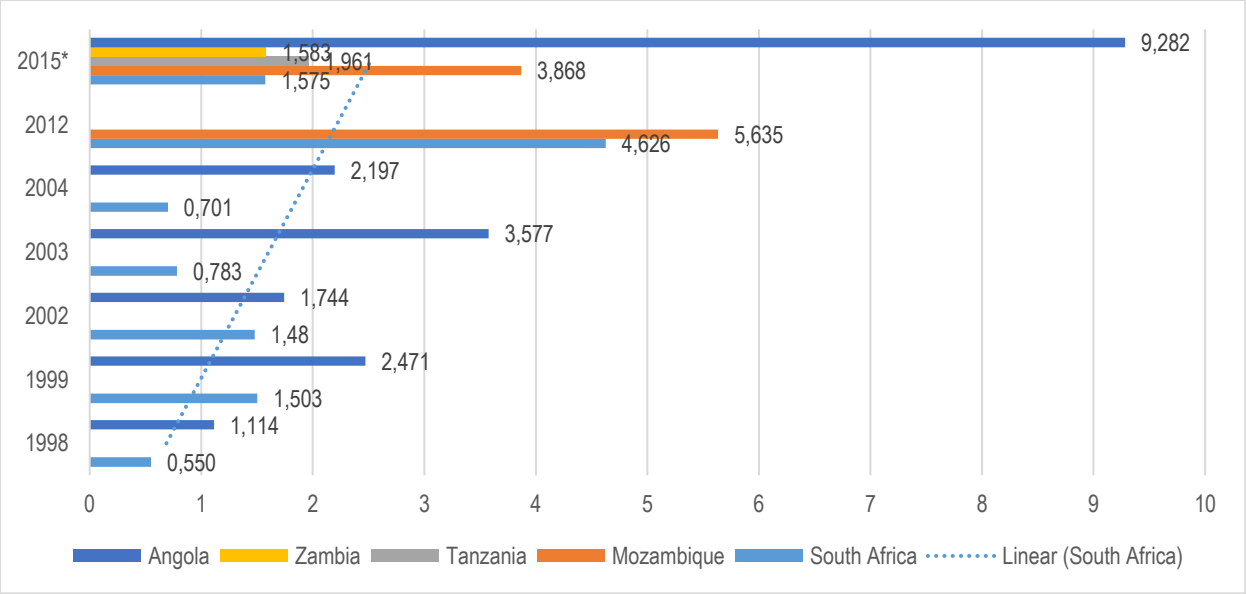
Legend: * = Researcher's calculations; ** = Inflows regarded as preliminary
Source: World Bank (2017)

3.6.3 FDI competitiveness of South Africa and Zimbabwe within the SADC (1998 to 2015)

Based on its mean FDI inflow of US$4.031 billion for the 17 years ending 2015, which is 2.4 times bigger than the average inflow of Mozambique, the region's second best FDI destination, South Africa is the most attractive FDI destination in the SADC (Table 3.22 below). During the period, the country recorded its highest FDI inflow of US$9.885 billion in 2008 and lowest of US$550 million in 1998. Nonetheless, South Africa's supreme FDI brand position has been challenged by the region's sole oil producing economy and now eighth biggest FDI destination, Angola, for six years shown in Figure 3.10 below. As shown in the figure, South Africa was also outshined by Mozambique in 2012 and by Mozambique, Tanzania and Zambia in 2015 although the 2015 FDI inflows are preliminary. Basing on 2015 World Bank GDP statistics of these three economies in

comparison to South Africa's, it is notable that the Tanzanian, Zambian and Mozambican economies are 6.9 times, 14.9 times, and 21.2 times respectively smaller than the latter's economy (World Bank, 2017).

Figure 3.10: US dollar FDI inflows in billion US dollars of SADC-based challengers of South Africa's FDI brand position



Despite that Zimbabwe was the SADC's third largest FDI destination in 1998 with an FDI inflow of US$444 million, it is now the region's fourth weakest FDI location as it has a mean inward FDI flow of US$167 million for the 17-year period ending 2015 (Table 3.22 below). The country's FDI brand value might have been eroded by its decade-long national political and economic crisis that ended in 2008, the weak economic recovery during the tenure of the inclusive government from 2009 to 2013, and the persistent economic decline that has set in since 2013 going by GDP and GDP growth rate (see World Bank, 2017; **Tables 3.19-3.20**). Zimbabwe is characterised by disinvestment (Zimbabwe National Budget Statement, 2012 & 2013). Over the 17-year period, the country managed to surpass its best ever inward FDI flow of 1998 (US$444 million) when it recorded an inflow of US$473 million in 2014 (World Bank, 2017; Table 3.22 below) or US$545 million (UNCTAD, 2015:A4, 2016:197, 2017:223) (variations in World Bank and UNCTAD statistics are explained by different methodologies used to gather data and calculate inflows). As evident in the table, Zimbabwe's FDI inflows during the period under review declined to under

US$100 million with the lowest inflow of US$4 million recorded in 2003, halfway through the decade crisis.

Furthermore, Zimbabwe's FDI inflows for the period 2009 to 2015, during which the country was 'recovering' from its decade-long political and economic crisis, are too low compared to those of Mozambique, Tanzania, Zambia, and Namibia for the same period. This shows that Zimbabwe is still perceived by foreign investors as a comparatively less-attractive FDI destination brand within the region. However, what should be even more worrying for Zimbabwe is that it has also been spectacularly overtaken by Zambia in terms of FDI. In reality, the two neighbouring countries have literary exchanged their FDI brand positions within the SADC, as they did in GDP terms as already explained above. Whereas Zimbabwe's 1998 inward FDI of US$444 million was 2.2 times bigger than Zambia's US$198 million for the same year, Zambia's 2014 FDI inflow of US$1.502 billion (thesis considers World Bank 2015 statistics as preliminary, see Table 3.22) is 3.2 times bigger than Zimbabwe's inflows of US$473 million. Even if UNCTAD inward FDI statistics for 2014 and 2015 were used, which are more favourable to the case study country, Zimbabwe's FDI inflows are still 2.7 times (that is, US$1.489 billion ÷ US$545 million) and 3.8 times (US$1.583 billion ÷ US$421 million) smaller than those of its northern neighbour, Zambia, respectively (see UNCTAD, 2015:A4, 2016:197, 2017:223). This shows that Zimbabwe's brand equity as an FDI location within the SADC has also sharply regressed compared to where it was in 1998.

Table 3.22: South Africa's and Zimbabwe's FDI inflows in billion US dollars within the SADC (1998 – 2015)

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*	Country Mean**
South Africa	0.550	1.503	0.969	7.270	1.480	0.783	0.701	6.522	0.623	6.587	9.885	7.624	3.693	4.139	4.626	8.233	5.792	1.575	**4.031**
Mozambique	0.213	0.382	0.139	0.255	0.348	0.337	0.245	0.122	0.251	0.417	0.641	0.930	1.258	3.664	5.635	6.697	4.999	3.868	**1.689**
Tanzania	0.172	0.517	0.463	0.549	0.396	0.318	0.443	0.936	0.403	0.582	1.383	0.953	1.813	1.229	1.800	2.087	2.045	1.961	**1.003**
Zambia	0.198	0.162	0.122	0.145	0.298	0.347	0.364	0.357	0.616	1.324	0.939	0.695	1.729	1.109	1.732	2.100	1.508	1.583	**0.851**
Namibia	0.096	0.002	0.196	0.379	0.148	0.065	0.224	0.393	0.610	0.670	0.750	0.497	0.767	0.744	1.077	0.853	0.405	1.060	**0.496**
Madagascar	0.017	0.058	0.083	0.093	0.015	0.013	0.053	0.085	0.295	0.789	1.134	1.293	0.810	0.738	0.811	0.567	0.351	0.517	**0.429**
Botswana	0.095	0.037	0.057	0.031	0.403	0.418	0.391	0.421	0.486	0.495	0.521	0.209	0.218	1.371	0.487	0.398	0.515	0.394	**0.386**
Angola	1.114	2.471	0.879	2.145	1.744	3.577	2.197	-1.304	-0.038	-0.893	1.679	2.205	-3.227	-3.024	-6.898	-7.120	1.922	9.282	**0.373**
Mauritius	0.012	0.049	0.266	-0.028	0.032	0.063	0.014	0.042	0.107	0.341	0.378	0.257	0.430	0.433	0.589	0.293	0.418	0.208	**0.217**
DRC	0.061	0.011	0.094	0.102	0.188	0.391	0.409	0.167	0.238	1.794	1.673	-0.035	0.124	-0.091	-0.421	-0.401	-0.344	-0.508	**0.192**
Malawi	0.012	0.059	0.026	0.019	0.006	0.066	0.108	0.140	0.036	0.124	0.195	0.049	0.097	0.813	-0.009	0.451	0.598	0.515	**0.184**
Zimbabwe	0.444	0.059	0.023	0.004	0.026	0.004	0.009	0.103	0.040	0.069	0.052	0.105	0.123	0.344	0.350	0.373	0.473	0.399	**0.167**
Seychelles	0.053	0.055	0.024	0.065	0.048	0.058	0.038	0.081	0.141	0.176	0.180	0.168	0.160	0.143	0.613	0.057	0.108	0.106	**0.126**
Lesotho	0.265	0.163	0.032	0.030	0.028	0.044	0.056	0.027	0.024	0.076	0.011	0.091	0.030	0.061	0.057	0.050	0.094	0.113	**0.070**
Swaziland	0.153	0.098	0.091	0.029	0.093	-0.060	0.070	-0.046	0.121	0.037	0.106	0.066	0.136	0.093	0.090	0.029	0.027	0.032	**0.065**
SADC Annual Total**	**3.456**	**5.627**	**3.465**	**11.090**	**5.251**	**6.424**	**5.320**	**8.046**	**3.952**	**12.586**	**19.526**	**15.108**	**8.162**	**11.768**	**10.538**	**14.670**	**18.911**	**21.106**	
SADC Annual Mean**	**0.230**	**0.375**	**0.231**	**0.739**	**0.350**	**0.428**	**0.355**	**0.536**	**0.263**	**0.839**	**1.302**	**1.007**	**0.544**	**0.785**	**0.703**	**0.978**	**1.261**	**1.407**	

Legend: ** = Researcher's calculations; * = 2015 inflows are preliminary
Source: World Bank (2017)

3.7 SOUTH AFRICA'S AND ZIMBABWE'S PERFORMANCE IN THE GLOBAL COMPETITIVENESS INDEX (GCI)

The GCI is a unified approach, capturing both the macroeconomic and microeconomic foundations of competitiveness as well as the static and dynamic consequences (Bandura, 2005:48) launched by the World Economic Forum (WEF) in the 2004/2005 Global Competitiveness Report with the original concept having been developed by Klaus Schwab in 1979. It is a weighted average of three sub-indices: basic requirements, efficiency enhancers and innovation factors with 12 pillars of competitiveness in all measured on a 7-point scale with *1* representing *no or lowest competitiveness* and *7* representing *highest competitiveness*. The basic requirements sub-index has four pillars, namely, institutions, infrastructure, macro-environment, and health and primary education and the efficiency enhancers sub-index constitutes six pillars, which are higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, and market size. The innovation and sophistication sub-index has two pillars, which are business sophistication and innovation. The GCI classifies countries into five developmental stages from the three sub-indices, namely, factor-driven economies (Stage 1), transition from Stage 1 to Stage 2 economies, efficiency-driven economies (Stage 2), transition from Stage 2 to Stage 3 economies, and innovation-driven economies (Stage 3) (WEF, 2014:38). It ranks countries in decreasing order of competitiveness (Bandura, 2005:48) hence the bigger the mean score and the smaller the rank of a country in the index the more globally competitive the country is perceived to be. Below is a discussion of the brand strength of South Africa and Zimbabwe from a GCI lenses.

3.7.1 South Africa's performance in the GCI within the BRICS competitive set (2012 to 2016)

Drawing from the GCI mean scores and ranks of BRICS nations for the five-year period ending 2016, China, with an average score of 4.88 and average rank of 28 for the period, is the bloc's superior brand (Table 3.23 below). South Africa, mean score 4.39 and mean rank 51, is the second most-attractive economy in the league regardless of being the smallest in the BRICS in GDP terms as already reported.

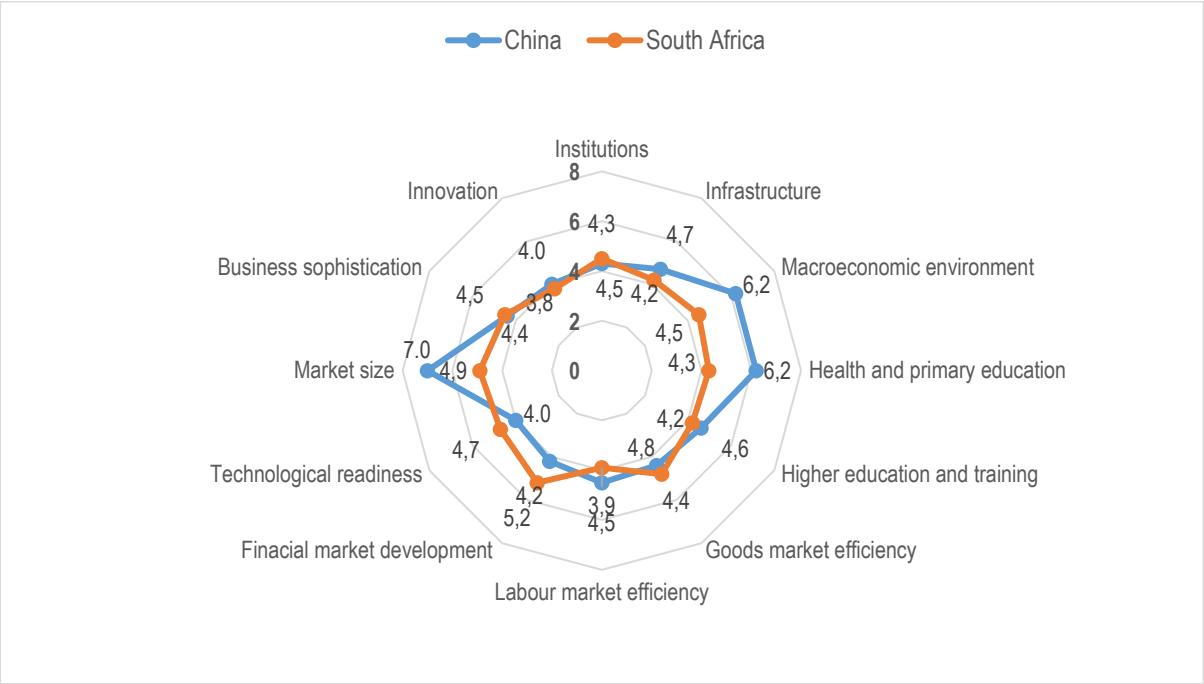
Table 3.23: South Africa's GCI performance within the BRICS economies (2012 to 2016)

Country	2012 (n=144)		2013 (n=148)		2014 (n=144)		2015 (n=140)		2016 (n=138)		Country Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
China	4.83	29	4.84	29	4.89	28	4.89	28	4.95	28	**4.88**	**28**
South Africa	4.37	52	4.37	53	4.35	56	4.39	49	4.47	47	**4.39**	**51**
Russian Fed.	4.20	67	4.25	64	4.37	53	4.44	45	4.51	43	**4.35**	**54**
India	4.32	59	4.28	60	4.21	71	4.31	55	4.52	39	**4.33**	**57**
Brazil	4.40	48	4.33	56	4.34	57	4.08	75	4.06	81	**4.24**	**63**
BRICS Annual Mean*	**4.42**	**51**	**4.41**	**52**	**4.43**	**53**	**4.42**	**50**	**4.50**	**48**		

Key: * = Researcher's own calculations
Source: WEF (2012:13, 2013a:15, 2014:13, 2015a:7, 2016:7)

As evident in Figure 3.11 below, South Africa is outflanked by China in seven of the 12 pillars of the GCI, which are, infrastructure, macro environment, health and primary education, higher education, labour market efficiency, market size, and innovation. In comparison, South Africa outshined China in the five remaining pillars, namely, institutions, goods market efficiency, financial market development, technological readiness, and business sophistication. While South Africa's ranking as the second strongest brand in the BRICS gives it competitive advantage over Russia, Brazil, and India, its reputation in respect of doing business is low. The most problematic factors for doing business in South Africa in chronological order of importance, from the most to the least important, are inefficient government bureaucracy, restrictive labour regulations, inadequately educated workforce, policy instability, corruption, crime and theft, poor work ethic in national labour force, inadequate supply of infrastructure, tax rates, access to financing, inflation, foreign currency regulations, government instability, tax regulations, poor public health, and insufficient capacity to innovate (WEF, 2016:324). To grow its FDI inflows within the BRICS competitive set, South Africa has to attend to all these factors.

Figure 3.11: A comparative analysis of performance of South Africa and China in the 2016 GCI



Source: Adapted from WEF (2016:147&324)

3.7.2 South Africa's GCI performance within top three African economies (2012 to 2016)

South Africa and Egypt are all in the same developmental stage, efficiency-driven economies and both countries outshine Nigeria, which is still holed in the transition from factor-driven economies (Stage 1) to efficiency-driven economies (Stage 2) of the GCI (see WEF, 2016:38)**.** Thus, for foreign investors solely concerned with a host country's developmental stage as a basis for selecting an FDI destination, Egypt and South Africa are perfect substitutes. Nevertheless, South Africa is the most-reputable of the two if GCI scores and ranks for the continent's largest economies are considered (Table 3.24). This means that South Africa maybe the FDI destination of choice for foreign direct investors that consider host country GCI performance as a brand attribute.

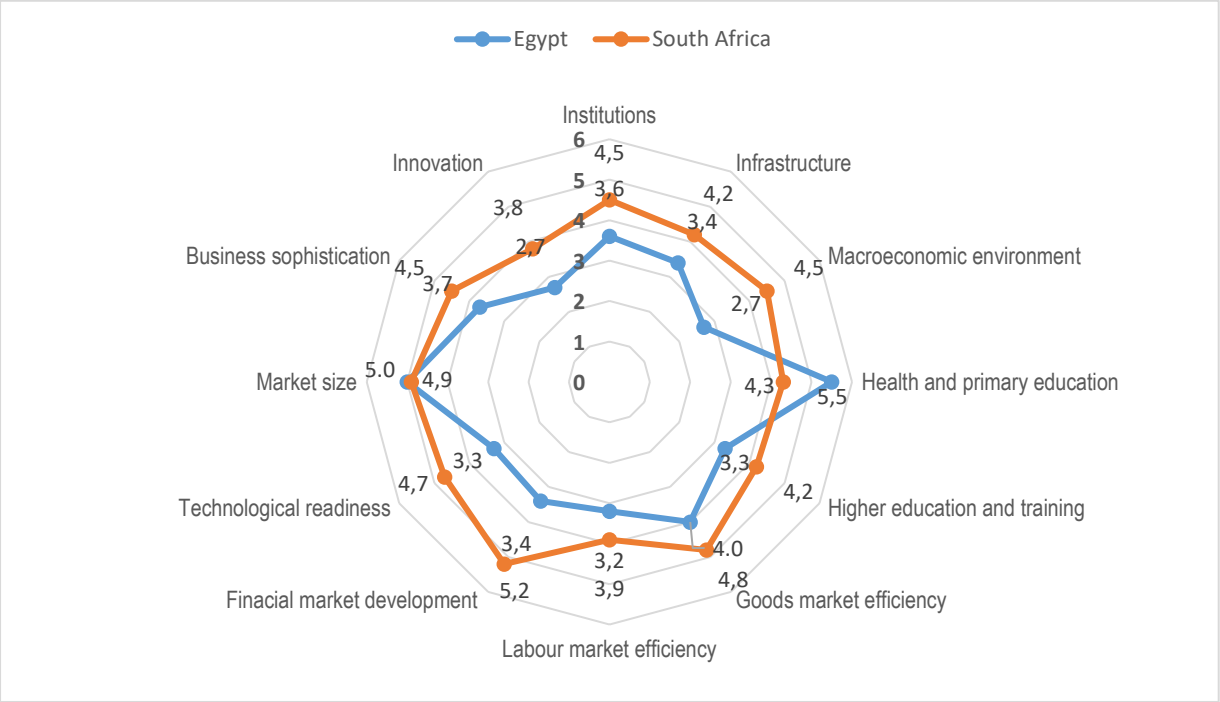
As evident in Figure 3.12 below, South Africa outperforms Egypt in 11 of the 12 pillars of the GCI with the latter only outdoing the former in one pillar only—health and primary education. Nonetheless, the gap in the performance of the two countries is narrowest in the market size pillar with the disparity titled in favour of South Africa.

Table 3.24: South Africa's GCI performance within top three African economies from 2012 to 2016

Country	2012 (n=144)		2013 (n=148)		2014 (n=144)		2015 (n=140)		2016 (n=138)		Country Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	**Score**	**Rank**
South Africa	4.37	52	4.37	53	4.35	56	4.39	49	4.47	47	**4.39**	**51**
Egypt	3.73	107	3.63	118	3.6	119	3.66	116	3.67	115	**3.66**	**115**
Nigeria	3.67	115	3.57	120	3.44	127	3.46	124	3.39	127	**3.51**	**123**
Trio Annual Mean*	**3.92**	**91**	**3.86**	**97**	**3.80**	**101**	**3.84**	**96**	**3.84**	**96**		

Key: * = Researcher's own calculations
Source: WEF (2012:13, 2013a:15, 2014:13, 2015a:7, 2016:7)

Figure 3.12: Comparative analysis of South Africa's and Egypt's performance in the GCI in 2016



Source: Adapted from WEF (2016:168&324)

3.7.3 South Africa's and Zimbabwe's GCI performance within the SADC (2012 to 2016)

For the last five years ending 2016, South Africa is the second-best performing SADC country in the GCI after Mauritius in respect of scores and ranks (Table 3.25 below). In comparison, Zimbabwe is the fourth least-performing country in the 15-member SADC of which only 13 are regularly featured in the GCI. Zimbabwe only beats Madagascar, Malawi, and Mozambique. This means that South Africa is a highly attractive FDI destination compared to

Zimbabwe within the regional bloc, if country GCI performance is used as a basis of selecting an FDI destination. Zimbabwe, just like the three least-performing nations, is in the factor-driven stage of development of the GCI (WEF, 2016:38) and has poor reputation. The most problematic factors for doing business in Zimbabwe in chronological order of importance from the most to the least important are: policy instability, access to financing, corruption, inefficient government bureaucracy, inadequate supply of infrastructure, restrictive labour regulations, tax rates, foreign currency regulations, government instability, insufficient capacity to innovate, tax regulations, inflation, poor work ethic in national labour force, crime and theft, inadequately educated workforce, and poor public health (WEF, 2016:368).

Table 3.25: South Africa's and Zimbabwe's GCI performance within the SADC from 2012 to 2016

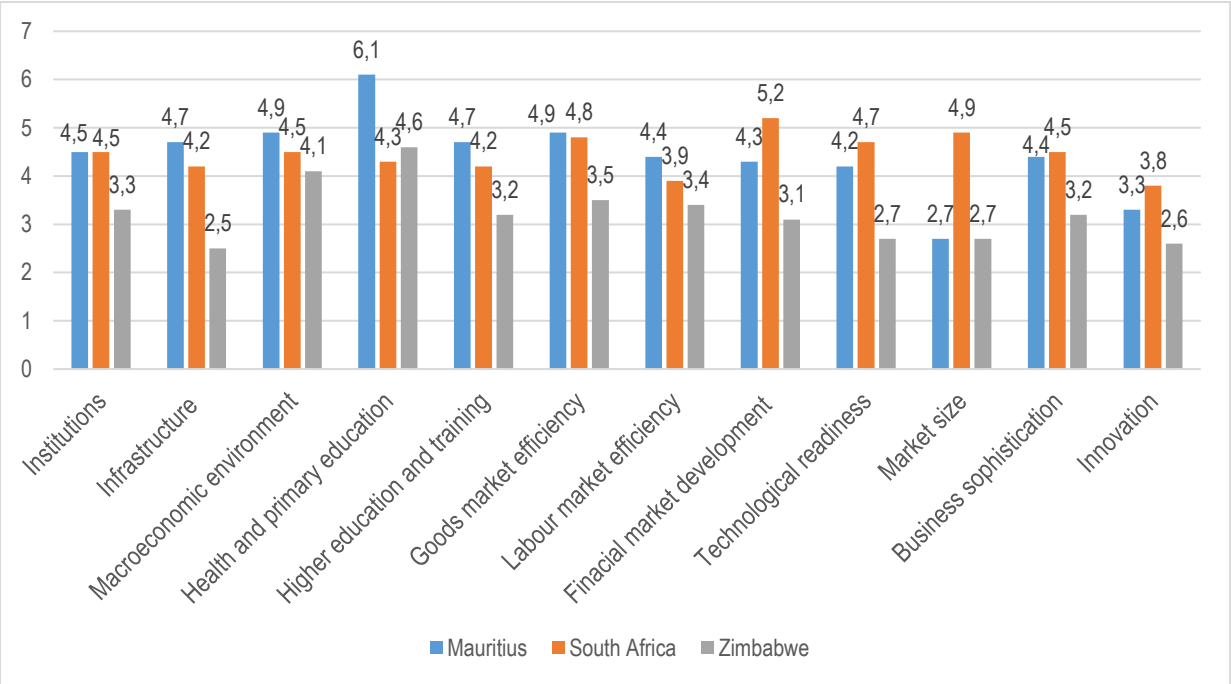
Country	2012 (n=144)		2013 (n=148)		2014 (n=144)		2015 (n=140)		2016 (n=138)		Country Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Mauritius	4.35	54	4.45	45	4.52	39	4.43	46	4.49	45	**4.45**	**46**
South Africa	4.37	52	4.37	53	4.35	56	4.39	49	4.47	47	**4.39**	**51**
Botswana	4.06	79	4.13	74	4.15	74	4.19	71	4.27	64	**4.16**	**72**
Seychelles	4.10	76	4.1	80	3.91	92	3.86	97	3.99**	86**	**3.99**	**86**
Namibia	3.88	92	3.93	90	3.96	88	3.99	85	4.02	84	**3.96**	**88**
Zambia	3.80	102	3.86	93	3.86	96	3.87	96	3.60	118	**3.80**	**101**
Lesotho	3.19	137	3.52	123	3.73	107	3.7	113	3.57	120	**3.54**	**120**
Tanzania	3.60	120	3.5	125	3.57	121	3.57	120	3.67	116	**3.58**	**120**
Swaziland	3.28	135	3.52	124	3.55	123	3.4	128	3.44**	128**	**3.44**	**128**
Zimbabwe	3.34	132	3.44	131	3.54	124	3.45	125	3.41	126	**3.44**	**128**
Madagascar	3.38	130	3.42	132	3.41	130	3.32	130	3.33	128	**3.37**	**130**
Malawi	3.38	129	3.32	136	3.25	132	3.15	135	3.08	134	**3.24**	**133**
Mozambique	3.17	138	3.3	137	3.24	133	3.2	133	3.13	133	**3.21**	**135**
Angola			3.15	142	3.04	140						
DRC									3.29	129		
SADC Annual Mean*	**3.68**	**106**	**3.72**	**106**	**3.72**	**104**	**3.73**	**102**	**3.70**	**104**		

Legend: * = Researcher's calculations; ** = Researcher's estimates based on 2012 to 2015 means; DRC and Angola are not mean ranked and scored because of inadequate data.
Source: WEF (2012:13, 2013a:15, 2014:13, 2015a:7, 2016:7)

Figure 3.13 below compares the overall 2016 GCI pillar performance of South Africa and Zimbabwe to the performance of Mauritius, the SADC's best performing country in the index. South Africa's performance matches that of Mauritius on the institutions, goods market sophistication, and business sophistication pillars. Mauritius beats South Africa in the infrastructure, macroeconomic environment, health and primary education, and higher education and training pillars. In turn, South Africa outcompetes Mauritius in the financial market development, technological readiness, market size, and innovation pillars. As evident

in the same figure, Zimbabwe is outclassed by Mauritius and South Africa on all but one pillar each of the 12 pillars, market size and health and primary education respectively. This pillar-based performance analysis supports the conclusions already made above about the overall performance of Zimbabwe and South Africa in the GCI.

Figure 3.13: Comparison of South Africa's, Zimbabwe's and Mauritius' 2016 GCI pillar-based performance



Source: Adapted from WEF (2016:258, 324 & 368)

3.8 DOING BUSINESS STRENGTH OF SOUTH AFRICA AND ZIMBABWE

The ease of doing business index, designed by World Bank and International Finance Corporation in 2004, has been published annually ever since. The index assesses about 190 countries worldwide annually focusing on 10 areas of business regulation, processes and property rights protection, namely, starting a business, registering property, trading across borders, dealing with construction permits, getting credit, enforcing contracts, getting electricity, protecting investors, resolving insolvency, and paying taxes (World Bank, 2016a:2). It also gathers data on labour market regulation, that are, employing and dismissing workers but these aspects are yet to be included in the methodology's overall and individual areas of doing business scores and ranks. The index measures an economy's regulatory competitiveness using a concept known as "distance to frontier". The distance to frontier score

is the gap between a country's performance and a measure of best practice across the entire set of indicators for the index, where 100 is the frontier and 0 is the furthest point from the frontier (World Bank, 2016a:2). Despite the professed importance of country scores as opposed to ranks in the proprietary indices included in this situational analysis, the overall doing business annual ranking tables for the years before 2015 do not have scores. It is important to realise that "*Doing Business* is about SMART business regulations—Streamlined, Meaningful, Adaptable, Relevant, Transparent—not necessarily fewer regulations" (World Bank, 2013:2).

3.8.1 South Africa's performance in the Doing Business Index within the BRICS (2012 to 2016)

With a global mean ranking of 46 for the five years ending 2016, South Africa is the undisputed doing business leader of the BRICS bloc followed by Russia, with a mean rank of 87 (Table 3.26 below). South Africa's doing business mean rank for the period is nearly two times stronger than China's, the bloc's third most reputable economy in the index. Thus, South Africa occupies a distinct and robust ease of doing business position in the BRICS. The country should take advantage of this good reputation to turnaround its weak FDI brand value within the BRICS competitive frame of reference. However, by scores, South Africa is the second best performing nation in the doing business index, with Russia on the first place. This is explained by the latter's dramatic performance in 2015 and 2016 by score and rank (Table 3.26 below).

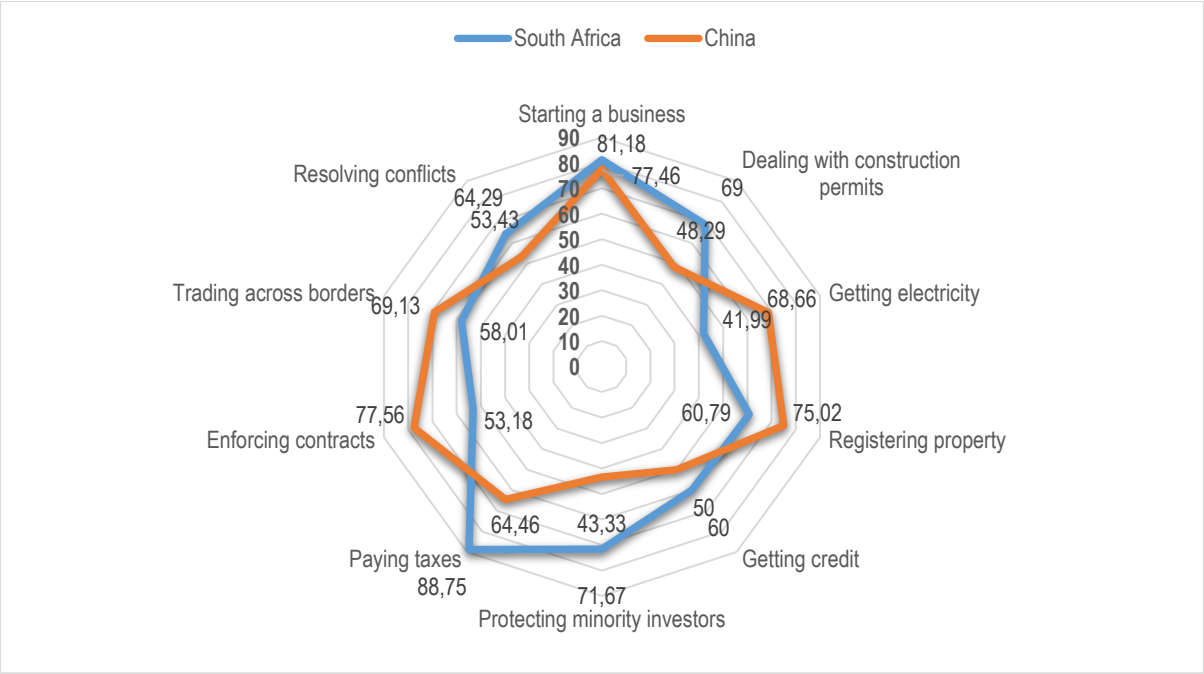
Table 3. 26: South Africa's Doing Business performance within the BRICS (2012 to 2016)

Country	2012 (n=183)		2013 (n=185)		2014 (n=189)		2015 (n=189)		2016 (n=189)		Country Mean*	
	^Score	Rank	^Score	Rank	^Score	Rank	Score	Rank	Score	Rank	Score	Rank
Russian Fed.		120		112		92	66.66	62	70.99	51	**68.83**	**87**
South Africa		35		39		41	71.08	43	64.89	73	**67.99**	**46**
China		91		91		96	62.58	90	62.93	84	**62.76**	**90**
Brazil		126		130		116	58.01	120	57.67	116	**57.84**	**122**
India		132		132		134	53.97	142	54.68	130	**54.33**	**134**
BRICS Annual Mean*		**101**		**101**		**96**	**62.46**	**91**	**62.23**	**91**		

Legend: * = Researcher's calculations; ^ = Scores for 2012 to 2014 excluded from source tables
Source: Adapted from World Bank (2012:6, 2013:3, 2014:3, 2015:4, 2016:5)

Nevertheless, it is sensible to compare South Africa's to China's performance, the third best performing country in the index, because Russia only performed exceptionally well in the last two years of the five-year period under review. South Africa's performance vis-à-vis China's, in the 10 areas of doing business in 2016 is only satisfactory. The country's distance to frontier scores are higher than those of China in only six of the 10 areas—starting a business, dealing with construction permits, getting credit, protecting minority investors, paying taxes, and resolving insolvency (Figure 3.14 below). China outwits South Africa in the remaining four areas of the index—getting electricity, registering property, enforcing contracts, and trading across borders. Thus, South Africa's performance in these areas is not healthy for its FDI destination competitiveness.

Figure 3.14: South Africa's Vis-à-vis China's Doing Business performance in 2016



Source: World Bank (2016:194 & 234)

3.8.2 South Africa's Doing Business performance in top three economies in Africa (2012 to 2016)

As evident in Table 3.27 below, South Africa is the most reputable of the largest three economies in Africa in terms of the doing business index for the period 2012 to 2016. Both the country's annual ranks and mean rank for the period are not only two-digit but also below the trio's annual mean ranks hence denote good performance vis-à-vis Egypt and Nigeria. The

country's annual and mean scores (distance to the frontier) are also comfortably above those of the other two competitors. Thus, South Africa occupies a superior doing business position among the continent's top three economies; it should capitalise on this reputation to market its FDI brand.

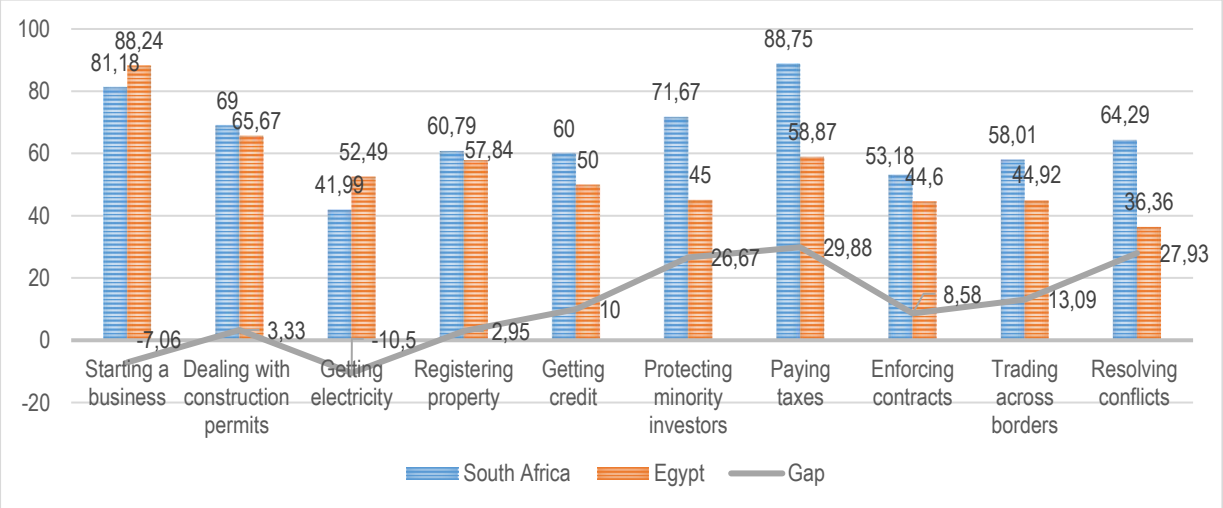
Table 3.27: South Africa's Doing Business performance within top three African economies (2012 to 2016)

Country	2012^ (n=183)		2013^ (n=185)		2014^ (n=189)		2015 (n=189)		2016 (n=189)		Country Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
South Africa		35		39		41	71.08	43	64.89	73	**67.99**	**46**
Egypt		110		109		128	59.54	112	54.43	131	**56.99**	**118**
Nigeria		133		131		147	47.33	170	44.69	169	**46.01**	**150**
Trio Annual Mean*		**93**		**93**		**105**	**59.32**	**108**	**54.67**	**124**		

Legend: * = Researcher's calculations; ^ = 2012 to 2014 scores not included in source tables
Source: Adapted from World Bank (2012:6, 2013:3, 2014a:3, 2015a:4, 2016a:5)

Figure 3.15 below compares South Africa's and Egypt's 2016 doing business scores in the 10 areas in which the former outsmarts the latter in all but two of the areas of doing business, starting a business and getting electricity. As a result, South Africa has a good chance to outshine even Nigeria in attracting FDI in Africa, if foreign investors consider ease of doing business index as the foremost criterion in selecting an investment destination from the top three economies in the continent.

Figure 3.15: Comparison of South Africa's and Egypt's Doing Business performance in 2016



Source: World Bank (2016:199 & 234)

3.8.3 South Africa's and Zimbabwe's performance in Doing Business Index within SADC (2012 to 2016)

South Africa is the second most attractive destination in the SADC according to World Bank's doing business annual rankings and scores for the five-year period ending 2016 (Table 3.28 below). Mauritius is the most attractive destination in the SADC. The variation between South Africa's and Mauritius' doing business performance may result in the former losing potential FDI to the latter, especially where investors prioritise friendliness of doing business to choose an investment destination in the SADC. On the contrary, Zimbabwe is the third least attractive destination and/or host for businesses in the region beating Angola and the DRC only (Table 3.28 below). This means that the country may not be able to attract meaningful inward FDI from investors who consider doing business friendliness as a basis for choosing an investment location.

Table 3.28: South Africa's and Zimbabwe's Doing Business performance within SADC (2012 to 2016)

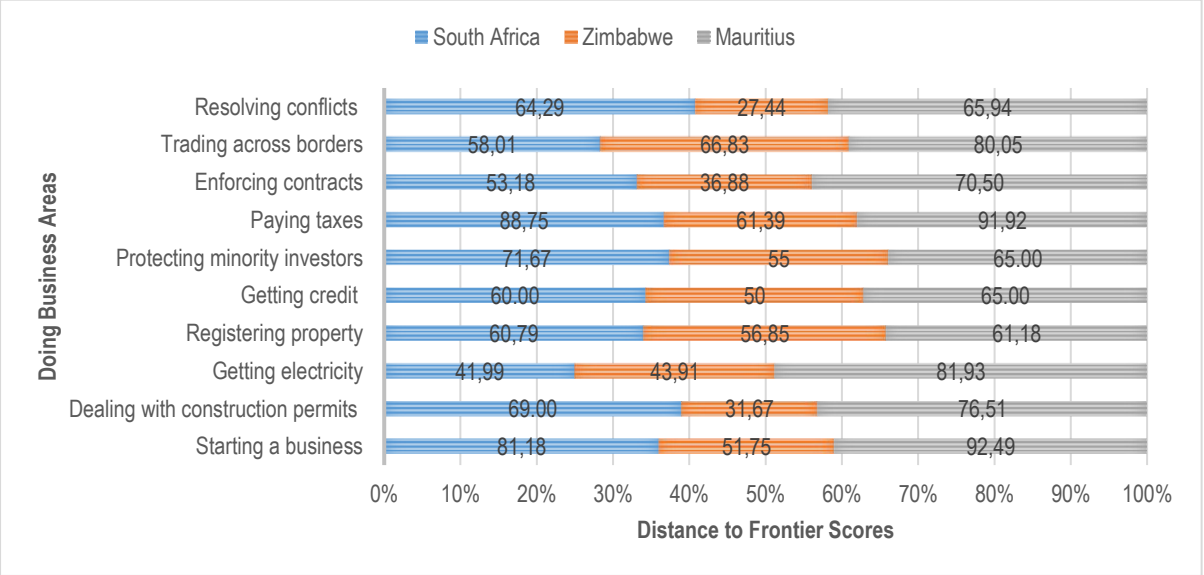
Country	2012^ (n=183)		2013^ (n=185)		2014^ (n=189)		2015 (n=189)		2016 (n=189)		Country Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Mauritius		23		19		20	74.81	28	75.05	32	**74.93**	**24**
South Africa		35		39		41	71.08	43	64.89	73	**67.99**	**46**
Botswana		54		59		56	64.87	74	64.98	72	**64.93**	**63**
Seychelles		103		74		80	63.16	85	61.05	95	**62.11**	**87**
Namibia		78		87		98	62.81	88	60.17	101	**61.49**	**90**
Zambia		84		94		83	59.65	111	60.50	97	**60.08**	**94**
Swaziland		124		123		123	59.77	110	59.10	105	**59.44**	**117**
Lesotho		143		136		136	56.64	128	57.69	114	**57.17**	**131**
Tanzania		127		134		145	56.38	131	51.62	139	**54.00**	**135**
Mozambique		139		146		139	56.92	127	53.98	133	**55.45**	**137**
Madagascar		137		142		148	49.25	163	45.68	164	**47.47**	**151**
Malawi		145		157		171	49.20	164	51.03	141	**50.12**	**156**
Zimbabwe		171		173		170	46.95	171	48.17	155	**47.56**	**168**
Angola		172		172		179	41.81	181	39.64	181	**40.73**	**177**
DRC		178		181		183	40.60	184	38.14	184	**39.37**	**182**
SADC Annual Mean Rank*		**114**		**116**		**118**	**56.93**	**119**	**55.45**	**119**		

Source: Adapted from World Bank (2012:6, 2013:3, 2014:3, 2015:4, 2016:5)
Key: * = Researcher's calculations, ^ = 2012 to 2014 scores not included in source tables

Basing on country doing business area scores for 2016, South Africa is roundly outwitted by Mauritius except in one of the 10 areas—protecting minority shareholders (Figure 3.16 below). Although South Africa currently outflanks Mauritius in attracting FDI, if foreign investors consider ease of doing business as the most important variable in deciding an investment destination in the SADC, the former risks losing its position to the latter. This is likely to happen given that South Africa has far lower scores for most of the areas than Mauritius.

Nonetheless, of the two case study countries, it is Zimbabwe that is in a far more unattractive position than South Africa in the doing business index when contrasted to Mauritius. Zimbabwe's performance is below that of Mauritius in all 10 areas. The country is also roundly outsmarted by South Africa in all but one of the 10 areas—trading across borders (Figure 3.16 below). Unless Zimbabwe's business reputation improves, it is likely to remain among the least attractive FDI destinations in the SADC. It appears that the country's performance in the ease of doing business index during the period under review has lived up to World Bank's (2012:9) conclusion that "Zimbabwe went the furthest in making business regulation less business-friendly". This conclusion is further supported by the country's National Economic Consultative Forum (2016:65) which agrees that: "There is a general perception that the regulatory burden in the country [Zimbabwe] is still very high and too costly for business operations."

Figure 3.16: Comparison of South Africa's, Zimbabwe's and Mauritius' Doing Business performance in 2016 by Area



Source: Adapted from World Bank (2016:219, 234 & 246)

3.9 SOUTH AFRICA'S AND ZIMBABWE'S PERFORMANCE IN THE IBRAHIM INDEX OF AFRICAN GOVERNANCE

First published in 2007, the Ibrahim Index of African Governance (IIAG) is a comprehensive quantitative assessment of governance in Africa designed by the Mo Ibrahim Foundation in 2006. The IIAG offers citizens, governments, institutions and the private sector an outline for accurately assessing the delivery of public goods and services and policy outcomes across the continent (Mo Ibrahim Foundation, 2016:96). It measures the performance of 54 governments in Africa on 95 indicators that are banded into four categories: safety and rule of law, participation and human rights, sustainable economic opportunity, and human development on a percentile scale, where 100 represents the best performance. The categories are supported by data covering a variety of governance elements, from infrastructure and freedom of expression, to sanitation and property rights (Mo Ibrahim Foundation, 2013:3). Starting in 2016, the IIAG has introduced the grouping of countries based on their scores ranging from high to low performance for both overall governance and categories. The groups for overall governance are *High* representing equal to or greater 71.0, *Medium-High* representing 54.0 – 70.9, *Medium* representing 41.0 – 53.9, Medium-Low representing 23.0 – 40.9, and Low representing less than 23.0. While there are slightly different bands for each of the four categories, this thesis adopts the five bands for composite governance as a basis of analysing country brand positions. In the absence of justification, the idea of having different bands for overall governance and each of its four categories presents as a methodological weakness.

According to the institutional theory of FDI, governance is an important measure of country FDI competitiveness (see e.g. Böckem & Tuschke, 2010; Dumludag, 2009). Both economic and nation branding theory acknowledge that foreign investors consider the governance factor when they evaluate alternative investment destinations (Abala, 2014; Cywiński & Harasym, 2012; Anholt-GfK Roper, 2016a; Fetscherin, 2010; Kalamova & Konrad, 2012; Rojas-Me´ndez, 2013). Hence the IIAG is a reasonable theoretical framework from which to map the current FDI positions of South Africa and Zimbabwe. Below, the index is applied to assess the governance quality of the two case study countries within their respective competitive sets in Africa. Generally, overall governance in Africa has stalled since 2011 (Mo Ibrahim Foundation, 2015:4) and about half of Africa's 54 countries have recorded their worst score in

all four components that make up the Safety & Rule of Law category of the IIAG in the last three years (Mo Ibrahim Foundation, 2016:6).

Since the IIAG covers countries in Africa only, the analysis of South Africa's governance performance is restricted to the continent. The thesis did not endeavour to look for international governance indexes to enable comparison of South Africa's governance performance to that of fellow BRICS countries. Of course, the 1st Pillar of the GCI, Institutions, is one readily available representation of the governance component (see WEF, 2016, 2015, 2013).

3.9.1 South Africa's governance performance within top three African economies (2012 to 2016)

The trio's annual scores and rankings and their mean values for the five-year period ending 2016 position South Africa as the undisputed governance performance leader of the largest three economies in Africa (see Table 3.29 below). The country's mean score for the period surpasses both the trio's annual and continental averages. Consequently, South Africa is in a comfortable lead of the other two African lions, Egypt and Nigeria, whose averages are below the three's and Africa's mean. This implies that South Africa is strategically positioned to snap FDI from investors that consider governance as a determining factor for selecting an investment destination from the continent's biggest three economies.

Table 3. 29: South Africa's governance performance within top three African economies competitive set (2012 to 2016)

Country	2012 (n=52)		2013 (n=52)		2014 (n=52)		2015 (N=54)		2016 (N=54)		Country Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
South Africa	71.0	5	71.3	5	73.3	4	73.0	4	69.4	6	**71.6**	**5**
Egypt	50.0	14	55	19	51.1	26	51.3	24	51	24	**51.68**	**21**
Nigeria	42.0	43	43.4	41	45.8	37	44.9	39	46.5	36	**44.52**	**39**
Trio Annual Mean*	**54.33**	**21**	**56.57**	**22**	**56.73**	**22**	**56.40**	**22**	**55.63**	**22**		
African Annual Mean	**51.3**		**51.6**		**51.5**		**50.1**		**50**			

Legend: * = Researcher's calculations
Source: Adapted from Mo Ibrahim Foundation (2016:18, 2015:4, 2014:3, 2013a:3, 2013b:19, 2012:3)

Category focused analysis of South Africa's governance performance within the top three economies in Africa shows that the country is the best overall performer in all four sub-indices or categories of the IIAG: safety & rule of law, participation & human rights, sustainable economic opportunity, and human development in terms of scores (Table 3.30 below). The country's category scores surpass even the trio's and continent's annual averages. South Africa (SA) is challenged by Egypt (EGP) in one sub-category, personal safety (EGP = 41.5; SA = 37.2) of the safety and rule of law category and two sub-categories in the infrastructure (EGP = 65.1; SA = 65.0) and rural sector (EGP = 72.0; SA = 64.6) of the sustainable economic opportunity sub-categories of the index. Despite the setback in these three sub-categories, the comfortable lead South Africa holds in the remaining 11 sub-categories positions it as the FDI destination of first choice among the three major economies in Africa for investors who consider governance as a determining factor for selecting an investment destination.

Table 3.30: South Africa's governance performance within top three African economies in 2016

Country	Safety & Rule of Law Overall	Safety & Rule of Law Sub-Categories				Participation & Human Rights	Participation & Human Rights Sub-categories			Sustainable Economic Opportunity	Sustainable Economic Opportunity Sub-Categories				Human Development	Human Development Sub-Categories			Overall Governance (IIAG)
		Rule of Law	Accountability	Personal Safety	National Security		Participation	Rights	Gender		Public Management	Business Environment	Infrastructure	Rural Sector		Welfare	Education	Health	
South Africa	**67.1**	94.6	61.5	37.2	75.0	**71.4**	78.1	68.2	67.8	**68.4**	75.6	68.4	65.0	64.6	**70.6**	69.3	63.3	79.1	**69.4**
Egypt	**52.3**	63.6	41.9	41.5	62.4	**32.2**	31.1	29.8	35.8	**57.3**	46.2	46.0	65.1	72.0	**61.9**	51.5	58.2	76.1	**51.0**
Nigeria	**42.8**	53.4	33.6	33.5	50.8	**53.1**	66.3	45.8	47.3	**39.5**	46.1	35.3	26.3	50.3	**50.7**	48.2	42.2	61.7	**46.5**
Trio Annual Mean*	**54.1**	**70.5**	**45.7**	**37.4**	**62.7**	**52.2**	**58.5**	**47.9**	**50.3**	**55.1**	**56.0**	**49.9**	**52.1**	**62.3**	**61.1**	**56.3**	**54.6**	**72.3**	**55.6**
African Annual Mean	**52.1**	**52.7**	**35.1**	**45.7**	**75.2**	**50.0**	**47.9**	**46.8**	**55.4**	**42.9**	**42.2**	**39.7**	**39.1**	**51.5**	**55.0**	**47.4**	**47.9**	**69.6**	**50.0**

Source: Adapted from Mo Ibrahim Foundation (2016:18-68)

3.9.2 South Africa's and Zimbabwe's governance performance within SADC (2012 to 2016)

South Africa is already applying the IIAG to assess its international reputation (De Kock, 2012:1) whereas Zimbabwe is yet to (see National Economic Consultative Forum, 2015, 2016). South Africa is the fourth best-governed country by mean score in the SADC for the five-year period ending 2016 although by mean ranking it ties on the third place with Seychelles (see Table 3.31 below). While it is comforting that its mean score is well above the SADC's annual mean scores, the fact that South Africa is outsmarted by Mauritius, Botswana and Seychelles implies that it may lose FDI to these small regional contenders by GDP size, if foreign investors consider governance as a basis of deciding investment location within the region. In contrast, Zimbabwe, with a mean score 38.4, which is lower than all SADC annual mean scores, is the second weakest nation in the bloc beating only the DRC. Thus, Zimbabwe is in a more unattractive FDI brand position than South Africa in terms of governance brand reputation.

Table 3.31: South Africa's and Zimbabwe's governance performance within the SADC competitive set (2012 to 2016)

Country	2012 (n=52)		2013 (n=52)		2014 (n=52)		2015 (N=54)		2016 (N=54)		Country Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Mauritius	83	1	82.9	1	81.7	1	79.9	1	79.9	1	**81.5**	**1**
Botswana	77	3	77.6	2	76.2	3	74.2	3	73.7	2	**75.7**	**3**
Seychelles	73	4	75.0	4	73.2	5	70.3	6	72.6	4	**72.8**	**5**
South Africa	71	5	71.3	5	73.3	4	73.0	4	69.4	6	**71.6**	**5**
Namibia	70	6	69.5	6	70.3	6	70.4	5	69.8	5	**70.0**	**6**
Lesotho	61	9	61.9	9	62.3	10	61.1	10	57.8	15	**60.8**	**11**
Zambia	58	12	59.6	12	59.4	13	59.5	12	58.8	13	**59.1**	**12**
Tanzania	59	10	56.9	17	58.2	15	56.7	18	56.5	18	**57.5**	**16**
Malawi	56	17	56.9	16	57.6	16	56.7	17	56.6	17	**56.8**	**17**
Mozambique	55	21	54.8	20	52.2	22	52.3	21	52.3	21	**53.3**	**21**
Swaziland	52	26	50.8	26	51.5	24	49.6	28	49.7	29	**50.7**	**27**
Madagascar	46	35	45.7	37	48.2	33	49.1	29	48.5	33	**47.5**	**33**
Angola	44	40	44.5	39	40.9	44	40.8	43	39.2	45	**41.9**	**42**
Zimbabwe	34	47	35.4	47	38.0	46	40.4	44	44.3	39	**38.4**	**45**
DRC	33	51	31.3	51	34.1	47	33.9	48	35.8	46	**33.6**	**49**
SADC Annual Mean*	**58.1**	**19**	**58.3**	**19**	**58.5**	**19**	**57.9**	**19**	**57.7**	**20**		
African Annual Mean	**51.3**		**51.6**		**51.5**		**50.1**		**50**			

Source: Adapted from Mo Ibrahim Foundation (2016:18, 2015:4, 2014:3, 2013a:3, 2013b:19, 2012:3)
Legend: * = Calculated by Researcher

Table 3.32 below contrasts the governance performance of South Africa and Zimbabwe vis-à-vis that of Mauritius, the IIAG's best governed nation in the SADC and Africa as a whole. As evident in the table, South Africa is outflanked by Mauritius (MAU) in all four categories overall and virtually all but the gender sub-category only (SA = 67.8; MAU = 65.0) of the participation and human rights category. While it is heartening that South Africa's scores in all but one of the 14 sub-categories, personal safety, are above 50 percent, the score for this sub-category (37.2) is so pathetic that it may be denting the country's image and reputation among foreign investors. In addition, South Africa's scores fall below the three countries' annual mean in only four sub-categories, namely, personal safety, national security, gender and education.

In contrast, Zimbabwe (ZW) is not only roundly outperformed by Mauritius and South Africa in respect of the four categories of the IIAG by a huge margin but also only surpassed 50 by a measly 3.8 percent in the human development category only (Table 3.32). By sub-category, Zimbabwe only outperforms Mauritius in one sub-category, gender (ZW = 72.4; MAU = 65.0) and beats South Africa in the same sub-category (SA = 67.8) and national security (ZW = 76.7; SA = 75.0). The country's performance is very good in only three sub-categories i.e. national security, gender, and health (66.8) and satisfactory in the education sub-category (56.7) only. For a country that prides itself for its education system, this score is even too low. Zimbabwe's scores in the majority of the sub-categories are also too low, which are, business environment (15.5), accountability (24.2), participation (28.3), infrastructure (34.1), rights (34.7), personal safety (36.1), welfare (38.0), rule of law (38.3), public management (41.8), and rural sector (47.0) (Table 3.32). The country should even be troubled with its score for personal safety that is barely a point below that of South Africa, a cosmopolitan and bigger nation in population terms. Why does Zimbabwe have such a low score for personal safety? The country's overall performance in the IIAG seem to suggest that, in the short- to medium-term, it will not attract meaningful FDI inflows vis-à-vis other SADC nations.

Table 3. 32: Comparison of South Africa's, Zimbabwe's and Mauritius' governance performance in 2016

Country	Safety & Rule of Law Overall	Safety & Rule of Law Sub-Categories				Participation & Human Rights	Participation & Human Rights Sub-categories			Sustainable Economic Opportunity	Sustainable Economic Opportunity Sub-Categories				Human Development	Human Development Sub-Categories			Overall Governance (IIAG)
		Rule of Law	Accountability	Personal Safety	National Security		Participation	Rights	Gender		Public Management	Business Environment	Infrastructure	Rural Sector		Welfare	Education	Health	
Mauritius	**80.8**	94.9	65.6	62.5	100.0	**76.0**	85.5	75.5	65.0	**79.0**	66.4	77.5	92.3	80.0	**83.7**	76.5	83.9	90.6	79.9
South Africa	**67.1**	94.6	61.5	37.2	75.0	**71.4**	78.1	68.2	67.8	**68.4**	75.6	68.4	65.0	64.6	**70.6**	69.3	63.3	79.1	69.4
Zimbabwe	**43.8**	38.3	24.2	36.1	76.7	**45.1**	28.3	34.7	72.4	**34.6**	41.8	15.5	34.1	47.0	**53.8**	38.0	56.7	66.8	44.3
Trio Annual Mean*	**63.9**	**75.9**	**50.4**	**45.3**	**83.9**	**64.2**	**64.0**	**59.5**	**68.4**	**60.7**	**61.3**	**53.8**	**63.8**	**63.9**	**69.4**	**61.3**	**68.0**	**78.8**	**64.5**
African Annual Mean	**52.1**	**52.7**	**35.1**	**45.7**	**75.2**	**50.0**	**47.9**	**46.8**	**55.4**	**42.9**	**42.2**	**39.7**	**39.1**	**51.5**	**55.0**	**47.4**	**47.9**	**69.6**	**50.0**

Legend: * = Researcher's calculations

Source: Adapted from Mo Ibrahim Foundation (2016:18-68)

3.10 COUNTRY BRAND INDEX PERFORMANCE OF SOUTH AFRICA AND ZIMBABWE

The Country Brand Index (CBI) is one of two widely used proprietary models of assessing country brand strength (Fetscherin, 2010:468) that was designed by FutureBrand, a global branding consultancy; the other is the Anholt-GfK Roper Nation Brand Index designed by Anolt (2005), which is considered in the next section. The CBI is an integrated methodology which measures country brands using the Hierarchical Decision Model (HDM) and association dimensions, status and experience (FutureBrand, 2014:9). The HDM is a proprietary model for determining how key audiences perceive a country's brand (FutureBrand, 2014:9) in terms of seven hierarchical responses: awareness, familiarity, associations, preference, consideration, decision/visitation, and advocacy. The hierarchical responses form the basis of the CBI association dimensions, status and experience, on which country brands are assessed. Status constitutes three factors, value system, quality of life, and business potential, which have 10 variables in all. Experience constitutes three dimensions – heritage, tourism, and made in – which together have 12 variables. Thus, the CBI has 22 items on which country brands are assessed in terms of the seven hierarchical responses in the HDM stated earlier on. The index tracks the reputation of 118 countries around the world every year including South Africa and a number of other African countries. Nonetheless, the sample was reduced to 75 countries based on a series of criteria, including perception strength in previous studies, in order to facilitate detailed evaluation of each country (FutureBrand, 2014:54).

3.10.1 CBI competitiveness of South Africa in Africa (2010 to 2014)

Table 3.33 below shows the global rankings of South Africa alongside Egypt and Nigeria, the three of which are the largest economies in the continent (2013 CBI rankings are not available). As evident from the table, South Africa has a global mean ranking of 37 for the four-year period hence is the leading performer among the three. Egypt is the second best-performer and the worst performer is Nigeria, with a mean of 100. For investors largely drawing on CBI competitiveness as a basis for choosing an investment destination from the three top economies in Africa, South Africa should be the destination of first choice.

Table 3.33: Global CBI rankings of top three African economies

Country	2010 (n=110)	2011 (n=113)	2012 (n=118)	2014 (n=75)	Country Mean*
South Africa	31	35	43	40	**37**
Egypt, Arab Rep.	58	57	58	54	**57**
Nigeria	106	108	109	75	**100**
Trio Annual Mean Ranks*	**65**	**67**	**70**	**56**	

Legend: * = Researcher's calculations
Source: Adapted from FutureBrand (2014:53, 2012:106, 2011:79, 2010:45)

There are limited details on the performance of individual African countries in the summaries of CBI proprietary reports freely available from the internet. In any given year, few African countries make it into the top 25 subset, for which detailed sub-indices and variable analyses are available in the reports. Africa's key strengths are visit for holiday and natural beauty and its weaknesses are lack of advanced technology, poor infrastructure, lack of political freedom, tolerance, poor safety and security, poor health and education, and unfavourable business environment (FutureBrand, 2014:46). As shown in Table 3.34 below, South Africa did relatively well in the attributes natural beauty and visiting for holiday and has weaknesses in all other areas shown.

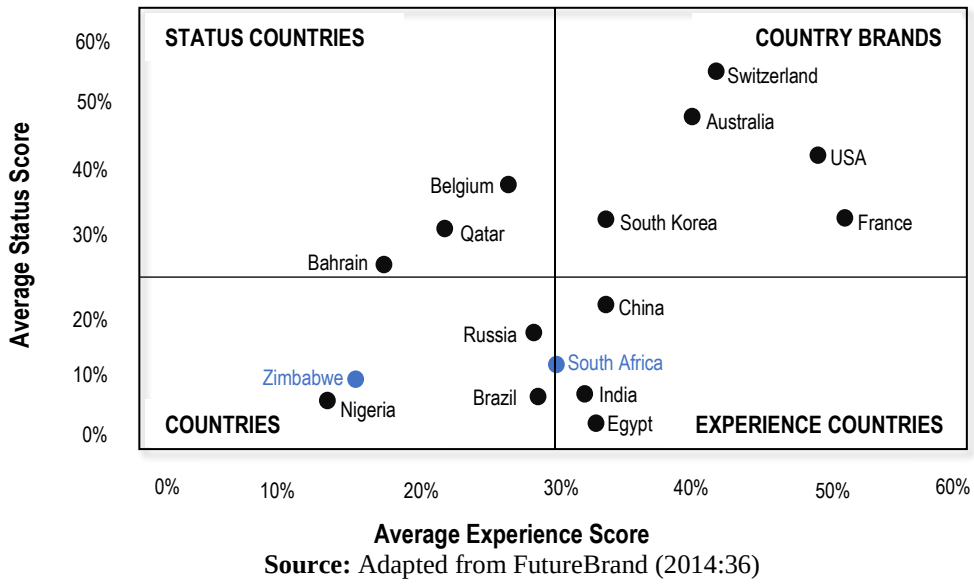
Table 3.34: South Africa and Africa CBI variable performance by percentage

	South Africa %	Africa %
Political freedom	16	11
Environmental friendliness	20	15
Tolerance	14	12
Health and education	15	10
Standard of living	15	10
Safety and security	13	8
Would like to live or study there	12	10
Good for business	18	12
Advanced technology	12	8
Good infrastructure	18	10
Historical points of interest	35	20
Heritage, art and culture	18	10
Natural beauty	55	35
Value for money	21	14
Range of attractions	33	20
Resort and lodging options	31	12
Would like to visit for a holiday	43	24
Food	23	14

Source: FutureBrand (2014:46)

Whereas previous FutureBrand's CBI reports ranked all countries in the samples, the 2014-15 report only ranked 22 countries which the company classified as brands. The central hypothesis of the 2014-15 research was that not all countries qualify as 'brands'. "By this, we mean that people have stronger than average perceptions of the country across our six dimensions relating to the balance of 'status' and 'experience'" (FutureBrand, 2014:34). Consequently, only 22 out of the 75 countries included in 2014-15 survey qualify as 'country brands' by FutureBrand's measures. Unfortunately, as evident in FutureBrand's status-experience strength matrix, in Figure 3.17 below, which is essentially a portfolio analysis model, there is no African country in the country brands cell. Inferring from the matrix, a country has to have a score of at least 23 percent on status and 30 percent on experience to qualify as a brand. In addition, no African country is in the status countries' quadrant and only one, Egypt, is in the experience countries' cell. Although South Africa has a higher status score than Egypt, it sits right on the borderline of the experience and status quadrants, hence occupies an unclear position in the matrix. There are four African nations in the countries' quadrant—Nigeria, Ghana, Zimbabwe, and Kenya. Considering the lower than average perceptions of nations in the countries' cell, countries therein are, in fact, commodities. Commodities lack the reputation of brands because they are not differentiated. However, contrary to FutureBrand's (2014) general hypothesis on country brands, status and experience countries can also, at the minimum, be considered as intermediate or mediocre brands because they have some differential advantage, unlike nations in the countries' cell. Status countries have above average scores on status and experience countries have above average scores on experience.

Figure 3.17: FutureBrand® Status-Experience Matrix: Which countries are country brands?



Source: Adapted from FutureBrand (2014:36)

3.10.2 CBI competitiveness of South Africa and Zimbabwe in SADC (2010 to 2014)

For the four-year period ending 2014, South Africa has had a global CBI mean ranking of 37 or 36, which makes it the second best-performing of the eight SADC countries included in the index during the period (see Table 3.35 below). While South Africa's mean ranking is substantially lower than the regional annual averages for the period, an indicator of good performance, the fact that it actually is 1.7 times bigger than that of the region's leader, Mauritius, shows that the country can do better. Due to lack suitable information in the 2014 CBI report it is not feasible to do a SADC-wide detailed performance analysis by CBI sub-indices. However, detailed variable performance analysis of South Africa in Table 3.34 above can still be applied to the country in the context of the SADC recognising the absence of comparative data for all the other regional countries. For an investor applying the CBI overall as a basis for choosing an investment destination in the SADC, South Africa would only be the region's second choice destination after Mauritius.

Table 3.35: CBI Competitiveness of South Africa within the SADC

Country	2010 n=110	2011 n=113	2012 n=118	2014 n=75	2010-12 Mean*	2010-14 Mean*
Mauritius	21	22	20		**21**	
South Africa	31	35	43	40	**36**	**37**
Namibia	36	37	48		**40**	
Botswana	51	53	59		**54**	
Tanzania, UR	73	68	68		**70**	
Mozambique	95	88	89		**91**	
DRC	107	103	106		**105**	
Zimbabwe	110	112	113	69	**112**	**101**
Regional Annual Mean*	**65.5**	**64.8**	**68.3**	**54.5**		

Legend: * = Researcher's calculations
Source: Adapted from FutureBrand (2014:53, 2012:106, 2011:79, 2010:45)

From the eight countries which were included in the CBI for the three years ending 2012, Zimbabwe was the worst performing nation with a mean ranking of 112 (Table 3.34 above). This suggests that investors targeting the SADC may, in fact, select Zimbabwe as a last resort if they were considering the CBI performance as a basis for selecting an FDI destination. Zimbabwe does not even qualify to be called a country brand but just a country because of its poor scores in the FutureBrand's (2014) country status-experience portfolio analysis model—Figure 3.17 above.

3.10.3 CBI competitiveness of South Africa in BRICS (2010 to 2014)

According to FutureBrand's (2014) status-experience strength matrix above, BRICS nations are yet to perform well enough to qualify as country brands. Three of the countries are in the experience countries cell wherein countries have above average scores on experience variables—heritage, tourism, and made in. Of course, as evident from Figure 3.17 above, the three economies are at different levels within the cell. By status score, China is the best performing country in the BRICS. It is just about to cross over to the country brands cell but also rather too close to status countries. This means, in the foreseeable future, China may either drift into the country brands or status countries cell. Although India's status score is way below South Africa's and China's, India has a much more distinct position in the experience countries' cell than China. South Africa is right on the line between status and experience countries, somewhat more on the experience cell. Therefore, South Africa does not quite occupy a clear position in the BRICS, at least within the context of FutureBrand's (2014) "Which countries are 'country brand?'" matrix above. Russia's position in the matrix is close to China's but, unfortunately, still in a more unfavourable position than South Africa and India in that it is still in the countries cell. This means Russia is a commodity. Brazil occupies more or less the same position as South Africa but about 1 to 3 percentage points inside the countries cell, so it is a country just like Russia.

Furthermore, as shown in Table 3.36 below South Africa's CBI mean performance for the four-year period ending 2014/15 places it on second place after Brazil in the CBI. This means that the country is doing relatively well within this competitive set. For investors who may consider South Africa positioning in the CBI, the country has good reputation.

Table 3.36: South Africa's Country Brand Index performance within BRICS Economies

	2010 (n=118)	2011 (n=118)	2012 (n=118)	2014 (n=75)	Country Mean*
Brazil	41	31	28	43	**36**
South Africa	31	35	43	40	**37**
India	31	35	42	50	**40**
China	56	65	66	28	**54**
Russia	82	80	83	31	**69**
Regional Annual Mean *	**48**	**49**	**52**	**38**	

Legend: * = Researcher's calculation. **Source:** Futurebrand® (2012:106), Futurebrand® (2014/15:53)

3.11 SOUTH AFRICA'S ATTRACTIVENESS IN ANHOLT-GfK ROPER NATION BRAND INDEX^{SM} (2010 to 2015)

The Anholt-GfK Roper Nation Brands Index^{SM} (NBI^{SM}) is one of the two widely used proprietary country brand indexes the other one being the Futurebrand's CBI (Fetscherin, 2010:468). Simon Anholt, who coined the term "country branding", designed the Nation Brands Index® (NBI) in 2005 to measure the image and reputation of the world's nations, and to track their profiles as they rise or fall (Anholt-GfK Roper, 2008:1). The Anholt-GfK Roper (2008) NBI^{SM} is based on Anholt's (2005) NBI, also known as the Nation Brand Hexagon®. Conducted annually with GfK-Roper since 2008, the Anholt-GfK Roper NBI^{SM} measures the image and reputation of 50 nations on six dimensions—exports, governance, culture, people, tourism, and immigration and investment. The hypothesis of the NBI is that the way a country is perceived can make an important difference to the success of its business, trade and tourism efforts, as well as its diplomatic and cultural relations with other nations (Anholt-GfK Roper, 2008:1). Anholt-GfK Roper interviews about 20 000 people ages 18 and over online in 20 core panel countries, both developed and developing, throughout the world. Since its inception in 2008, the Anholt-GfK Roper NBI^{SM} only includes three African countries, Egypt, Nigeria and South Africa in its core 20 panel countries. However, given the proprietary nature of the Anholt-GfK Roper NBI^{SM}, it is not possible to figure out which other countries are included in the index outside of those stated in the Simon Anholt and GfK Roper Public Affairs and Media briefings and individual countries ranked (if the country decide to make their own national editions public) unless one subscribes to the annual surveys. Thus, there is no freely accessible data on the NBI^{SM} performance of other SADC nations, top African economies, and BRICS nations. The analysis in this section is sorely based on research notes of Brand South Africa's research manager, Petrus de Kock.

Table 3.37 below shows the overall and pillar performance of South Africa in the Anholt-GfK NBI^{SM} for the six-year period ending 2015. The country's overall mean ranking for the period is 36 out of 50 countries assessed in the index annually. South Africa's overall reputation has remained stable, which is no small achievement as it comes in a time where two-thirds of the nations have experienced overall reputation score declines (Brand South Africa & De Kock, 2013:13).

Table 3.37: South Africa's overall and pillar performance in Anholt-GfK Roper Nation Brand Index^{SM} (2010 to 2015)

	2010	2011	2012	2013	2014	2015	Period Mean*
Overall ranking	**37**	**36**	**36**	**36**	**37**	**38**	**37**
Exports	38	37	37	37	36	36	**37**
Governance	40	41	40	40	39	39	**40**
Culture	27	25	28	27	29	30	**28**
People	31	34	31	34	37	36	**34**
Tourism	35	34	34	34	37	36	**35**
Immigration & Investment	43	39	38	38	37	39	**39**

Legend: * = Researcher's calculation
Source: Brand South Africa and De Kock (2013:13) and De Kock (2015:3)

Nonetheless, it was not feasible to figure out what this overall mean ranking translates to within the context of the two top African economies, Egypt and Nigeria, the BRICS, and SADC countries on which South Africa is benchmarked against in this theoretical review. This was so because of the NBI^{SM}'s proprietary nature (the appropriate reports are not in the public domain). In terms of pillar performance, South Africa performed fairly well on culture and people despite the fact that it has lost some ground in culture (Brand South Africa & De Kock, 2013:13) during the period under review. South Africa's mean rankings for exports, governance, and investment and immigration confirm that it is not doing well in these pillars compared to the 49 other countries included in the index. Nevertheless, Brand South Africa and de Kock (2013:13) note that South Africa surpassed fellow BRICS economies, India and Russia, on governance and overtook Russia and China on people. South African citizens are largely exceptionally favourable toward their country, ranking it sixth or better on people, tourism, culture, and exports but are extremely more critical than other global citizens on governance, ranking it in the bottom-tier (de Kock, 2015:4).

3.12 SOUTH AFRICA'S AND ZIMBABWE'S STRENGTH IN COUNTRY BRAND RANKING©

The Bloom Consulting Country Brand Ranking© (CBR) for trade and tourism, published yearly, analyses the brand performance of about 180 countries and territories worldwide. The CBR incorporates unique variables such as the **Online Search Demand (OSD©)**, which measures the online appeal of a country and the Country Brand Strategy Rating (**CBS Rating©**), which assesses the effectiveness of a country's communication efforts. These variables allow the classification and measurement of country brand performance drawing on

hard data rather than perceptions, surveys or expert opinions (Bloom Consulting, 2013:1). The methodology hypothesises that there are six Country, Region and City Branding (CRC) objectives or dimensions represented in the CRC brand wheel—investment (trade), tourism, talent, pride, public diplomacy, and exports. However, the latest CRC brand wheel has five objectives because it merges the pride and public diplomacy dimensions into the prominence objective which encompasses increasing public diplomacy efforts (see Bloom Consulting, 2017a:3). Each of these dimensions have different target audiences with different needs. To determine CBS Rating® in respect of the trade or investment dimension, Bloom Consulting hypothesises that CBR is a result of net FDI inflows, net FDI growth, OSD© (business environment, country characteristics, sectorial expertise) and CBS Rating® plus official website and social media performance. Although it uses objective secondary data, the CBS Rating® tool measures performance of a country brand on a 10-point scale ranging from Very Strong (AAA) to Poor (D). Because the CBS Rating® scale points are in letter form ranging from AAA representing "very strong" to D representing "poor", the analysis below only includes country rankings and no scores for the period under review. From November 2016, Bloom Consulting also publishes the Digital Country Index that measures the brand appeal of countries and territories in the digital world based on the same five objectives of the CBR.

3.12.1 South Africa's strength in Bloom Consulting's Country Brand Ranking© in Africa (2012 to 2017)

Table 3.38 below reviews the CBR© performance of the continent's top three economies—Egypt, Nigeria and South Africa. With a mean rank of 41 for the three years ending 2017/18, South Africa is the second most attractive destination but only two places below the group's most attractive country brand, Nigeria, according to Bloom Consulting's CBR©. So, the country does not have competitive advantage over its two rivals in attracting FDI in the region, if the CBR was taken as the most important deciding factor.

Table 3.38: South Africa's strength in Bloom Consulting's Country Brand Ranking© in Africa

	2012 n=160	2013 n=177	2014/15 n=180	2017/18 n=200	Country Mean Ranking*
Nigeria	39	35	43	40	**39**
South Africa	50	39	36	37	**41**
Egypt		38	47	51	**45**
Top Three Annual Mean Ranks*	**45**	**37**	**42**	**43**	

Legend: * = Researcher's calculations
Source: Bloom Consulting (2012:7-13, 2013:15-32, 2014/15:25-26, 2017:25)

3.12.2 South Africa's and Zimbabwe's strength in Bloom Consulting's Country Brand Ranking© in the SADC (2012 to 2017)

With a mean rank of 41, South Africa is the undisputed leading brand in the CBR© in the SADC, followed by Zambia, with a mean rank of 71 for the four years ending 2017/18 (Table 3.39). Consequently, for any investor relying on the CBR as a basis for selecting a foreign investment destination in the SADC, South Africa should be the unrivalled destination of first choice.

Table 3.39: South Africa's and Zimbabwe's strength in Bloom Consulting's Country Brand Ranking® in the SADC

	2012 n=160	2013 n=177	2014/15 n=180	2017/18 n=200	Country Mean Ranking*
South Africa	50	39	36	37	**41**
Zambia	60	80	76	67	**71**
DRC	78	74	79	83	**79**
Mozambique	98	84	71	70	**81**
Tanzania	100	88	68	73	**82**
Madagascar	69	90	94	99	**88**
Namibia	114	120	112	111	**114**
Mauritius	119	118	114	117	**117**
Botswana	101	100	141	134	**119**
Zimbabwe	145	135	118	116	**129**
Seychelles	127	154	148	157	**147**
Malawi	133	152	146	159	**148**
Swaziland	142	152	154	180	**157**
Lesotho	146	163	165	171	**161**
Angola	107	176	179	189	**163**
SADC Annual Mean Rankings*	**106**	**115**	**113**	**118**	

Legend: * = Researcher's calculations
Source: Bloom Consulting (2012:7-13, 2013:15-32, 2014/15:25-26, 2017/18:25-27)

In comparison, Zimbabwe has a global mean rank of 129 in Bloom's CBR© for the four-year period under review, which positions it on rank 10 in the SADC beating only five countries in the region, namely, Seychelles, Malawi, Swaziland, Lesotho, and Angola (Table 3.39 above). Therefore, Zimbabwe is among the bloc's six destinations that have the least chance of attracting meaningful foreign investment, if the CBR© was taken as the main deciding factor.

3.12.3 South Africa's strength in Bloom Consulting's Country Brand Ranking® within the BRICS (2012 to 2017)

As evident in Table 3.40 below, South Africa's global annual mean ranking of 41 in Bloom Consulting's CBR© for the four years ending 2017/18 is the lowest in the BRICS. Russia, the second lowest ranked country in the group, beats South Africa by 28 mean ranks for the period under review. This wide variance distinguishes South Africa for negative brand equity among the five economies constituting the BRICS in respect of the CBR©. Therefore, South Africa has the least chance of attracting FDI destined for BRICS countries than any other economy in this group, if investors rely on the CBR© as a determinant for selecting an FDI destination. China and Brazil are the most attractive countries in the CBR© with mean rankings of 3 and 7 respectively.

Table 3.40: South Africa's strength in Bloom Consulting's Country Brand Ranking® in BRICS

	2012 n=160	2013 n=177	2014/15 n=180	2017/18 n=200	Country Mean Ranking*
China	3	2	2	4	**3**
Brazil	11	8	7	3	**7**
India	15	10	9	9	**11**
Russia Fed.	10	14	11	15	**13**
South Africa	50	39	36	37	**41**
BRICS Annual Mean Rankings*	**18**	**15**	**13**	**14**	

Legend: * = Researcher's calculations
Source: Bloom Consulting (2012:7-13, 2013:15-32, 2014/15:25-26, 2017/18:13&25)

3.13 SOUTH AFRICA'S AND ZIMBABWE'S PERFORMANCE IN NATION BRAND IMPACT™ FRAMEWORK (NBIF™)

The NBIF™ designed by the global branding consultancy, Brand Finance®, measures the strength and value of nation brands across four segments—investment, tourism, product and services, and talent. The performance of nation brands overall and in the four segments are measured using the Brand Strength Index (BSI) with scores out of 100. However, the BSI, is expressed in the form of an 18-point scale ranging from AAA+, AAA, and AA- representing *Exceptional* to DDD, DD and D representing *Failing*. Therefore, the analysis in this section is only based on rankings and not scores, unlike in the case of other proprietary indices in this chapter. Brand Finance® ranks 100 countries annually using the NBIF™. The NBIF™ also annually measures nation brand value (NBV) in US dollars but, as a privately-owned index, Brand Finance®'s nation brands annual reports only publish the NBVs for the 10 most valuable nation brands in the world and locks those of the remaining 90 nation brands. As a result, this chapter cannot present a segment analysis of South Africa's and Zimbabwe's performance because the index does not give the necessary details.

3.13.1 NBIF™ competitiveness of South Africa in Africa (2011 to 2015)

South Africa is the best performing economy among the largest three African economies in terms of both the NBIF™ annual rankings and country mean rankings for the last five years ending 2015 (Table 3.41 below). Its average rank of 34 for the period, exactly 14 ranks above the second best-performing of the three countries, Nigeria, indicates that South Africa occupies a distinctive position in this competitive set. This means that the country has competitive advantage over Nigeria and Egypt in attracting FDI from investors who apply the NBIF™ rankings as a basis for choosing an investment destination from the top three economies in the continent.

Table 3.41: Nation brand impact performance of South Africa in Africa (2011 to 2015)

	2011 n=100	2012 n=100	2013 n=100	2014 n=100	2015 n=100	Country Mean Ranking
South Africa	33	31	32	35	37	**34**
Nigeria	54	51	49	47	41	**48**
Egypt	50	47	54	54	55	**52**
Trio Annual Mean Ranks	**46**	**43**	**45**	**45**	**44**	

Legend: * = Researcher's calculations
Source: Brand Finance (2015:14-15, 2014:22-23, 2013:20-21)

3.13.2 NBIF™ competitiveness of South Africa and Zimbabwe in the SADC (2011 to 2015)

South Africa occupies a unique position among four of the seven SADC countries included in the NBIF™ in the last five years ending 2015 (Table 3.42 below). The country has an average ranking of 34, which is 55 ranks above the region's second best performing nation, Tanzania (Mean Rank = 89). This means that South Africa has a distinctive advantage in the region in terms of NBIF™ positioning. The remaining eight SADC countries, including Zimbabwe, are yet to be included in the Brand Finance®'s annual nation brands report. Thus, it is not possible to plot Zimbabwe's perceptual map within the NBIF™ in this thesis.

Table 3.42: South Africa's nation brand impact performance within SADC (2011 to 2015)

	2011 n=100	2012 n=100	2013 n=100	2014 n=100	2015 n=100	Country Mean Ranking*
South Africa	33	31	32	35	37	**34**
Tanzania	95	94	88	85	81	**89**
Botswana	106	98	97	97	98	**99**
Zambia		103	99	98	89	**97**
Angola	70	70				
Mozambique					95	
Mauritius					99	
SADC Annual Mean Ranking*	**76**	**79**	**79**	**79**	**83**	

Legend: * = Researcher's calculations
Source: Brand Finance (2015:14-15, 2014:22-23, 2013:20-21)

3.13.3 NBIF™ competitiveness of South Africa in the BRICS (2011 to 2015)

South Africa, with a global NBIF™ mean rank of 34 for the five years ending 2015, is the 5th hence lowest performer in the BRICS group after the Russian Federation, which has a global mean ranking of 13 (Table 3.43 below). This means that South Africa has the weakest brand impact in the BRICS and the least chance to attract FDI from investors targeting BRICS nations with strong brand impact. China is the best performing BRICS nation brand with an average NBIF™ global ranking of 2 for the last five years followed by India with a mean rank of 8.

Table 3. 43: South Africa's nation brand impact performance within BRICS (2011 to 2015)

	2011 n=100	2012 n=100	2013 n=100	2014 n=100	2015 n=100	Country Mean Ranking
China	3	2	2	2	2	**2**
India	9	9	9	8	7	**8**
Brazil	10	8	8	10	11	**9**
Russian Fed.	11	11	11	12	18	**13**
South Africa	33	31	32	35	37	**34**
BRICS Annual Mean	**13**	**12**	**12**	**13**	**15**	

Legend: * = Researcher's calculations
Source: Brand Finance (2015:14-15, 2014:22-23, 2013:20-21)

3.14 STABILITY COMPETITIVENESS OF SOUTH AFRICA AND ZIMBABWE

Designed and published by the Fund for Peace (FfP) since 2005, the Fragile States Index (FSI) is an annual ranking of 178 nations based on their levels of fragility or stability. The index measures the pressures that affect countries hence provides political risk assessment and early warning of conflict to policymakers and the general public (FfP, 2015:40). Known as the Failed States Index until 2013, the index measures political risk on three factors divided into 12 sub-factors, namely, *social indicators* (demographic pressures, refugees and internally displaced people (IDP), group grievance, human flight and brain drain), *economic indicators* (uneven economic development and poverty and economic decline), and *political and military indicators* (state legitimacy, public services, human rights and rule of law, security apparatus, factionalised elites, and external intervention). The 12 sub-factors are further sub-divided into over 100 indicators. The key argument of the FSI is that in an interconnected world, **unstable** (emphasis added) and fragile countries are a serious risk not just to themselves and their citizens

but also the entire world especially their neighbours and other states halfway across the globe (FfP, 2011—2016). The war in Syria confirms this hypothesis; it has led to one of the worst refugee crisis in the Middle East and Europe since World War II.

Unlike other indices featured in this chapter, the FSI is interpreted with the understanding that the lower the score and the higher the rank the more stable is a country (the reverse is true for unstable countries). The FSI scores are interpreted using 11 score-based clusters: *Very Sustainable* = 1-19.9, *Sustainable* = 20.0-29.9, *Very Stable* = 30.0-39.9, *More Stable* = 40.0-49.9, *Stable* = 50.0-59.9, *Warning* = 60.0-69.9, *Elevated Warning* = 70.0-79.9, *High Warning* = 80.0-89.9, *Alert* = 90.0-99.9, *High Alert* = 100.0-109.9, and *Very High Alert* = 110-120 (see FfP, 2016:6-7). FfP (2015:3) argue that a country's overall and indicator scores are a more important and accurate indicator of performance than overall ranking alone, hence a country should be compared against others while it is also assessed against itself over time using indicator scores. In reality, this argument applies to all proprietary indices reviewed in this thesis.

3.14.1 South Africa's stability competitiveness within BRICS diplomatic group (2012 to 2016)

The most stable country in the BRICS is Brazil followed by South Africa on the second place (Table 3.44). So, Brazil is the destination of choice in the BRICS and South Africa is the destination of second choice for foreign investors who consider country stability or fragility and the FSI as FDI location selection criteria within the diplomatic group. However, the fact that the two countries are in the same Warning band of the FSI may work in favour of South Africa if an investor does not just consider stability scores as the basis for choosing an investment destination. China and India are in the Elevated Warning group and Russia in the High Warning cluster. Notwithstanding its benefits as an early warning and positioning system, the FSI may be rejected by some politicians because of its band descriptors, from *Warning* to *Very High Alert*, which may be associated with negative stereotypes and stigma.

Table 3.44: South Africa's stability competitiveness within BRICS nations (2012 to 2016)

Country	2012 (n=177)		2013 (n=177)		2014 (n=178)		2015 (n=178)		2016 (n=178)		Country Mean*		FSI^ Bands
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	
Brazil	64.1	123	62.1	126	61.4	125	62.6	123	65.3	119	**63.1**	**123**	**W**
South Africa	66.8	115	67.6	113	66.6	115	67	113	69.9	108	**67.6**	**113**	**W**
Russia	77.1	83	77.1	80	76.5	85	80	65	81.0	65	**78.3**	**76**	**HW**
China	78.3	76	80.9	66	79.0	68	76.4	83	74.9	86	**77.9**	**76**	**EW**
India	78.0	78	77.5	79	76.9	81	79.4	68	79.6	70	**78.3**	**75**	**HW**
BRICS Annual Mean*	**72.9**	**95**	**73.0**	**93**	**72.1**	**95**	**73.1**	**90**	**74.1**	**90**			

Legend: W = Warning; EW = Elevated Warning; HW = High Warning; * = Researcher's calculations; ^ = Bands based on 2016 FSI
Source: Adapted from FfP (2012:4-5, 2013:4-5, 2014:4-5, 2015:6-7, 2016:6-7)

Table 3.45 below compares the two leading BRICS countries in the FSI in 2016, South Africa and Brazil, in respect of the three factors and their 12 sub-factors. South Africa outpaces Brazil in the demographic pressures, uneven economic development, state legitimacy, human rights and rule of law, and security apparatus sub factors albeit with small margins in most sub factors. In turn, Brazil outwits South Africa in the refugees and IDP, group grievances, human flight and brain drain, poverty and economic decline, public services, factionalised elites, and external intervention, and FSI overall.

Table 3.45: South Africa's Stability Competitiveness within the BRICS Group in 2016

Countries	Social Indicators				Economic Indicators		Political and Military Indicators						Overal FSI Score	FSI Country Bands
	Demographic Pressures	Refugees & IDPs	Group Grievances	Human Flight & Brain Drain	Uneven Economic Dev.	Poverty & Economic Decl.	State Legitimacy	Public Services	Human Rights & Rule of Law	Security Apparatus	Factionalised Elites	External Intervention		
Brazil	7.6	2.9	5.7	4.3	8.0	4.5	5.9	6.0	6.1	6.4	4.9	3.0	**65.3**	**W**
South Africa	7.3	5.6	6.3	5.2	7.7	6.6	5.0	7.2	4.4	5.8	5.6	3.2	**69.9**	**W**
Mean	**7.5**	**4.3**	**6.0**	**4.8**	**7.9**	**5.6**	**5.5**	**6.6**	**5.3**	**6.1**	**5.3**	**3.1**	**67.6**	**W**
Gap	**0.3***	**^2.7**	**^0.6**	**^0.9**	**0.3***	**^2.1**	**0.9***	**^1.2**	**1.7***	***0.6**	**^0.7**	**^0.2**	**^4.6**	

Legend: W = Warning, ^ = Gap in favour of Brazil (minus sign deleted), * = Gap in favour of South Africa.
Source: Adapted from FfP (2016:19&21)

3.14.2 South Africa's stability competitiveness within Africa's top three economies (2012 to 2016)

With a mean score of 67.6 and mean rank of 113 for the five-year period ending 2016, South Africa is positioned in the FSI as the most stable of the three top economies in Africa (Table 3.46). Its mean score is consistently lower than the annual mean score of the three countries put together, which is indicative of a stable country. Therefore, South Africa is strategicaly positioned as the preferred FDI destination for investors using stability in general and the FSI in particular as criteria for selecting an investment location from the three largest economies in Africa.

Table 3.46: South Africa's stability competitiveness within Africa's top three economies (2012 to 2016)

Country	2012 (n=177)		2013 (n=177)		2014 (n=178)		2015 (n=178)		2016 (n=178)		Country Mean*	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
South Africa	66.8	115	67.6	113	66.6	115	67	113	69.9	108	**67.6**	**113**
Egypt	90.4	31	90.6	34	91	31	90	38	90.2	38	**90.4**	**34**
Nigeria	101.1	14	100.7	16	99.7	17	102.4	14	103.5	13	**101.5**	**15**
Trio Annual Mean*	**86.1**	**53**	**86.3**	**54**	**85.8**	**54**	**86.5**	**55**	**87.9**	**53**		

Legend: * = Researcher's calculations
Source: Adapted from FfP (2012:4-5, 2013:4-5, 2014:4-5 & 2015:6-7, 2016:6-7)

Table 3.47 below shows the trio's stability levels for 2016 by indicator scores in the three FSI sub-indices and their respective indicators and the relevant country brands. The scores confirm South Africa's position as the undisputed most-stable destination in the competitive set outsmarting Egypt in eight of the sub-factors and Nigeria in all but one sub-factor.

Table 3.47: South Africa's stability competitiveness within Africa's top three economies in 2016

Countries	Social Indicators				Economic Indicators		Political & Military Indicators						Overal FSI Score	FSI Country Bands
	Demographic Pressures	Refugees & IDPs	Group Grievances	Human Flight & Brain Drain	Uneven Economic Dev.	Poverty & Economic Decl.	State Legitimacy	Public Services	Human Rights & Rule of Law	Security Apparatus	Factionalised Elites	External Intervention		
South Africa	7.3	5.6	6.3	5.2	7.7	6.6	5.0	7.2	4.4	5.8	5.6	3.2	**69.9**	**W**
Egypt	6.8	7.0	9.0	4.4	6.2	8.4	8.4	5.1	9.7	8.3	8.8	8.1	**90.2**	**A**
Nigeria	9.1	7.7	9.4	7.4	8.8	7.7	8.8	9.4	9.1	9.7	9.9	6.5	**103.5**	**HA**
Trio Mean *	**7.7**	**6.8**	**8.2**	**5.7**	**7.6**	**7.6**	**7.4**	**7.2**	**7.7**	**7.9**	**8.1**	**5.9**	**87.9**	
Gap btwn SA & EGP*	**0.5**	**-1.4**	**-2.7**	**0.8**	**1.5**	**-1.8**	**-3.4**	**2.1**	**-5.3**	**-2.5**	**-3.2**	**-4.9**	**-20.3**	

Legend: W = Warning; A = Alert; HA = High Alert; SA = South Africa; EGP = Egypt; * = Researcher's calculations
Source: Adapted from FFP (2016:6-7); Gaps with negative (minus) sign are in favour of South Africa

Viewing the trio's mean scores within the 2016 FSI bands in the last column of the table, South Africa is in the *Warning* band, Egypt in the *Alert* cluster and Nigeria is in the *High Alert* category. Notwithstanding the usefulness of the FSI, the terms it uses to describe the positions of these countries overall seem to reinforce the negative continental brand stereotype generally associated with the African continent.

3.14.4 South Africa's and Zimbabwe's stability competitiveness within the SADC (2012 to 2016)

As shown in Table 3.48 below drawn from FSI scores and rankings for the five-year period ending 2016, South Africa is the third most-stable nation in the SADC after Mauritius occupying the first position and Seychelles on the second. So, for foreign investors considering country political risk or stability as the most important determinant for selecting an FDI destination, this means that South Africa may only be the third most preferred destination in the region. If country bands are considered alongside scores, then Botswana, which is on the fourth position in the bloc, comes too close to South Africa's position. This means that the two may also wrestle for the same foreign investor attracted to a country because of political stability.

Table 3.48: South Africa's and Zimbabwe's stability competitiveness in the SADC by score and global rank

Country	2012 (n=177)		2013 (n=178)		2014 (n=178)		2015 (n=178)		2016 (n=178)		Country Mean^		FSI Bands*
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	
Mauritius	44.7	147	44.5	148	46.1	145	45.2	145	43.2	145	**44.7**	**146**	**MS**
Seychelles	65.1	120	64	121	63.7	122	62.1	124	60.2	125	**63.0**	**122**	**W**
South Africa	68.8	115	67.6	113	66.6	115	67	113	69.9	108	**68.0**	**113**	**W**
Botswana	66.5	117	64	121	64.5	72	62.8	122	63.5	120	**64.3**	**110**	**W**
Namibia	71	106	70.4	108	71.5	103	70.8	106	71.1	103	**71.0**	**105**	**EW**
Lesotho	79	72	79.4	71	78.6	72	79.9	66	80.9	66	**79.6**	**69**	**HW**
Tanzania	80.4	66	81.1	65	80.8	65	80.8	63	81.8	62	**81.0**	**64**	**HW**
Madagascar	82.5	58	82.7	61	83.1	60	83.6	56	84.2	56	**83.2**	**58**	**HW**
Mozambique	82.4	59	82.8	59	85.9	50	86.9	45	87.8	42	**85.2**	**51**	**HW**
Swaziland	83.5	55	85.6	49	85.8	51	86.3	48	87.6	44	**85.8**	**49**	**HW**
Zambia	85.9	44	86.6	45	86.2	49	85.2	53	86.3	49	**86.0**	**48**	**HW**
Angola	85.1	49	87.1	43	87.4	43	88.1	40	90.5	37	**87.6**	**42**	**A**
Malawi	88.8	36	89.2	40	89.1	38	86.9	45	87.6	44	**88.3**	**41**	**HW**
Zimbabwe	106.3	5	105.2	10	102.8	11	100	15	100.5	16	**103.0**	**11**	**HA**
Congo, DR	111.2	2	111.9	2	110.2	4	109.7	5	110	8	**110.6**	**4**	**VHA**
SADC^ Annual Mean	**80.1**	**70**	**80.1**	**70**	**80.2**	**67**	**79.7**	**70**	**80.3**	**68**			

Legend: MS = More Stable; W = Warning; EW = Elevated Warning; HW = High Warning; A = Alert; HA = High Alert; VHA = Very High Alert; * = Bands based on 2016 FSI; ^ = Researcher's calculations.
Source: Adapted from FfP (2012:4-5, 2013:4-5, 2014:4-5 & 2015:6-7, 2016:6-7)

Table 3.48 above shows that Zimbabwe is the second most fragile country in the SADC, its mean score for the period being 103.4, beating only the DRC within the region. Zimbabwe and the DRC fall in the *High Alert* and *Very High Alert* categories, the second lowest and lowest categories of the FSI respectively. Comparing Zimbabwe's and South Africa's mean scores, the former's also falls way below the SADC's annual mean depicting poor rating. Unfortunately, the SADC annual mean scores are consistent with the negative continental brand with which Africa is associated; all but one is equal to or greater than 80, which falls in the *High Warning* category of the FSI.

An analysis of SADC countries' performance in 2016 focusing on the three factors of the FSI and their 12 indicators shows South Africa falling to the fourth position in the region, with Botswana snatching the third place (Table 3.49). In comparison, Zimbabwe maintains its number 14 position beating only the DRC. Zimbabwe's performance throughout the 12 sub-factors of the FSI is far below expectation in comparison to not just South Africa (the gaps all

have a negative sign), the fellow case study country, but all other SADC member states besides the DRC. Its indicators scores are all way above the SADC averages, which is indicative of a country that is underperforming by regional standards.

Table 3.49: South Africa's and Zimbabwe's 2016 FSI performance within the SADC

Countries	Social Indicators				Economic Indicators		Political & Military Indicators						Overall Scores
	Demographic Pressures	Refugees & IDPs	Group Grievances	Human Flight & Brain Drain	Uneven Economic Dev.	Poverty & Economic Decl.	State Legitimacy	Public Services	Human Rights & Rule of Law	Security Apparatus	Factionalised Elites	External Intervention	
Mauritius	3.8	2.4	3.8	4.1	4.0	4.2	3.2	3.5	3.6	2.5	3.2	4.9	**43.2**
Seychelles	4.8	2.9	4.5	5.6	5.7	4.3	5.7	2.9	4.3	6.3	6.0	7.2	**60.2**
Botswana	7.9	4.7	5.1	5.2	8.0	6.0	3.5	7.0	4.7	3.8	3.3	4.3	**63.5**
South Africa	7.3	5.6	6.3	5.2	7.7	6.6	5.0	7.2	4.4	5.8	5.6	3.2	**69.9**
Namibia	7.3	5.2	6.0	6.8	8.4	7.0	3.5	7.6	4.0	5.2	3.5	6.6	**71.1**
Lesotho	8.2	4.8	4.1	7.7	7.6	8.2	6.1	8.3	4.7	5.9	7.3	8.0	**80.9**
Tanzania	8.9	6.9	5.4	7.3	7.3	6.4	6.1	8.8	6.1	5.2	6.0	7.4	**81.8**
Madagascar	8.8	3.6	4.3	6.4	8.8	7.8	7.3	9.3	5.8	7.3	7.8	7.0	**84.2**
Zambia	9.5	6.6	5.4	8.1	8.9	8.1	7.2	8.1	7.1	4.7	5.7	6.9	**86.3**
Malawi	9.3	6.3	5.1	8.1	8.5	8.6	6.6	8.1	6.4	4.5	7.7	8.4	**87.6**
Swaziland	8.9	4.8	3.4	7.2	8.4	9.4	8.8	7.8	8.8	6.0	6.8	7.3	**87.6**
Mozambique	9.5	5.5	5.6	7.7	8.9	7.7	6.7	9.2	5.8	6.7	6.9	7.6	**87.8**
Angola	9.0	7.3	7.7	6.3	9.6	6.1	8.8	9.2	7.5	6.2	7.2	5.6	**90.5**
Zimbabwe	8.6	8.7	7.5	8.1	8.2	8.3	8.9	8.5	8.4	7.8	9.8	7.7	**100.5**
Congo, DR	9.1	9.7	9.7	6.8	8.9	8.1	9.3	9.7	10.0	9.2	9.8	9.7	**110.0**
SADC Annual Mean*	**8.1**	**5.7**	**5.6**	**6.7**	**7.9**	**7.1**	**6.4**	**7.7**	**6.1**	**5.8**	**6.4**	**6.8**	**80.3**
Gap btwn SA & ZW*	**-1.3**	**-3.1**	**-1.2**	**-2.9**	**-0.5**	**-1.7**	**-3.9**	**-1.3**	**-4**	**-2**	**-4.2**	**-4.5**	**-30.6**

Key: * = Researcher's calculations
Source: Adapated from FFP (2016:19-22)

3.15 SOUTH AFRICA'S AND BRICS' PERFORMANCE IN WORLD COMPETITIVENESS SCOREBOARD (2010 TO 2015)

As confirmed below, the IMD World Competitiveness Scoreboard or Yearbook (WCS/Y) is one of the world's most detailed annual index on competitiveness of nations, designed and published since 1989 by Switzerland's private business school—IMD. The scoreboard analyses and ranks how nations and firms manage their total competencies to attain improved success. In 2015 the yearbook covered 60 top economies in the global market. Economies are included in the index considering their influence on the world economy and the availability of

comparable global statistics (IMD, 2014:480). As at 2015, South Africa was the only African economy included in the scoreboard.

The methodology of the WCS/Y divides the country environment into four key competitiveness factors – economic performance, government efficiency, business efficiency and infrastructure – each of which are in turn broken into five sub-factors. In total, the 20 sub-factors comprise over 300 criteria that describe the various facets of competitiveness as discussed in summary in Chapter 5 of this thesis. The criteria assess nation competitiveness on hard data (e.g. GDP) and soft data (e.g. perceptions on quality of education). Corporate managers can use the scoreboard to decide investment plans and evaluate locations for new operations and countries can assess their policies against those of other governments hence learn how to improve their competitiveness (IMD, 2014:480-481).

As evident in Table 3.50 below, South Africa, with an overall mean ranking of 50 for the six years ending 2015, is the least performing BRICS economy in the IMD World Competitiveness Scoreboard. China, with an overall average ranking of 21 for the same period is the top performing economy in the bloc followed by India. This means that South Africa is the least competitive of the five economies constituting the BRICS diplomatic group. It has not been feasible to plot South Africa's IMD World Competitiveness position relative to the top three economies in Africa and SADC economies because, to date, the scoreboard does not include Egypt and Nigeria and any SADC countries.

Table 3.50: South Africa's IMD World Competitiveness Scoreboard performance within the BRICS (2010 to 2015)

Country	2010	2011	2012	2013	2014	2015	Country Mean Rank*
China	18	19	23	21	23	22	**21**
India	31	32	35	40	44	44	**38**
Russian Fed.	51	49	48	42	38	45	**46**
Brazil	38	44	46	51	54	56	**48**
South Africa	42	52	50	53	52	53	**50**
BRICS Annual Mean*	**36**	**39.2**	**40.4**	**41.4**	**42.2**	**44**	

Legend: * = Researcher's calculations
Source: Adapted from IMD (2014:22, 2015:22)

3.16 SWOT ANALYSES OF SOUTH AFRICA'S AND ZIMBABWE'S FDI BRANDS

Data from the theoretical situational review of South Africa and Zimbabwe brands done in the previous sections and, to some extent, previous chapter is now sieved and summarised below by way of SWOT (strengths, weaknesses, opportunities, and threats) analyses. A SWOT analysis covers both internal and external environments of the organisation (Hollensen, 2010:238). Although a SWOT analysis is usually used to assist organisations design strategies (Kotler & Keller, 2016; Ferrell & Hartline, 2011; Ayub, Razzaq, Aslam & Iftekhar, 2013; Hollensen, 2010) the framework can also be applied to countries or places (Moilanen & Rainisto 2009, Kessler, 2013; ZAD Group, 2008). Following a situational analysis (Ferrell & Hartline, 2011) a place should undertake a SWOT analysis to identify the strategic challenges and its place marketing capacity (Moilanen & Rainisto 2009:27). A SWOT analysis can be particularly beneficial in uncovering strategic advantages that can be exploited in the firm's marketing strategy (Hollensen, 2010:238). Just like [commercial] brands, the strengths and weaknesses of perception of a country can determine people's resolution to select them as destinations to visit, live, [work] or invest in (FutureBrand, 2014:4).

3.16.1 SWOT analysis of South Africa FDI brand

Table 3.51 below indicates that South Africa has more strengths (30) than weaknesses (23) and fewer opportunities (5) than threats (27) all with supporting evidence from the marketing audit. So, the country is occupying a somewhat untenable FDI brand position in its three competitive sets of SADC, top three economies in Africa, and BRICS nations. In view of this SWOT analysis, South Africa must reposition or rebrand itself if it is to improve its stakeholder-based FDI brand equity and value.

Table 3.51: SWOT analysis of South Africa FDI brand

Strengths	Weaknesses
1. Second biggest population in SADC (World Bank, 2015) 2. Meets 75-80 percent of its national HIV response budget (UNAIDS, 2013) 3. Second lowest poverty rate in SADC and top three economies in Africa (World Bank, 2014) 4. Least corrupt country in BRICS and top three economies in Africa, and fifth least corrupt country in SADC (Transparency International, 2012-2016) 5. Second- and third-lead socially progressive country in SPI in largest three economies in Africa and SADC respectively (Social Progress Imperative, 2014-2016) 6. Country's SPI value greater than the 50% threshold (Social Progress Imperative, 2016a) 7. Country's SPI scores above threshold in basic human needs, foundations of wellbeing, opportunity, nutrition and basic medical care, water and sanitation, shelter, access to basic knowledge, access to information and communications, environmental quality, personal rights, personal freedom and choice, and access to advanced education sub-dimensions (Social Progress imperative, 2016a:136-138) 8. Second- and fourth-highest human development country in HDI in Africa's top three economies and SADC (UNDP, 2013-2016) 9. Country's HDI value greater than 0.500 threshold 10. Most globally competitive manufacturing country in GMCI in Africa (Deloitte Global & US Council on Competitiveness, 2010-2016) 11. Leading, second- and third-leading globally innovative country in GII in Africa's largest three economies, SADC and BRICS respectively (INSEAD & WIPO, 2013; Cornell University, INSEAD & WIPO, 2013-2016) 12. Country exceeds GII threshold score in institutions and market sophistication components (Cornell University, INSEAD & WIPO, 2016:281) 13. Largest and second largest GDP in SADC (1998-2015) and top three economies in Africa respectively, and third biggest mean GDP growth rate in BRICS (2011 to 2015) (World Bank, 2017) 14. Largest and second-largest inward FDI destination in SADC and top three economies in Africa (World Bank, 2017) 15. Most and second-most globally competitive country in GCI in SADC, top three African economies, and BRICS (WEF, 2012-2016) 16. Country's mean GCI value of 4.39 exceeds threshold (WEF, 2012-2016) 17. Country exceeds GCI threshold in all but one of GCI pillars (WEF, 2016:324) 18. Good infrastructure (FutureBrand, 2014; Mo Ibrahim Foundation, 20116; WEF, 2016)	1. Smallest population in BRICS and largest three economies in Africa (World Bank, 2015) 2. Highest HIV prevalence rate in BRICS and top three economies in Africa and fourth highest in SADC (UNAIDS, 2013) 3. Third highest poverty rate or percentage of people surviving on <US$2 a day in BRICS (World Bank, 2015) 4. Average corruption perception score for 2012 to 2016 below 50% depicting incapacity to control corruption (Transparency International, 2012-2016) 5. Country's SPI values are below 50% threshold in personal safety and health and wellness sub-dimensions (Social Progress Imperative, 2016a:136-138) 6. Second-lowest human development country in HDI in BRICS (UNDP, 2013-2016) 7. Second-lowest global manufacturing competitiveness performance in GMCI in BRICS (Deloitte Global & US Council on Competitiveness, 2010-2016) 8. Country's mean GMCI score below 50% threshold (Deloitte Global & US Council on Competitiveness, 2010-2016) 9. Nation's average GII score below 50% threshold (INSEAD & WIPO, 2013; INSEAD, Cornell University & WIPO, 2013-2016) 10. Smallest GDP in BRICS bloc and smallest mean GDP growth rate in SADC and largest three economies in Africa (World Bank, 2017) 11. Smallest inward FDI destination in BRICS (World Bank, 2017) and second least FDI Confidence Index® in BRICS (AT Kearney, 2012-2016) 12. Weakest country in CBI in BRICS (FutureBrand, 2010-2014) 13. Unclear position in status-experience matrix i.e. sits on borderline separating "countries" from "experience countries" (Futurebrand, 2014:36) suggesting country not yet a brand 14. Lowest-ranked country in CBR-Trade in BRICS (Bloom Consulting, 2012-2017) 15. Worst-performing country in NBIF™ (Brand Finance®, 2012-2015) in BRICS 16. Country in *Warning* band – value of 60.0-69.9 just above threshold 17. Lowest ranked country in BRICS in WCS/Y (IMD, 2014, 2015) 18. Country performs below GCI threshold in the labour market efficiency pillar (WEF, 2016:324) 19. Country performing below doing business threshold in the getting electricity factor (World bank, 2016:234) 20. Country scores below GII threshold in human capital & research, infrastructure, business sophistication, knowledge & technology outputs, and creative outputs (Cornell University, INSEAD & WIPO, 2016:281) 21. Inefficient government bureaucracy, restrictive labour regulations, inadequately educated workforce, policy instability, crime and theft, poor work ethic (WEF, 2016:324)

19. Best and second-best performing country in doing business index in Africa's top three economies and BRICS and SADC (World Bank, 2012-2016) 20. Country's doing business mean score above the 50% threshold (World Bank, 2012-2016) 21. Most and fourth most well-government country in IIAG in top three economies in Africa and SADC respectively (Mo Ibrahim Foundation, 2012-2016) 22. Nation's mean governance score in IIAG above 50% threshold (Mo Ibrahim Foundation, 2012-2016) 23. Lead and second-lead country in CBI in top three African economies and SADC respectively (FutureBrand, 2010-2014) 24. One of only three African countries in 50 countries globally included in NBI^{SM} (de Cock, 2013:13, 2015:3) 25. First and second best-performing country in SADC and top three African economies in CBR-Trade (Bloom Consulting, 2012-2017) 26. Best-performing country in NBIF^{TM} in Africa, SADC included (Brand Finance, 2012-2015) 27. Only African country included in WCS/Y (IMD, 2013-2015), which confirms its influential position 28. Most, second- and third-most stable country in FSI in largest three economies in Africa, BRICS and SADC (FfP, 2012-2016) 29. Advanced financial sector (WEF, 2014, 2016) 30. Country's coastline covers some 2,968km (SADC website) and has several seaports	22. Inadequate supply of infrastructure (WEF, 2016:324) and infrastructure running at full capacity (Mashego, 2013:5) 23. Country in bottom half of 50 countries rated in NBI^{SM} (see Brand South Africa & De Kock, 2013:13; De Kock, 2015:3)
Opportunities	**Threats**
1. Generally growing world FDI revenues (UNCTAD, 2017; World Bank, 2017) 2. Except Angola, SADC economies too small in GDP terms even if aggregated (see World Bank, 2017) 3. Positioned as gateway into Africa (Gauteng Province Provincial Treasury, 2013; Kahn, 2011; Kotler & Keller, 2016) 4. Most economically and diplomatically powerful nation brand in Africa 5. Most SADC countries except Mauritius, Namibia, Seychelles, and Botswana have weaker reputation than South Africa in the GCI, doing business, CPI, HDI, GII, FSI, SPI, CBR-Trade, and IIAG	1. Negative continental (Africa) brand reputation (FutureBrand, 2014; Klufio, 2011; Osei & Gbadamos, 2010; Wanjiru, 2005) 2. Risk of epidemic diseases e.g. HIV and AIDS, malaria, tuberculosis (UNAIDS, 2013) and negative brand image and reputation associated with these diseases 3. Botswana, Seychelles, Mauritius, Namibia, and Lesotho least corrupt countries in SADC, according to CPI (Transparency International, 2012-2016a) 4. Brazil outsmarting country in social progress within BRICS and Mauritius and Botswana doing same within SADC (Social Progress Imperative, 2014-2016) 5. Russia, Brazil, and China outdoing South Africa in HDI within BRICS bloc and Seychelles, Mauritius and Botswana doing same within SADC (UNDP, 2013-2016) 6. Except Russia, BRICS countries outsmarting South Africa in global manufacturing competitiveness (Deloitte Global & US Council on Competitiveness, 2010-2016) 7. Mauritius within SADC and China and Russia within BRICS outsmarting country in global innovation competitiveness (Cornell University, INSEAD & WIPO, 2013-2016) 8. BRICS economies dominating South Africa in GDP size (World Bank, 2017) and inward FDI (World Bank, 2017; UNCTAD, 2017) 9. Except Russia, other BRICS countries outshining South Africa in AT Kearney FDI Confidence Index (AT Kearney, 2012-2016)

	10. Nigeria overshadowing South Africa in both GDP (World Bank, 2017) and FDI terms (World Bank, 2017; UNCTAD, 2017) 11. Risk of sustained inward FDI attack by Angola, Mozambique, Tanzania, and Zambia (World Bank, 2017; UNCTAD, 2017) 12. Risk of sustained inward FDI battles with Egypt and Nigeria (World Bank, 2017; UNCTAD, 2017) 13. Discovery of previously unknown substantial deposits of minerals e.g. gas in Mozambique (UNCTAD, 2013) and platinum in Zimbabwe 14. Possibility of sustained higher GDP growth rates in fellow BRICS, top African and other SADC economies (World Bank, 2017) 15. China leading BRICS country in GCI (WEF, 2012-2016) given its higher mean 16. Egypt overshadows South Africa in health and primary education pillar of GCI in short- to medium-term and may overtake it on market size pillar (WEF, 2016:168&324) 17. Egypt outshines South Africa in starting a business, getting electricity, and may improve ratings in dealing with construction permits, registering property, and enforcing contracts (World Bank, 2016:199-234) 18. Mauritius leading SADC bloc in doing business reputation (World Bank, 2012-2016) 19. Egypt overpowers South Africa in personal safety, infrastructure, and rural sector sub-categories of Africa's governance index (Mo Ibrahim Foundation, 2016:18-68) 20. Mauritius, Botswana and Seychelles the governance reputation leaders of SADC (Mo Ibrahim Foundation, 2016:18-68) 21. Mauritius most reputed SADC country in CBI (FutureBrand, 2010-2014) 22. Brazil leads BRICS countries in CBI (FutureBrand, 2010-2014) 23. Other BRICS nations dominate in CBR index (Bloom Consulting, 2012-2017), NBIF™ (Brand Finance, 2011-2015), and WCS/Y (IMD, 2014:22, 2015:22) 24. Brazil leads BRICS countries in stability competitiveness (FfP, 2012-2016) 25. Brazil may continue to outsmart South Africa in refugees and IDPs, human flight & brain drain, poverty and economic development, public services, factionalised elites, and external intervention sub-factors of FSI (FfP, 2016:19&21) 26. Egypt may continue leading top three African economies in demographic pressures, human flight & brain drain, uneven economic development, and public services sub-factors of FSI (FfP, 2016:19&21) 27. Mauritius and Seychelles most stable SADC countries (FfP, 2012-2016) and Botswana leads South Africa in FSI in 2016 (FfP, 2016:19-22)

3.16.2 SWOT analysis of Zimbabwe FDI brand

As evident in Table 3.52 below, the Zimbabwean FDI brand is characterised by an overwhelmingly large number of weaknesses (28) vis-à-vis strengths (8) and more threats (7)

than opportunities (5) all with supporting evidence from the marketing audit. Given this SWOT analysis, Zimbabwe is occupying an unfavourable FDI brand position. Therefore, the country needs to reposition itself if it is to improve its FDI brand reputation and inflows.

Table 3.52: SWOT analysis of Zimbabwe FDI brand

Strengths	Weaknesses
1. National workforce has good work ethic (WEF, 2013-2016) 2. Performing above 50% threshold in seven of 12 SPI dimensions—nutrition and basic medical care, personal safety, access to basic knowledge, access to information and communications, health and wellness, environmental quality, and personal freedom and choice (Social Progress Imperative, 2016a:136-138) 3. High literacy rate of 86.5% (Social Progress Imperative, 2016a:94) 4. Despite underperforming in access to advanced education sub-dimension of SPI, country overperforms in this sub-dimension (Social Progress Imperative, 2016a:101; WEF, 2016) in terms of quality 5. Zimbabwe scores ≥3.5 in three of 12 pillars of GCI i.e. macroenvironment, health and primary education, and goods market efficiency (WEF, 2016:368) 6. Scores exceed 50% threshold in six of 10 areas of doing business—trading across borders, paying taxes, getting credit (albeit 50), protecting minority investors, registering property, and starting a business (albeit 51.75) (World Bank, 2016:246) 7. Scores above IIAG 50% threshold in three sub-categories only—national security, gender, education, and health (Mo Ibrahim Foundation, 2016:18-68) 8. Scores of four of 14 sub-categories of IIAG—national security, gender, education, and health ≥50% (Mo Ibrahim Foundation, 2016:18-68)	1. Seventh smallest population in 15-nation SADC bloc (World Bank, 2015) 2. Fifth highest HIV prevalence rate in SADC (UNAIDS, 2013) 3. Able to fund 20-30 percent of national HIV response activities only (UNAIDS, 2013) 4. High poverty rate—estimates range from 50% (ZIMASSET, 2013:23) to 80% (African Development Bank, 2011:4) 5. Second most corrupt country in SADC (Transparency International, 2012-2016) 6. Second lowest overall social progress score in SADC (Social Progress Imperative, 2016a:17) 7. Below 50% SPI threshold scores in water and sanitation, shelter, personal rights, tolerance and inclusion, and access to advanced education (Social Progress Imperative, 2016a:136-138) 8. Low human development country—mean HDI value for 2013-2016 below HDI threshold of 0.500 (UNDP, 2013-2016) and ranked 11th in SADC in mean HDI value 9. Low manufacturing/industrial capacity utilisation (Confederation of Zimbabwe Industries, 2016; ZIMASSET, 2013) 10. Inadequate capacity to innovate and second least mean GII score in SADC (Cornell University, INSEAD & WIPO, 2013-2016; WEF, 2012-2016) 11. Extremely low scores in institutions, human capital & research, infrastructure, business sophistication, knowledge & technology outputs, creative outputs factors of GII (Cornell University, INSEAD & WIPO, 2015:302) 12. Eighth largest economy in SADC down from fourth position in 1998 (World Bank, 2017) 13. Lowest GDP growth rate in SADC (World Bank, 2017) 14. Fourth smallest FDI destination in SADC for last 18 years ending 2015 (WEF, 2017) 15. Sixth lowest globally competitive economy in SADC in GCI (WEF, 2012-2016) 16. Country's mean GCI value of 3.44 below threshold (WEF, 2012-2016) 17. Policy instability, access to financing, inefficient government bureaucracy, inadequate supply of infrastructure, restrictive labour regulations, tax rates and tax regulations, foreign currency regulations, government instability, and insufficient capacity to innovate (WEF, 2016:368) 18. Third lowest doing business score and ranking in SADC (World Bank, 2012-2016) 19. Scores below threshold in four of 10 areas of doing business—resolving conflicts, enforcing contracts, getting

	electricity, and dealing with construction permits (World Bank, 2016:246) 20. Second lowest mean governance ranking in SADC in IIAG (Mo Ibrahim Foundation, 2012-2016) 21. Country IIAG mean score for period under review below threshold (Mo Ibrahim Foundation, 2012-2016) 22. Country scores below 50% threshold in 10 of 14 IIAG sub-categories—rule of law, accountability, personal safety, participation, rights, public management, business environment, infrastructure, rural sector, and welfare (Mo Ibrahim Foundation, 2016:18-68) 23. Lowest reputation among eight SADC countries included in CBI (FutureBrand, 2010-2014) 24. Positioned as a "country" in status-experience matrix (FutureBrand, 2014:36) thus country perceived as a commodity 25. Sixth least reputable country in CBR-Trade index (Bloom Consulting, 2012-2017) 26. Second-lowest stable country in FSI in SADC (FfP, 2012-2016); performance way below FSI threshold—60.0-69.9 27. Inadequate and decaying infrastructure e.g. roads, railway, electricity, water and sanitation plants 28. Landlocked
Opportunities	**Threats**
1. Generally growing world FDI revenues (World Bank, 2017; UNCTAD, 2017) 2. Fast GDP growth may facilitate growing intra-SADC trade 3. Warm relations with BRICS nations especially China 4. Road and railroad gateway of South Africa to SADC countries north of Limpopo River 5. Geographically close to South Africa	1. Negative continental (Africa) brand effects (FutureBrand, 2014; Klufio, 2011; Osei & Gbadamos, 2010; Wanjiru, 2005) 2. Risk of epidemic diseases e.g. HIV and AIDS, malaria, tuberculosis (UNAIDS, 2013) 3. Strengthening FDI positions of many previously smaller SADC countries in GDP and FDI terms (World Bank, 2017) 4. Namibia, Mauritius, and Madagascar lingering too close in Zimbabwe's shadows in respect of average GDP for last 17 years ending 2015 (World Bank, 2017) 5. All other SADC countries enjoying higher GDP growth rates (World Bank, 2017) 6. Most SADC countries have higher brand equities than Zimbabwe in key proprietary indices: CPI, GCI, SPI, HDI, GII, doing business, IIAG, CBI, CBR-Trade, and FSI 7. Botswana an alternative road and railroad gateway for South Africa to countries north of Limpopo River

3.16.3 Limitations of South Africa's and Zimbabwe's FDI brand equity SWOT analysis

Although the theory of SWOT analysis is useful in summarising the critical issues that an organisation must address as identified in a marketing audit, the methodology has its limitations. A major limitation of the SWOT analyses for South Africa and Zimbabwe FDI brands presented above is that they are entirely based on a review of literature. Existing literature may not entirely reflect reality on the ground about a brand. It is thus important that the conclusions on South Africa's and Zimbabwe's FDI brand positions from this literature-led situational audit are complimented by primary study. After all, there is limited academic

studies that have independently validated many of the proprietary frameworks applied to these two case study countries in this chapter.

3.17 SUMMARY

The chapter has profiled the current FDI brand positions of South Africa and Zimbabwe within the confines of their respective competitive brand sets of which the common one is the SADC. However, recognising the economic and political influence of South Africa beyond the SADC, its competitive frame of reference was extended to Africa focusing on three top African economies – the other two being Egypt and Nigeria – and the BRICS. South Africa is a member of the BRICS. From the theoretical analysis, South Africa and Zimbabwe occupy different but, generally, untenable FDI brand positions. Both countries are characterised by fewer external opportunities than threats and Zimbabwe's also by more internal weaknesses than strengths. However, in respect of internal key issues, South Africa has more strengths than weaknesses. This is typical of brands occupying an untenable position in the market in terms of Zimbabwe and somewhat unfavourable position in respect of South Africa. Thus, both countries should reposition themselves to improve their FDI inflows.

The next chapter reviews literature on nation branding terminology, focus areas of country branding, approaches to nation branding, and the consumer decision making process. The underlying purpose of the review is to position the FDI destination selection process within the consumer decision making process and the underlying macro theories of country branding.

CHAPTER 4

NATION BRANDING THEORIES AND FOREIGN DIRECT INVESTMENT DESTINATION SELECTION

4. NATION BRANDING THEORIES AND FOREIGN DIRECT INVESTMENT DESTINATION SELECTION

4.1 INTRODUCTION

This chapter critically reviews the literature on country branding with a special emphasis on Foreign Direct Investment (FDI), approaches to or macro theories of nation branding, and the consumer decision making and FDI destination selection processes. It begins by reviewing the vexing terminologies of the nation branding construct, such as nation image, nation reputation, nation brand, nation identity, and nation brand equity. Next, the chapter reviews the literature on the core areas of the nation brand clarifying how they and their attributes relate to the determinants and theories of FDI. It then identifies and reviews five-nation branding approaches, namely, customer-based brand equity, company-based brand equity, customer- and company-based brand equity, resource-based view, and stakeholder-based brand equity. This part of the literature review confirms that countries need not just concern themselves with customer-based and company-based brand equities, as many scholars tend to do, but other brand equities as well especially the stakeholder-based brand equity. Lastly, the chapter reviews the consumer decision making and FDI destination selection processes thus clarifies how investors evaluate investment locations using determinants of nation brands.

4.2 NATION BRAND CONSTRUCT, OBJECTIVES AND TERMINOLOGIES

The construct of nation brand image has obtained growing importance in recent years as globalisation has made the world more interdependent thus all nations are competing for investment, tourists, exports, education and talent of all kinds (Fanning, 2011:23). "Country branding", sometimes known by the overlapping terms of "nation or destination branding", has incrementally gained importance during the past decades (Zeinalpour, Shahbazi & Ezzatirad, 2013: 1401) because not only companies but also countries are competing for the world's finite resources (Fetscherin, 2010; Fetscherin & Marmier, 2010). Countries compete for FDI, tourism, exports, talent and political influence hence many of them are adopting branding as a

strategy to position themselves more competitively (Oliva & Stringari, 2014; Chen & Lee, 2013; Rusko, Merenheimo & Haanpää, 2013; Al-Ghazzi & Kraidy, 2013; Fanning, 2011; Ndlovu & Heath, 2013; Rojas-Me´ndez, 2013; Kalamova & Konrad, 2010; Same & Solarte-Vasquez, 2014; Saraniemi & Ahonen, 2008; Matsui, 2014; Lee, 2009; Csaba & Stöber, 2011). Until recently, branding had been viewed as relevant only to companies, tangible products and services but not to countries, cities and places (Bamiduro & Aremu, 2012; Marandu, Amanze & Mtagulwa, 2012). This has changed because places now compete to attract tourists, residents, and businesses and to promote exports (Moilanen & Rainisto, 2009; Ferrell & Hartline, 2011; Wanjiru, 2005) and the notion of a brand has been extended to include countries (Kapferer, 2008; Temporal, 2014).

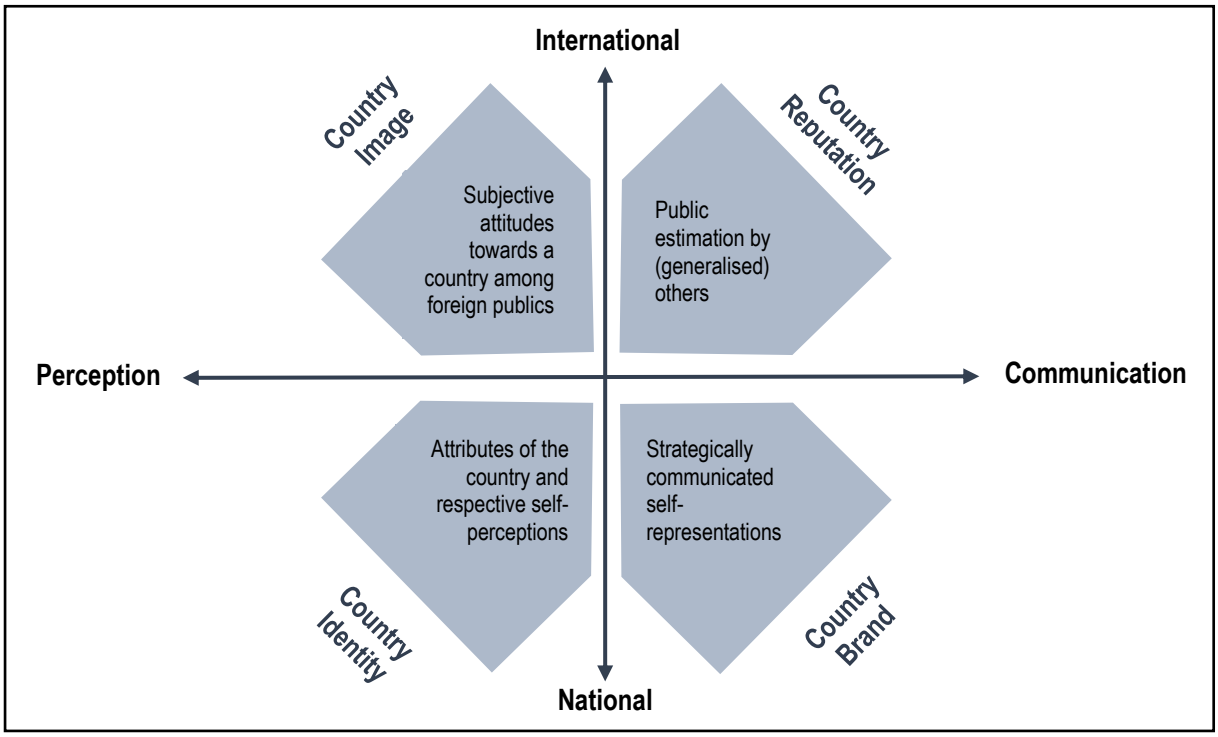
Notwithstanding the increasing number of articles focusing on nation branding, there is still no shared definition of the term "country brand" (Fetscherin, 2010:467) and branding. It appears that the variety of terms in this emerging theory largely accounts for the misconceptions and controversies many of which could be avoided. Existing literature acknowledges that nation branding is a complex (Brand Finance®, 2015; Dinnie, 2008, Fetscherin & Marmier, 2010, FutureBrand, 2006; Sevin, 2014), controversial and exciting concept (Dinnie, 2008:13). It is complex because it embodies many disciplines beyond conventional brand strategy and is a field in which there is little existing theory, but a large volume of real-world activity yet can be controversial as it a highly politicised activity that produces contradictory viewpoints (Dinnie, 2008:13). Brand Finance® (2015:22) says it is complex because there is pronounced internal competition within countries, as different institutions, government-related organisations, quasi-non-governmental organisations, ministries and departments compete for funding, public and political support, talent and creative control let alone competitive influences coming via the private sector. Aligning all stakeholders around a defining message is, therefore, difficult and creating and managing one that caters to a diversity of target audiences is even harder (Brand Finance®, 2015:22). Globalisation has stimulated intense competition among countries thus made the concept of nation branding an essential consideration (Donner, Fort & Vellema, 2014; Simons, 2013; Oliva & Stringari, 2014). Notwithstanding, there is still little evidence about the conceptualisation and measurement of the performance of place brands (Donner, Fort & Vellema, 2014:1). Buhmann and Ingenhoff (2015:103) lament the scarcity of sound conceptual models and suitable measurement

instruments to analyse and compare the constitution and effects of country images in different groups and contexts.

4.2.1 Country image, reputation, brand and identity: Distinctions or interconnections?

Country image, country reputation, country brand, and country identity represent fundamental concepts in the different approaches of business studies, social psychology, political science, and communication science and are essential to research in nation communication management (Buhmann & Ingenhoff, 2015:109–110) and country branding (Anholt, 2010, 2013a; Buhmann & Ingenhoff, 2015; Dinnie, 2008). Sometimes the terms country or nation "reputation" and "image" are used to refer to nation or country "brands" (Passow, Fehlmann & Grahlow, 2005; Dinnie, 2008). While the terms are frequently used interchangeably, they are different constructs that refer to mental associations generated by knowledge and experience (Buarque, 2015:1302). For instance, whenever the construct of "brand identity" is discussed – whether in the context of persons, products, corporates, or countries – it is often used interchangeably with the related but different concept of "brand image" yet the two terms have different meanings (Buarque, 2015; Dinnie, 2008; Laforet, 2010; Suvatjis & de Chernatony, 2005). Dinnie (2008:173) intimates that deep-seated hostility towards the notion of branding a nation is to some extent rooted in the dislike of the word "brand" hence if alternative terminology such as "nation reputation" instead of "nation brand" is used, the theory and practice of nation branding may be accepted. As evident in Dinnie's (2008) Model of Asset-Based Nation Brand Equity reviewed in the next chapter, the vocabulary of nation branding cannot be practically separated and considered in isolation because of its interconnections. Examples are the terms "image", "reputation" and "brand". Domestic stakeholders cannot be expected to 'live the **brand'** if they are not aware of the **images** and **reputations** (emphasis added) that are being projected of their own country (Dinnie, 2008:70). Buhmann and Ingenhoff (2015:103–109) acknowledge that there is no widely accepted conceptual understanding of the country image within any of the individual research fields—business studies, social psychology, political science, and communication science. As a result, Buhmann and Ingenhoff designed the coordinative framework of the country image, reputation, brand, and identity (see Figure 4.1 below) to assist in understanding the differences and interconnections among these terms although the duo's definitions are still debatable too.

Figure 4.1: A coordinative framework of country image, reputation, brand and identity



Source: Buhmann & Ingenhoff (2015:111)

The country image is how the country is perceived by its foreign publics—out-group and country identity is how the country is perceived by domestic publics—in-group (Buhmann and Ingenhoff, 2015:111). However, Buhmann and Ingenhoff admit that their analytical distinction of image and identity must not conceal the diversity of domestic publics. In fact, they should have also extended the admission of weakness to their definition of the term "country brand", which implies that it is national or internal yet this is not necessarily so. Brands reside in the minds of customers (Keller, 2013; Keller, Parameswaran & Jacob, 2011; Kotler & Keller, 2016; Molainen and Rainisto, 2009) of which the most important customer is the external customer. That is precisely why there are the constructs of country brand image and reputation. Brand identity is how the owner of the brand wants it to be experienced while brand image refers to how the brand is being experienced by consumers and other stakeholders in reality (Buarque, 2015; Laforet, 2010; Moilanen & Rainisto, 2009; Smith & Taylor, 2004). The identity of a brand is defined by the sender itself, whereas a brand image is a real image developed in the receiver's mind (Moilanen & Rainisto, 2009; Kotler & Keller, 2016). Dinnie (2008:42) agrees that: "*Identity* refers to what something truly is, its essence, whereas *image*

refers to how something is perceived." But as highlighted below, even brand identity is not necessarily and always what the brand owner wants but an event-moderated reality.

Balmer (2001:265) argues that the significance credited to graphic design in the business or corporate identity literature has worsened the confusion surrounding the area and could, in recollection, be seen to have exerted a harmful effect on the understanding of identity. Balmer contends that this has led to the business identity domain being narrowly defined. A comprehensive but simple definition of corporate identity that is also suitable to countries is suggested by van Riel and Balmer (1997:341): "Corporate identity refers to an organisation's unique characteristics which are rooted in the behaviour of members of the organisation." Dinnie's (2008:49) Conceptual Model of Nation-brand Identity and Image also helps to clarify the constructs of nation brand identity, nation brand image, and the target audiences of brand image. The key components of nation brand identity are history, language, territory, political regime, architecture, sport, literature, art, religion, education system, icons, music, food and drink, and folklore. Further, it clarifies that the audiences of nation brand image are domestic consumers, external consumers, domestic firms, external firms, inward investors, governments, and media. The model indicates that nation brand image is constructed from nation brand identity attributes that are communicated through branded exports, sporting achievements, the diaspora, marketing communications, brand ambassadors, cultural artefacts, government foreign policy, tourism experience, and prominent personalities (Dinnie, 2008:50).

The international image of a country can be studied and understood through the construct of competitive national identity—an emerging domain of research that refers to the reputation of countries as projected by the countries themselves and as perceived by the rest of the world (Buarque, 2015:1302). This is precisely what Anholt (2013a, 2010) refers to as "competitive identity". Until recently, the notion of reputation was applied largely to companies rather than countries (Passow, Fehlmann & Grahlow, 2005:311) and so was branding (Bamiduro & Aremu, 2012; Marandu, Amanze & Mtagulwa, 2012; Oliva & Stringari, 2014; Simons, 2013). Fehlmann *et al*. (2002:9) and Passow, Fehlmann & Grahlow (2005:312) argue that there are many similarities between a country and a company such as offering, competitive set, resources, supportive behaviour, financial logic, audience, raison d'être, general management, vision, and social responsibility. Rojas-Me´ndez (2013:462) also agrees that there are parallels between corporations and countries—such as, corporations have logos, jargons, culture, and

employees, while countries have flags, languages, culture, and citizens, respectively. Also, just as a new chief executive may influence a corporate brand, changes in a country's political leadership can influence the country brand (Fetscherin, 2010:470).

Country reputation is "the presence or absence of international legitimacy accrued to a certain nation" (Fullerton & Kendrick, 2014:1). Passow, Fehlmann and Grahlow (2005:311) define country reputation as the aggregate of stakeholders' images of a country over time. The fact that the last definition above includes the phrase "stakeholders' images" implies that stakeholder perception and country image are critical to country reputation management. Passow, Fehlmann and Grahlow's definition regards reputation as a relative concept because they argue that measuring the reputation of a country implies also measuring that of its 'competitors' and this perspective seems to be in agreement with Anholt's (2013a&b, 2010) notion of "competitive identity". To measure country reputation, in particular the reputation of Lietchtenstein, a small country in Western Europe, Passow, Fehlmann and Grahlow designed the Fombrun-Reputation Institute Country Reputation Index (CRI) adapting from the validated Harris-Fombrun Reputation Quotient used for measuring corporate reputation. The Modified Fombrun-Reputation Institute CRI has 20 attributes that are grouped into six dimensions, namely emotional appeal, physical appeal, financial appeal, leadership appeal, cultural appeal, and social appeal (Passow, Fehlmann & Grahlow, 2005:313). The CRI basically shows that country reputation management deals with the same issue as country brand management, that is, brand identity shapes brand reputation or image. For instance, the six CRI dimensions stated above are nation brand identity attributes and so are their constituent variables—emotional appeal (respect, liking, trust), physical appeal (beautiful place, educated residents, good infrastructure), financial appeal (inviting country to do business, developed industrial sector, low tax country, safe place to invest), leadership appeal (charismatic leaders, appealing vision, well-managed, upholds international laws), cultural appeal (socially and culturally diverse, rich cultural past, enjoyable entertainment), and social appeal (supports good causes, responsible member of global community, support responsible environmental policies). Many of these attributes are found in various bona fide and default operational models of nation brand equity reviewed in the next chapter (see e.g. Anyanwu, 2012; Brand Finance®, 2013; Cornell University, Institut Européen d'Administration des Affaires & World Intellectual Property Organization, 2016; Deloitte

Global & US Council on Competitiveness, 2016; Fetscherin, 2010; FutureBrand, 2014; Rojas-Me´ndez, 2013; Social Progress Imperative, 2016a; Sun, 2009; World Economic Forum, 2015).

The literature agrees that country reputation, image, and brand are affected by positive and negative activities or events happening inside a country. Examples of such activities are mega events like sporting tournaments (Dinnie, 2008; Holtzhausen & Fullerton, 2015), news media coverage (Buarque, 2015; Zeinalpour, Shahbazi & Ezzatirad, 2013), political instability, civil war, disease (Osei & Gbadamos, 2010; Ong'ayo, 2008; Kyriacou & Cromwell, 2004; Klufio, 2011; FutureBrand, 2011; Wanjiru, 2005), national policies and the state of the economy (World Economic Forum, 2014; AT Kearney, 2014; Sun, 2009; Bitzenis, Tsitouras & Vlachos, 2009; Ledyaeva, Karhunen & Whalley, 2013). In fact, activities and events are a proxy identity because they are a reality. And from the activities and events cited above, it is clear that identity just like their mental-, perception-based siblings – image, reputation and brand – can also be negative or positive. It should be common sense that, under normal circumstances, a negative event or identity cannot result in satisfaction hence positive brand image or reputation. A country brand is effective when its image matches the identity it promotes (Same & Solarte-Vasquez, 2014:141).

A clear distinction between identity and image can be inferred from Buhmann and Ingenhoff's (2015) 4D model of the country image and Dinnie's (2008) conceptual model of nation-brand identity and image. The 4D model of country image has two major components, namely, the cognitive component comprising three dimensions (functional, normative and aesthetic) and affective component constituting one dimension—the sympathetic. The functional dimension consists of beliefs about the competences and competitiveness of a country, its political and economic effectiveness and performance; the normative dimension comprises variables regarding the integrity of a country, its norms and values; and the aesthetic dimension is concerned with beliefs regarding the qualities and the beauty or attractiveness of a country as a cultural and scenic place (Buhmann & Ingenhoff, 2015:115). Combined, these identity-based dimensions (as inferred from their attributes) link to the sympathetic dimension, which is concerned with the general feelings of sympathy and fascination for the country. It is clear from the 4D model of the country image that sympathy, or lack of it, arises from the image that stakeholders have from the cognitive, identity-based functional, normative and aesthetic. Dinnie's conceptual model of nation-brand identity and image has three interlinked parts,

which are, nation brand identity, communicators of nation brand identity, and nation brand image. The "communicators of nation brand identity" (such as, branded exports, sporting achievements, the diaspora, marketing communications, brand ambassadors, cultural artefacts, government foreign policy, tourism experience, and prominent personalities) are the link between the other two parts. Key components of the nation brand identity are history, language, territory, political regime, architecture, sport, literature, art, religion, education system, icons, landscape, music, food and drink, folklore and those of nation brand image are domestic consumers, external consumers, domestic firms, external firms, inward investors, governments, and media (Dinnie, 2008:49). Therefore, the 4D model of country image and conceptual model of nation-brand identity and image, which are in many ways similar to the micro models of nation brand equity reviewed in the next chapter, go a long way in demonstrating the complementarity between the constructs of nation identity and nation image.

4.2.2 Nation branding and country branding: Are they one notion?

The term "country brand" is basically extended from the term "corporate brand". In the field of country branding, the question of terminology is a confused one and no term appears more problematic than "brand/branding" itself (Anholt, 2010:1). The American Marketing Association (AMA) defines a **brand** as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition" (Keller, 2013; Kotler & Keller 2016; Keller, Parameswaran & Jacob, 2011). This definition implies that whenever marketers create a new name, logo, or symbol for a new product, they have created a brand (Keller, 2013:30). Nonetheless, several practising managers regard a brand as more than what is implied in the AMA definition—that is, it is something that has really created a specified amount of awareness, reputation, and prominence in the marketplace (Keller, 2013; Keller, Parameswaran & Jacob, 2011). The variation in the definitions is healthy because disagreements about branding principles or guidelines often revolve around what people mean by the term (Keller, 2013:30). At the same time, Buhmann and Ingenhoff's (2015:112) understanding of the AMA definition are that, from the outset, a brand "is an intentionally designed strategic self-representation". While there is usually a distinction between the brand as conveyed by an organisation and the brand as understood by its target market, the latter aspect can be theoretically aligned with the comprehending of the image (that is 'brand image')

and as such lies beyond the primary concept of the brand (Buhmann & Ingenhoff, 2015:112). Anholt (2010:7) shares that view: the word "brand" is within the domain of the product and thus the control of the producer but the "brand image" is within the sphere of the consumer hence outside the control of the manufacturer. He defines "brand image" as the set of beliefs or associations relating to the name or sign in the mind of the consumer.

The debate on the meaning of the term "brand" also extends to emerging constructs of country or nation brand and branding. The term "nation brand" was coined by Simon Anholt in 1998 (Anholt, 2013a&b; Lambrea, 2014; Rojas-Me´ndez, 2013). Since then several definitions of the term have been suggested in the literature. Fetscherin (2010:467-468) states that:

> "[A] country brand belongs to the public domain; it is complex and includes multiple levels, components, and disciplines. It entails the collective involvement of the many stakeholders it must appeal to. It concerns a country's whole image, covering political, economic, social, environmental, historical, and cultural aspects."

The image dimensions proposed in Fetscherin's definition of a country brand (e.g. political, economic, et cetera above) are largely consistent with the many elements and attributes of country reputation (see e.g. Buhmann & Ingenhoff, 2015; Fullerton & Kendrick, 2014; Holtzhausen & Fullerton, 2015; Passow, Fehlmann and Grahlow 2005). Fetscherin's definition also acknowledges the need for focusing the image and facilitating the involvement of stakeholders in designing and managing country brands.

It is clear that Anholt has little challenges, if any, with the definitions of the term "country brand" suggested by many researchers in this domain. It is sensible to draw similarities between the brand image of a product, service or corporation and the image of a country, city or region as all rely, to some degree, on the wellbeing and strength of that image (Anholt, 2010:7). Anholt argues that how to manage or strengthen place country image is not a simple task so he cautions against the simplistic drawing of direct parallels between commercial practice and the management of places. "The development from place promotion to place marketing and thence to place [namely, country, city or region] brand are all relatively straightforward logical transitions; it is the transition from place brand to place brand*ing* that presents the most serious conceptual and practical difficulties" (Anholt, 2010:7).

The "branding" part of the term "place or country or nation branding" obviously extends from the word "branding" as generally defined and applied in commercial marketing literature and

practice. Branding is the process of endowing products or services with the power of brands; it is all about creating differences among products (Kotler & Keller, 2016:326). Branding generates mental structures that assist consumers in arranging their knowledge about a product or service in a manner that simplifies their decision making hence the notion is a source of value to the firm (Keller, 2013; Keller, Parameswaran & Jacob, 2011). Nation branding is the various ways in which a country **promotes** (emphasis added) its reputation to increase trade, tourism, and inward investment (Dinnie *et al*., 2010:402). Anholt (2008:2) disputes this definition arguing that branding is not about communications but policy change. Nation brand management should never be taken as a campaign that is divorced from planning, governance, and economic development but as a vital element of national policy (Anholt, 2008b:23). Rainisto (2003:30) agrees: "Focused economic development policies must be implemented over decades rather than years, and a long-term view and vision is vital." Anholt rejects the use of the word "branding" when talking about country reputation management. "The message is clear: if a country is serious about enhancing its international image, it should concentrate on the national equivalents of 'product development' (and the effective and professional marketing of those 'products') rather than chase after the chimaera of branding" (Anholt, 2010:10). Branding is a process that takes place essentially in the mind of the consumer, the growth of respect and adoring for the brand – thus cannot be regarded as a single technique or set of techniques that directly builds respect or liking, he continues. "Since I coined the term *nation brand* in 1998, my approach to enhancing national image has been based on international engagement, policy, strategy and organisational change rather than on marketing communications. I call this approach *Competitive Identity*" (Anholt, 2013b:1). Anholt cited by Carey (2010:95) argues that "'nation branding' is a wicked waste of taxpayers' money, and shouldn't be tolerated". Nation branding is an intensified, concentrated government marketing strategy (Chen, Lee, Yang & Lee, 2013:1516). Matiza and Oni (2013:478) agree with Anholt and Chen *et al*.: investment **promotion** (emphasis added) can neither be a substitute for policy and reforms nor a camouflage for deep-seated economic shortcomings. Nonetheless, Matiza and Oni could have resonated more with Chen *et al*. and Anholt if they talked about investment **marketing** than promotion. Although promotion or marketing communication, with its elements like advertising and selling, is perhaps the most visible and raises the most ethical objections to the practice of marketing, it is only a tiny component of the vast discipline of marketing. Marketing communication, just like branding, cannot be effective where it is used in isolation, that is without taking marketing theory in its entirety, so Anholt's objection is

justified. However, Anholt needs to react to the more refined and encompassing definitions of nation branding such as those suggested by Kaneva (2011) and Matiza and Oni (2013).

"*Nation branding* [i]s a compendium of discourses and practices aimed at reconstituting nationhood through marketing and branding paradigms" (Kaneva, 2011:118). Nation branding is the application of strategic marketing tools and marketing communication techniques to improve a nation's image and reputation among an international target audience in an attempt to enhance public diplomacy, increase trade, promote exports and tourism, and lastly boost inward FDI investment (Matiza & Oni, 2013:478). "Country branding occurs when the public speaks to the public; when a substantial proportion of the population of the country – not just the civil servants and paid figureheads – gets behind the strategy and lives it out in their everyday dealings with the outside world" (Anholt, 2005a:119). From the preceding it appears Anholt agrees with branding as long as it goes beyond mere promotion to encompass the whole strategic marketing process.

Considering the sum of conclusions from the analysis of alternative definitions of "country or nation branding" done above, this thesis proposes its own definition. "Nation branding" is the stakeholder-oriented strategic marketing of a country as an authentic centre of regional and global political influence, a preferred destination for tourists, FDI, the ultimate place to live and work (for highly qualified, talented and ordinary people), and an exporter of reputable tangible and intangible brands. The consequential nation or country brand must be an irresistible source of national pride for citizens and inspiration to citizens of other countries in the global community. Although "marketing communication" is one of the tools for executing nation brand strategy, it is too operational and limited in scope to qualify as a substitute for nation branding, which is strategic national development. Country branding is an honest self-examination by a country to design a policy-led strategic change pathway to fulfil strategic national development goals in a socially-responsible and diplomatic manner. It involves promising stakeholders what a nation lives, is capable of delivering and delivers; in essence, strategic national development management. Anholt would not necessarily disagree with this definition because it is concerned with what countries do, not what they say they do. "Places are judged by what they do and what they make, not by what they say about themselves" (Anholt cited in Carey, 2010:95). What countries say they are is marketing communication and what they do is marketing.

4.2.3 Nation brand equity and nation competitiveness

The terms "identity", "image", "reputation", "brand", and "branding – whether applied to places or products in the traditional sense – all contribute toward building "brand equity"—yet another confusing and debatable word in country branding theory. The idea of equity is derived from finance, but it loses any specific, universally agreed meaning when moved to the field of branding (Dinnie, 2008:62) or strategic brand management. Brand equity has been defined in various ways and for different purposes (Keller, Parameswaran & Jacob, 2011:37) and no common viewpoint has emerged about how to conceptualise and measure brand equity (Keller, 2013; Keller, Parameswaran & Jacob, 2011). Thus, this chapter reviews the terms "nation brand equity" and the macro theories of, or approaches to, measuring brand equity. Dinnie (2008:62) highlights that there exist many varied viewpoints concerning what brand equity means within the "consumer" and "financial" perspectives. Kapferer (2008:508) argues that the consumer-based brand equity school leads to several diverse theories. "Brand equity is the value inherent in the name or sign" (Anholt, 2010:7). Nation brand equity (NBEQ) are the tangible and intangible, internal and external assets (or liabilities) of the nation that represent the sources of NBEQ (Dinnie, 2008:147). Further definitions of brand equity will be given in the macro theories or approaches of brand equity in this chapter and the operational models or micro theories reviewed under each approach in the next chapter.

It is also clear from the literature that nation branding is about building nation brand equity (Dinnie, 2008; Anholt, 2010) also known as nation equity (Maheswaran & Chen, 2006:370). The notion of brand equity as applied to places, destinations, countries or nations is borrowed from the commercial sector. Like [commercial] brands, countries also have equity associated with them, termed "nation equity," that goes beyond product perceptions and may also have an emotional component (Maheswaran & Chen, 2006:375). Incidental emotions that are not related to the product can lead to attention on the nation from where the product comes, and the underlying events may be beyond the immediate control of a company (Maheswaran & Chen, 2006:375). The duo further argues that political events such as a civil war in a country can either lead to a country or situational attribution/association that is negative. In any case, Fan (2006:5) argues that a nation has a brand image with or without nation branding.

As alluded to in Chapter 1, countries are adopting brand management concepts to build sustainable competitiveness for themselves in a globalising world (Lee, 2009; Sun, 2009). Therefore, the notions of nation branding and nation competitiveness cannot be separated. As noted in Chapter 1, nation branding and nation competitiveness basically pursue similar if not the same objectives, that is to enhance brand equity or competitiveness (Delgado *et al*., 2012; de Queiroz & Giraldi, 2015; Dinnie, 2016; Garelli, 2014; Kaneva, 2011; Lee, 2009; Matiza & Oni, 2013; Sala-i-Martín *et al.*, 2015a; Sun, 2009). For that reason, this thesis argues that nation brand equity and nation competitiveness or attractiveness are synonyms.

4.3 COUNTRY BRAND FOCUS AREAS AND BRAND ARCHITECTURE

Inferring from the generic benefits of country branding such as talent attraction, FDI, public diplomacy, and exports it is clear why theoreticians like Dinnie (2008, 2016), Fetscherin (2010:467), Fan (2006) and Rojas-Me´ndez (2013:462) and consulting firms like Brand Finance® (2015) describe nation branding as a complex, controversial and interesting construct. Nation branding has many focus areas beginning with those implied in its benefits as already stated above. Consequently, country brand managers (executives of national economic development agencies) and custodians of country brands (namely, political leadership) should have a sound understanding of the concepts that can assist them to cope with the complexity of managing country brands (many of the constructs have already been discussed above). In the corporate sector, brand theorists have come up with the construct of brand architecture to help marketing managers cope with the variety and complexities arising from brand proliferation.

4.3.1 Focus areas of country branding: Variety and complexity

Up to 18 unedited focus areas of nation branding that can be identified from existing literature as shown in the first column of Table 4.1 below. However, considering that the theorists supporting these focus areas (see middle column of the table) use different words to describe what, in some cases, are essentially the same constructs, the focus areas can be condensed into nine dimensions as shown in the last column. Even then it is critical to separate the nine areas into output and outcome areas in line with Sun's (2009:29) Analytical Model of the Determinants and Outcomes of Nation Branding reviewed in Chapter 5. Process indicators or

outputs are the products or services produced from an activity and outcomes are the intermediate effects of outputs on clients (Berkowitz, Huhman, Heitzler, Potter, Nolin & Banspach, 2008; Kusek & Rist, 2004; Lewis, 2007; Project Management Institute, 2013; Wysocki, 2007). Sun's model categorises outcomes of nation branding into economic (namely, tourism, exports and FDI) and non-economic (namely, political capital and national pride) outcomes. The outcomes are, in fact, the main objectives of country branding save that they omit "immigration" and, may be, "positive international perceptions and attitudes", assuming these are different from "political capital and national pride" (Dinnie, 2008; Fetscherin; 2010; Kalamova & Konrad, 2010; Matiza & Oni, 2013). The determinants [or outputs) of nation branding are cultural factors, economic factors (e.g. economic development of a country, reputable industries in a country, reputable brands owned by a country), infrastructural factors, political factors, and geographical factors (Sun, 2009:29), which are, in fact, nation brand identity variables (Buhmann & Ingenhoff, 2015; Dinnie, 2008).

Desired outcomes result from attaining marketing goals and objectives stated in the marketing plan (Ferrell & Hartline, 2011:44) but outcomes can also be undesired (Lewis, 2007:108). Fulfilment of performance outcomes is not only influenced by an organisation's own actions but also the actions and reactions of other players, such as competitors, customers, governments, and other stakeholders (Gilligan & Wilson, 2009:499). This means even if a nation fulfils all the essential determinants of nation branding, it will not necessarily attain the desired outcomes such as attracting FDI, tourism, talent, immigration, and global political influence unless it can balance its interests with those of its key stakeholders. Judging by the number of theorists supporting each area in Table 4.1 below (some of which are identity attributes such as infrastructure and ecology), it appears that the nine core areas are a sound theoretical basis from which to begin to examine existing nation branding models (e.g. Anholt-GfK Roper, 2009; Bloom Consulting, 2013; Brand Finance, 2013; Fetscherin, 2010; FutureBrand, 2014; Jacobsen, 2009; Kalamova & Konrad, 2010; Rojas-Me´ndez, 2013; Sun, 2009). For instance, while Anholt-GfK Roper's Nation Brand Index^{SM} (NBI^{SM}) is widely used, it does not include all relevant areas of country reputation critical to developing countries, such as, technology, infrastructure, and ecology (specifically natural resource endowment). The same weakness also applies to academic models such as Fetscherin's (2010) Country Brand Strength Index (CBSI), which is inspired by the NBI^{SM}, and to some extent Rojas-Me´ndez's (2013) Nation Brand Molecule.

Table 4.1: Focus areas of nation branding

Unedited Focus Area(s)		Author(s) supporting	Edited Core Area(s)	
1.	Export/brand export/products and services	Anholt (2005a), Anholt-GfK Roper (2016a), Bloom Consulting (2017a, 2017a), Fetscherin (2010), Jacobsen (2009), Kemming (2009), Olins (2005), Simonin (2008), Sun (2009), Rojas-Me´ndez (2013)	Exports	1.
2.	Investment/foreign direct investment/domestic investment/good for business/trade/economy	Anholt (2005a), Anholt-GfK Roper (2014b), Bloom Consulting (2014a), Brand Finance® (2013), Fetscherin (2010), FutureBrand (2014), Kalamova and Konrad (2010), Kemming (2009), Olins (2005), Simonin (2008), Rojas-Me´ndez (2013)	Economy and Investment	2.
3.	Sustainability	FutureBrand (2014)		
4.	Growth	FutureBrand (2014), Sun (2009)		
5.	Governance/influence/public diplomacy/government	Anholt (2005a), Anholt-GfK Roper (2014a), FutureBrand, (2014), Simonin (2008), Fetscherin (2010), Rojas-Me´ndez (2013)	Government	3.
6.	Tourism	Anholt (2005a), Anholt-GfK Roper (2016a), Bloom Consulting (2017a), FutureBrand (2014), Fetscherin (2010), Kemming (2009), Olins (2005), Simonin (2008), Rojas-Me´ndez (2013)	Tourism	4.
7.	Talent/people/human capital	Anholt (2005a), Anholt-GfK Roper (2016b), Bloom Consulting (2013), Brand Finance® (2015), FutureBrand (2014)	Talent & Technology	5.
8.	Science & technology	Rojas-Me´ndez (2013)		
9.	Value system	FutureBrand (2014)	Society	6.
10.	Quality of life	FutureBrand (2014)		
11.	Pride, national pride or prominence	Bloom Consulting (2017a), Sun (2009)		
12.	Society	Rojas-Me´ndez (2013)		
13.	Culture & Heritage	FutureBrand (2014), Rojas-Me´ndez (2013), Sun (2009), Kemming (2009)		
14.	Arts	Kemming (2009)		
15.	Sport	Buarque (2015), Dinnie (2008), Fullerton & Holtzhausen (2012), Holtzhausen & Fullerton (2015), Nauright (2013)		
16.	Immigration	Anholt (2005), Anholt-GfK Roper (2016a), Fetscherin (2010), Kalamova & Konrad (2010), Simonin (2008)	Immigration	7.
17.	Infrastructure	Sun (2009)	Infrastructure	8.
18.	Geography & Nature	Rojas-Me´ndez (2013)	Ecology	9.

A country can brand itself by focusing on all nine areas at the same time to build its national competitiveness in attracting talent, FDI, growing exports and building its global political influence—and this is known as "umbrella branding" (Keller, 2013; Dinnie, 2008; Pálsdóttir,

2008). A nation can also build its competitiveness in one or a few selected outcome(s) and – and this is referred to as "endorsed branding" (Dinnie, 2008:198-200). This is precisely why a number of countries have central agencies, statutory or otherwise, responsible for managing country brand image and reputation as a whole (umbrella branding) and agencies focusing on specific core areas or endorsed brands (Dinnie, 2008; Fanning, 2011; Temporal, 2014) such as FDI, tourism, sports, culture and/or arts, education, and trade or exports. Nevertheless, policymakers may not be aware that they are applying the theories of branding and brand architecture when they pass policies to establish these agencies. In view of the gaps in existing nation branding frameworks, the variety of core areas (combined with the extensiveness of each), and the range of stakeholders that have to be involved (see e.g. Dinnie, 2008; Fetscherin, 2010) the need for more studies in this research domain cannot be overemphasised, particularly studies that focus on a single or few areas.

4.3.2 Nation brand architecture and the endorsed FDI brand

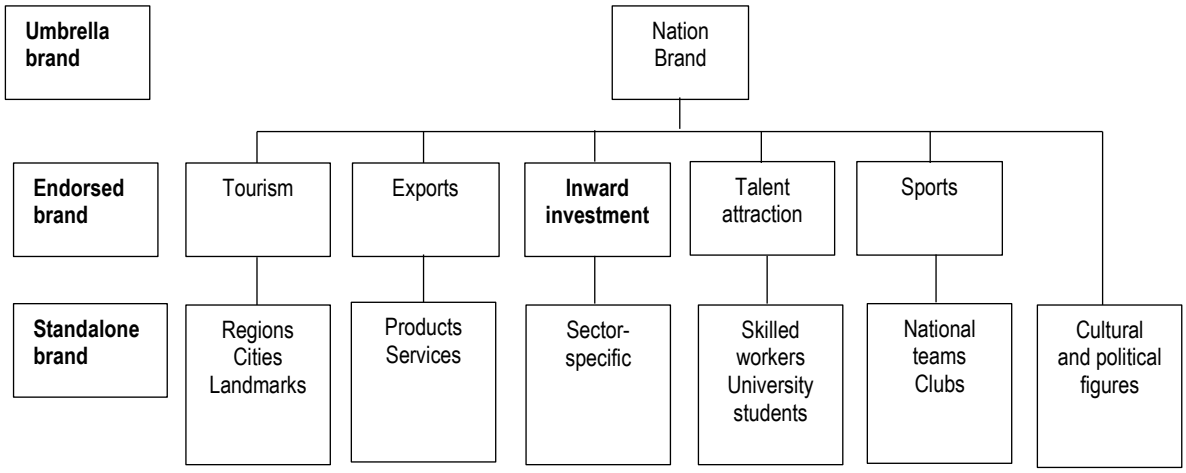
4.3.2.1 Nation brand architecture

Brand proliferation inspired marketing practitioners and academics to design the construct of brand architecture. Although there is deep-seated hostility towards the application of strategic branding principles to countries (see e.g. Dinnie, 2008; Anholt, 2010), in reality political leaders in many countries worldwide are applying the concept of brand architecture to help themselves cope with the complexities of national development. This is evident in that many countries, developed and developing, have put in place statutory bodies that are responsible for coordinating the strategic development of sectors such as tourism, exports, FDI, sports, education, and arts. Moreover, almost all countries have a ministry of foreign affairs or relations and exchange diplomats with governments of selected countries. The emerging concept of nation or place brand architecture is developing from the corporate sector (see e.g. Aaker & Joachimsthaler, 2000; Ahuya, 2014; Chailan, 2009; Hsu, Fournier & Srinivasan, 2015; Keller, 2013) to assist governments to cope with the variety of national development focus areas as highlighted above. A brand architecture is a synergistic organising structure of a brand portfolio that suggests brand roles and relationships among brands (Aaker & Joachimsthaler, 2000; Ahuya, 2014; Lu, 2014; Dinnie, 2008; Keller, 2013; Muylle, Dawar & Rangarajan, 2012). However, there are no shared rules for selecting the correct brand

architecture for an organisation's brand portfolio (Dinnie, 2008:199). Also, there are many options, and experts differ on how to identify the number of existing levels at the centre of the brand architecture model (Chailan, 2009:176).

One way to recognise brand architecture strategies is to look at whether a firm is using an umbrella corporate or family brand for all its products, known as a "branded house," or a collection of individual brands all with different names, known as a "house of brands" (Keller, 2013:392). The two major concepts in explaining brand architecture are brand portfolio and brand hierarchy, Keller adds. The term brand portfolio is derived from the term product portfolio. A product portfolio is a range of products offered by a firm. The "brand portfolio" is the family or set of brands and brand lines owned by a firm (Chailan, 2009; Keller, 2013; Keller, Parameswaran & Jacob, 2011). The "brand hierarchy" shows the number and nature of common and distinctive brand components in the firm's brand set. So Dinnie's Nation-Brand Architecture (NBAR) model in Figure 4.2 below helps to demonstrate how both a nation's brand portfolio and hierarchy can be organised. Zenker and Braun (2010:3) argue that a diverse brand architecture is required to meet a defined target audience with a specific place sub-brand. Given the number of focus areas involved and the range of stakeholder groups that should be involved in country branding, nation brand architecture is an important construct. The NBAR model explores the challenge of defining the structure and synergistic relationships among brands in a nation's brand portfolio and their target markets (Dinnie, 2008:197).

Figure 4.2: The nation brand architecture model



Source: Dinnie (2008:200)

In fact, the model helps practitioners (namely, policymakers and nation brand managers) and researchers to conceptualise the levels at which nation brands can be managed. The NBAR model suggests a brand architecture that includes the umbrella, endorsed, and branded structures or standalone brands. So in conceptualising the nation brand construct, Dinnie's NBAR is similar to country branding models such as the NBI^{SM} (Anholt-GfK Roper, 2016b), Country Brand Index (FutureBrand, 2014), Nation Brand Impact Framework (Brand Finance®, 2015), Country Brand Ranking (Bloom Consulting, 2017a) as they have dimensions such as tourism, exports, FDI, talent attraction, and sports at the endorsed brand level as shown in the figure above. An endorsed structure is recommended for main agencies, sections or dimensions of the nation brand such as tourism, exports, inward investment, talent attraction, sports, and cultural and political figures, which are under the umbrella nation brand (Dinnie, 2008:200). Nevertheless, the visual expression of endorsement by the umbrella brand should be only the name of the nation brand and the logo, Dinnie says. It is at the endorsed, sub-brand level that each sub-brand should define a slogan suitable to its own target market otherwise producing an all-encompassing slogan at the umbrella brand level is unintelligent and pointless as it is difficult to define a clear target market at that level (Dinnie, 2008:200). Furthermore, endorsed brands and standalone brands in the NBAR imply the importance of stakeholder management across the three levels of the nation brand, which are, umbrella, endorsed and standalone. It appears the endorsed and sub-brand elements of the NBAR model interconnect with the budding macro theory of stakeholder brand management (see e.g. Jones, 2005; Kavaratzis, 2012; Kasabov & Sundaram, 2011; Tiberghien, Garkavenko & Ashirbekova, 2013; Dinnie & Fola, 2009) reviewed in the next section.

4.3.2.2 Endorsed FDI brand: Are theories of FDI developed in economics part of country branding theory?

Inferring from existing academic and practitioner nation branding literatures, FDI is one of the key outcome areas of nation branding (e.g. Anholt 2005a; AT Kearney, 2015; Bloom Consulting, 2017a; Brand Finance®, 2015; Csaba & Stöber, 2011; Dinnie, 2008; Fetscherin, 2010; FutureBrand, 2014; Jacobsen, 2009; Kalamova & Konrad, 2010; Kemming, 2009; Matiza & Oni, 2013; Rojas-Me´ndez, 2013; Sun, 2009; Zeinalpour, Shahbazi & Ezzatirad, 2013). However, contrasted to other core areas of nation brands such as tourism and public diplomacy, FDI is the least researched area (Szondi, 2007:14; Dinnie, 2008:7). This

observation, nonetheless, may be true only if studies on FDI determinants in the domain of economics are not taken into account (e.g. Andrés, Nunnenkamp & Busse, 2013; Anyanwu, 2012; Bellak & Leibrecht, 2011; Bitzenis, Tsitouras & Vlachos, 2009; Chellaraj & Mattoo, 2015; Lederman, Mengistae & Xu, 2012; Ledyaeva, Karhune & Whalley, 2013; Mohamed & Sidiropoulos, 2010) as has always been the case. Early writings on FDI date back to the 1950s (Dumludag, 2009:17) but nation branding has not been regarded as an integral part of national economic development policy and governance although it is (see e.g. Anholt, 2008:23). Moreover, until fairly recently, economic theory hardly recognised that intangibles, which are perceptions and stereotypes, determine economic outcomes, namely, decisions on FDI (Kalamova & Konrand, 2010; Bitzenis, Tsitouras & Vlachos, 2009; Muchie, Nasrin & Baskaran, 2010; Njoroge & Okech, 2011; van de Laar & de Neubourg, 2002; Zhang, 2014). It has been conceded above that the workhorse of most economics studies on FDI determinants, FDI theory, cannot be divorced from the financial brand equity approach of nation brand equity discussed below and in the next chapter.

4.3.2.2.1 Foreign direct investment (FDI) defined

FDI is cross-border investment associated with a resident in one economy having control or a significant degree of influence, for example of at least 10 percent, on the management of a business that is resident in another economy (World Bank, 2014b:95). The Organisation for Economic Co-operation and Development (OECD) defines FDI "as a cross-border investment by a resident entity in one economy with the objective of obtaining a lasting interest in an enterprise resident in another economy" (OECD, 2014:88). A distinguishing feature of FDI is the existence of a "lasting interest" in an enterprise, entailing a "long-term relationship" and a "significant degree of influence", and considers ownership of at least 10 percent of the voting power to be evidence of such influence (Advocates for International Development, 2012; OECD, 2014). In reality, some countries settle for a higher threshold (World Bank, 2014b:94). Sukhoruchenko (2007:11) argues that FDI is "a form of international finance, together with lending and portfolio investments, but different from lending because it entails ownership, and different from portfolio investment because it entails control of financed activities over management and profits". Frequently investors make portfolio investments for the sake of investment income but they make FDI so as to control the foreign enterprise in the host country hence portfolio investments are not considered as FDI (Sukhoruchenko, 2007:11). Therefore

countries with a strong sense of nationalism and laws that overly restrict ownership and control of enterprise by foreign investors can compromise their FDI competitiveness.

4.3.2.2.2 Benefits and limitations FDI

FDI has been controversial from the start (Zhang, 2014:398) and is neither all good nor all bad (Kurtishi-Kastrati, 2013:26). Economists debate the costs and benefits of FDI to host countries, politicians wrangle over the economic and national security implications of foreign powers controlling domestic economies, and lawmakers disagree on how to regulate FDI (Zhang, 2014:398) optimally. The benefits of FDI to host countries are employment creation, capital development (especially in developing countries where it can be a substitute to loans), knowledge and training, high productivity, export development, international trade, technology transfer, management skills, and competiveness (Abala, 2014; Cywiński & Harasym, 2012; Denisia, 2010; Iamsiraroj & Doucouliagos, 2015; Kalfadellis & Gray, 2005; Kurtishi-Kastrati, 2013; Mohamed & Sidiropoulos, 2010; OECD, 2014; Salem, 2015; Wang & Wang, 2014) and poverty reduction (Gohou & Soumaré, 2012; Assadzadeh & Pourqoly, 2013; Matiza & Oni, 2013; Nyankweli, 2012; Sichei & Kinyondo, 2012; Westerberg, 2011). Moreover, the competitive advantages developed through FDI sub-branding have spill over effects for the umbrella nation brand hence national development**.**

In view of the definition of FDI given above, one of the obvious costs of FDI is loss of control of international businesses by host nations since FDI entails ownership and control of the enterprise by its foreign investors. Denisia (2010:105) admits that FDI has negative impacts on economic development as local enterprises may be crowded out of the economy. FDI can have adverse effects on employment (e.g. jobs created by foreign firms may not compensate for jobs lost through FDI policies), adverse effects on competition, adverse effects on balance of payments (depending on profit repatriation policy), and non-economic drawbacks i.e. environmental impact (Kurtishi-Kastrati, 2013:31-33). Local enforcement of environmental protection laws that is negligent or weak in respect of foreign firms has resulted in disastrous consequences in many parts of the world, Kurtishi-Kastrati further argue. Zhang (2014:400) identify anomalies in perception about FDI and explores how heuristics and biases can lead to undue fear of investment and counterproductive regulatory responses in host economies. Moreover, Wang and Wang (2014:1) admit that policies meant to promote FDI can be counterproductive if policymakers do not appreciate the mechanisms through which FDI

benefits host countries. However, Kalfadellis and Gray (2005:2) argue that the benefits of FDI far outweigh any potential costs and OECD (2014:88) also states that, under the right policy environment, FDI can be a driver of development.

Policymakers and country brand managers can design realistic FDI mobilisation strategies if they take the definition of FDI as suggested by World Bank and OECD above and understand the reasons why firms invest in foreign countries. This means that before they seek to understand the actual motivations of FDI (dealt with in Chapter 5 under the company-based brand equity approach to nation branding), nation brand executives and policymakers must have an appreciation of existing theories of FDI. The objective of FDI theory is to explain motives for investing outside the home country (Cywiński & Harasym, 2012:2). If policymakers are aware of those motives and do take them into account when designing national development policies, it may be feasible for nation brand managers to design and implement effective FDI mobilisation strategies.

4.3.2.2.3 Relationship between theories of FDI and nation branding determinants

There are several theories that attempt to explain the determinants of FDI (Cywiński & Harasym, 2012; Demirhan & Masca, 2008; Dumludag, 2008; Faeth, 2008; Nayak & Choudhury, 2014) but none of those theories fits all types of FDI (Denisia, 2010; Faeth, 2008; Kurtishi-Kastrati, 2013; Nayak & Choudhury, 2014). The theories tend to focus on one main aspect of the FDI process, describing and explaining it from the perspective of the chosen factor (Cywiński & Harasym, 2012:2). Furthermore, due to the multidisciplinary nature of FDI, there is no single general theory that adequately explain FDI behaviour hence the interpretations span over several disciplines including international economics, economic geography, international business and management (Tvaronavičienė, Kalašinskaitė & Šimelytė, 2009:10) and now nation branding (e.g. Anholt-GfK Roper, 2016a; Csaba & Stöber, 2011; Dinnie, 2008; Simonin, 2008; FutureBrand, 2014; Olins, 2005; Bloom Consulting, 2017a&b; Fetscherin, 2010; Rojas-Me´ndez, 2013; Oliva & Stringari, 2014; Chen & Lee, 2013; Ndlovu & Heath, 2013; Same & Solarte-Vasquez, 2014). Therefore there is now a nation brand or country reputation theory of FDI, which must be added to existing literature (**see contributions of study in Chapters 1 & 12**). Although the selected theories of FDI summarised in Table 4.2 below were not conceived with nation branding in mind, they are, in practice, fundamentally interconnected with the country brand or reputation construct in respect of determinants of FDI.

Table 4.2: Selected FDI theories and related nation brand dimensions

FDI Theory & Theorist(s) Supporting	Summary Explanation	Nation Brand (Sub)Dimension(s) & Theorist(s) Supporting
Neoclassical theories of FDI (Tvaronavičienė, Kalašinskaitė & Šimelytė, 2009; Faeth, 2008)	Assumes flow of FDI is influenced by varying interest rates among economies, so capital is thought to move from countries with low-interest rates to those with higher interest rates. The theory mixes up portfolio investments with FDI, which is wrong.	Financial market development (WEF, 2014, 2015a)
Economic perspective on FDI (Böckem & Tuschke, 2010)	The economic perspective on FDI is based on three assumptions: *Market-seeking* - Aim is to serve local and regional markets. It is also called horizontal FDI, as it involves replication of production facilities in the host country (Böckem & Tuschke, 2010; Adam & Filippaios, 2007), e.g. investors may consider GDP as basis for selecting an investment location	
	Resource-seeking - firms invest abroad in obtaining resources not available in the home country, such as natural resources, raw materials, or low-cost labour (Adam & Filippaios, 2007; Böckem & Tuschke, 2010).	Natural resources (Rojas-Me´ndez, 2013; Sun, 2009)
	Efficiency-seeking - takes place when the firm can gain from the common governance of geographically dispersed activities in the presence of economies of scale and scope (Adam & Filippaios, 2007; Böckem & Tuschke, 2010).	
Institutional perspective of FDI (Böckem & Tuschke, 2010; Dumludag, 2009)	The theory argues that institutional factors such as enforcement mechanisms, political and economic stability, stable and reliable, transparent legal and regulatory framework and corruption are fundamental to explaining the behaviour of FDI flows.	Institutions, regulations, etc. (Bloom Consulting, 2013; IMD, 2013; WEF 2014; World Bank, 2014; Rojas-Me´ndez, 2013)
FDI theory based on the strength of currency (Nayak & Choudhury, 2014)	Designed by Aliber (1970) this theory postulates that the differences in the strength of the currencies in host and source countries determine the flow of FDI, i.e. a host country with a weak currency attract FDI from countries with stronger currencies. Aliber tested and confirmed his hypothesis in the United States, the United Kingdom and Canada.	
Knowledge Capital Model (Carr, Markusen & Maskus, 1998; Markusen 2002; Chellaraj & Mattoo, 2015; Faeth, 2008; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013)	Companies locate R&D activities where skilled labour is relatively abundant and production of goods and services where unskilled labour is well endowed	Talent (Brand Finance®, 2013; Bloom Consulting, 2013; Dinnie 2008; Fund for Peace, 2014; IMD, 2013; WEF, 2013b; UNDP 2014; Anholt, 2005a; Anholt-GfK Roper, 2009; Kalamova & Konrad, 2010; Fetscherin, 2010)
The Eclectic Paradigm or OLI (Ownership, Location, Internationalisation) Model (Dunning, 1993; Denisia, 2010; Faeth, 2008; Nayak & Choudhury, 2014)	This theory considers the advantages companies derive from ownership (brand - if owned by the company, managerial capabilities), location (availability of raw materials, salary level, tax level) and the international environment (the advantages of licensing and joint ventures).	Natural resources (Rojas-Me´ndez, 2013; Sun, 2009)

As evident from columns 2 and 3 of the table, the links manifest in respect of dimensions like natural resources (e.g. Adam & Filippaios, 2007; Böckem & Tuschke, 2010; Rojas-Me´ndez,

2013; Sun, 2009), institutions and regulations (e.g. Böckem & Tuschke, 2010; Dumludag, 2009; Bloom Consulting, 2013; IMD, 2013; WEF 2014; World Bank, 2014a; Rojas-Me´ndez, 2013), and knowledge capital (e.g. Carr, Markusen & Maskus, 1998; Markusen 2002; Chellaraj & Mattoo, 2015; Faeth, 2008; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013; Brand Finance, 2013; Dinnie 2008; Bloom Consulting, 2017a; Fund for Peace, 2014; IMD, 2013; WEF, 2013b; UNDP, 2014; Anholt-GfK Roper, 2009; Kalamova & Konrad, 2010; Fetscherin, 2010).

Traditionally, FDI theories can be divided into two perspectives—microeconomic and macroeconomic (Cywiński & Harasym, 2012; Denisia, 2010; Lederman, Mengistae & Xu, 2012; Razmi & Behname, 2012). From a macroeconomic standpoint, FDI is a given type of capital flows across borders, from countries of origin to host countries, which is found in the balance of payments (Denisia, 2010:105). Denisia adds that the variable of interest is capital flows and stocks, which are the revenues obtained from investments. For example, building on the macroeconomic perspective of FDI, Chapters 1 to 3 of this thesis analyse the global inflow of FDI among the world's key regions in general and FDI inflows of the BRICS (Brazil, Russia, India, China, and South Africa) nations, the Southern African Development Community (SADC) in general and South Africa and Zimbabwe in particular. The microeconomic perspective attempts to explain the motivations for FDI from the investor (Denisia, 2010:105). However, regardless of the underlying microeconomic or macroeconomic paradigm, the key objective of FDI theory is to explain motives for investing capital in a foreign country and to identify factors that influence, for instance, the location decision of the particular investment (Cywiński & Harasym, 2012:2). In a way, the FDI theories in Table 4.2 above such as the neoclassical theory of FDI (Tvaronavičienė, Kalašinskaitė & Šimelytė, 2009; Faeth, 2008), economic perspective on FDI (Böckem & Tuschke, 2010), institutional perspective of FDI (Böckem & Tuschke, 2010; Dumludag, 2009), Knowledge Capital Model (Carr, Markusen & Maskus, 1998; Markusen 2002; Chellaraj & Mattoo, 2015; Faeth, 2008), and the eclectic paradigm or OLI (Ownership, Location, Internationalisation) Model (Dunning, 1993; Denisia, 2010; Faeth, 2008; Nayak & Choudhury, 2014) are only a few examples of such theories that attempt to explain the reasons for FDI and how FDI is linked to national economic development policy hence nation branding. Nation branding and economic development are interrelated (e.g. Anholt, 2008a; Lee, 2009; Sun, 2009; Rojas-Me´ndez, 2013). "[Nation] brand management should be treated as a *component of national policy*, never as a 'campaign' that is separate from planning, governance or

economic development" (Anholt, 2008a:23). Consequently, this chapter has reviewed and incorporated theories of FDI from economics in this thesis. The next chapter will deconstruct studies on FDI determinants of economics and include them in the company-based brand equity approach to nation branding among other theories of measuring country brand equity discussed below.

4.4 OVERVIEW OF MACRO THEORIES OF NATION BRANDING

Recent country branding literature claims, controversially, that "there are only two dominant methodologies for measuring nation brand equity"—the customer-based brand equity (CUBBE) and company-based brand equity (COBBE) approaches (see e.g. Atilgan, Aksoy & Akinci, 2005; Fetscherin, 2010; Dinnie, 2008; Ebrahimi, Kashani & Shojaei, 2012). The claim omits the combined customer and finance perspective (Hampf & Lindberg-Repo, 2011; Kim, Kim & An, 2003) referred to in this thesis as the customer- and company-based brand equity (CUCOBBE), the resource-based view [of brand equity] (RBVBE) (e.g. Barney, 1996; Dinnie, 2008; Grant, 1991; Hart, 1995; Hollensen, 2010; Louro & Cunha, 2001; Wernerfelt, 1984; Sun, 2009) and the stakeholder-based brand equity (SBBE) theory (Jones, 2005; Laforet, 2010; Rojas-Me´ndez, 2013) also referred to in this thesis as stakeholder-oriented brand equity (SOBE) approach. However, the last three approaches are not as widely acknowledged as the first two in extant academic literature. In addition, as far as this researcher knows, there is no published literature summarising all five macro theories or approaches to branding whether in the context of corporate brands or place, including country, brands in one publication and this includes brand management textbooks written by leading authors such as Keller, Laforet, and Kapferer and upcoming nation brand management texts penned by Dinnie and Moilanen and Rainisto. As a result, it is likely that whenever one comes across one or a few approaches to branding (most publications highlight one to three perspectives but mostly the CUBBE and COBBE theories and to a less extent the SOBE school of thought) one might think that these are the only paradigms of branding yet there are at least five. Unlike the CUBBE and COBBE perspectives, the three other approaches are not as popular because they are either only mentioned in passing in the popular branding literature or they have remained tucked in recent journals and theses which are not so often cited in scientific publications.

Knowing the full breadth of alternative approaches to measuring brand equity is important because each theory uniquely shapes how brand equity is defined and measured. There is still insufficient evidence about the conceptualisation and measurement of the performance of place brands (Donner, Fort & Vellema, 2014; Outhavong, 2007). Keller (2013:57) argues that no shared viewpoint has emerged about how to conceptualise and assess brand equity. Therefore, as there are hardly any researchers who have discussed all five schools of thought on brand equity in one scientific paper or textbook before, this chapter in particular and thesis, in general, have plugged this gap. Table 4.3 below deconstructs the five theories linking each to a related marketing management philosophy, strategy-making model, and public policy approach. The table shows that country branding is strategic marketing, strategic management, and public policy driven (re)positioning of a nation for sustainable national development. It is neither advertising nor a marketing communications campaign. "[N]ational image has more to do with national identity and the politics and economics of competitiveness than with branding as it is usually understood in the commercial sector (or as is usually meant by people who know nothing about it)" (Anholt, 2013b:8).

As evident in the table, although nation branding is inseparably linked with strategic thinking and public policy, within the realm of strategic marketing it is only the societal marketing and holistic marketing concepts, the political and cultural schools within the strategy formulation or management lenses, and group theory within the public policy-making approaches that provide for meaningful participation of stakeholders in branding countries. Given the number of alternative viewpoints within each strategic area, this proves that there are many theoretical lenses many of which barely provide for the involvement of stakeholders in nation branding, if at all. Furthermore, it is clear from the table that strategic management and public policy are interlinked. For instance, the assumptions of the planning model correspond to those of rational choice theory; both are underpinned by the economic principle of rationalism. Group theory corresponds to the cultural model; both recognise the centrality of participation, bargaining and struggle among stakeholders. Also, strategic management and public policy make use of the political school in determining policy or strategy. As evident in the table, all the five approaches to branding reflect planning and rational choice models, where the nations deliberately seek to measure their image or reputation.

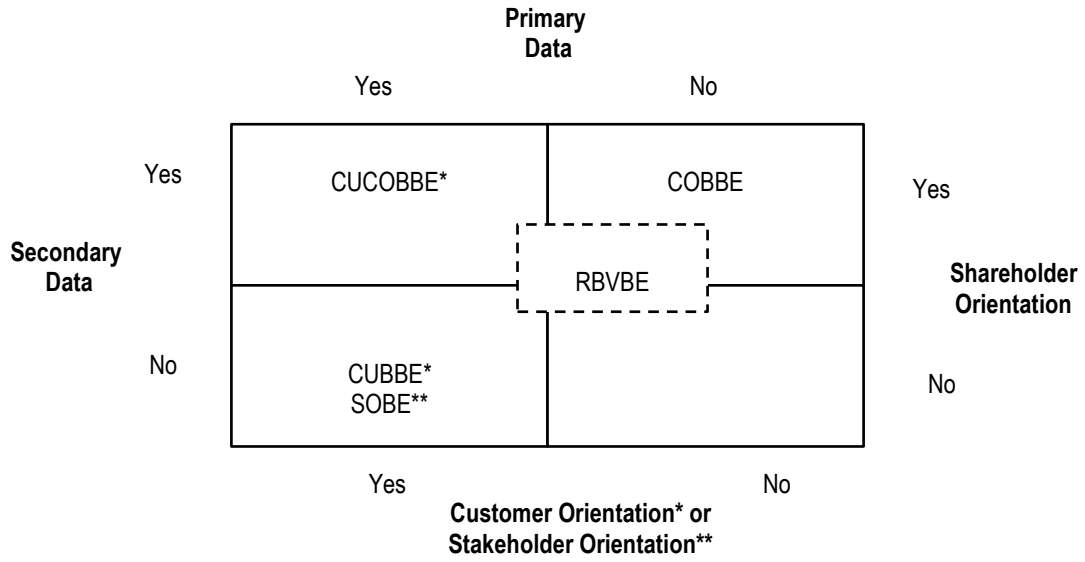
Table 4.3: The link among nation brand, marketing, strategic management and public policymaking theories

		NATION BRANDING THEORIES				
Marketing Philosophies, Strategy Making Models and Public Policy Approaches		CUBBE	COBBE	CUCOBBE	RBVBE	SOBE
Marketing Management Philosophies	**Summary explanation & author(s) supporting**					
Production Concept	Pillars of success are mass production, low costs, mass distribution and affordable prices (Blythe, 2005; Kotler, 2000; Kotler & Keller, 2016; Moore & Pareek, 2006) *Inside-out perspective*		X			
Product Concept	Quality and continuous improvement (Blythe, 2005; Kotler & Keller, 2016; Moore & Pareek, 2006) *Inside-out perspective*		X			
Sales Concept	A company produces what it wants and persuades people to buy what it has (Blythe, 2005; Kotler & Keller, 2016; Moore & Pareek, 2006) *Inside-out perspective*		X			
Finance Concept	Manage finances well (de Wit & Meyer, 1998; Doyle, 2002; Johnson & Scholes, 2002; McDonald, 2002) *Inside-out perspective*		X			
Marketing Concept	Customer focus, integrated marketing, target marketing, profit (Blythe, 2005; Kotler, 2000; Kotler & Keller, 2016; Moore & Pareek, 2006) *Outside-in perspective*	X	X	X	X	
Societal Marketing Concept	Ethics and social responsibility (Blythe, 2005; Kotler & Keller, 2016; Moore & Pareek, 2006) *Outside-in perspective*					X
Holistic Marketing Concept	Dimensions of holistic marketing are internal marketing, integrated marketing, performance marketing, and relationship marketing (Kotler & Keller, 2016:19) *Outside-in perspective*					X
Strategy-making Models	**Summary explanation & author(s) supporting**					
Planning school	Views strategy as a formal, rational process where the decision maker has all needed information to select the best option (Mintzberg, Ahlstrand & Lampel, 1998; Altmann, 2000; McCarthy, 1997; Turpin & Marais, 2004)	X	X	X	X	X
Political (power) school	Strategy is seen as a bargaining or negotiation process driven by agendas of participants rather than rationale (Mintzberg, Ahlstrand & Lampel, 1998; Turpin & Marais, 2004)		X			X
Cultural school	Regards strategy as a collective process (McCarthy, 1997)					X
Public Policy Approaches	**Summary explanation & author(s) supporting**					
Elite theory	Public policy is not influenced by the needs and actions of "ordinary citizens" but the ruling elite whose preferences are put into effect by public officials and agencies (Anderson, 2015; Birkland, 2007; Cochran & Malone, 2005; de Coning, Cloete & Wissink, 2011; Kotzé & Steenekamp, 2008; Dye, 2014; Vergara, 2013)		X			
Rational choice theory	Views public policy as an outcome of rational decision making i.e. picking the best policy choice (Anderson, 2015; Griggs, 2007) but in reality, political actors, like economic actors, act rationally in	X	X	X	X	X

Marketing Philosophies, Strategy Making Models and Public Policy Approaches		NATION BRANDING THEORIES				
		CUBBE	COBBE	CUCOBBE	RBVBE	SOBE
	pursuing their own self-interest (Anderson, 2015; de Coning, Cloete & Wissink, 2011; Dye, 2014)					
Political systems or Institutional theory	The political system consists of identifiable and interrelated institutions and activities (i.e. government institutions and political processes) that make decisions or policies (Anderson, 2015; Dye, 2014)		X			X
Group theory	Views public policy as a product of group struggle (Anderson, 2015; Dye, 2014).	X	X	X		X

Figure 4.3 below summarises the characteristics of the five country brand equity approaches reviewed in this section in respect of the type of data they really use and their orientation toward shareholders, customers or stakeholders. The review of the individual theories below further explains the matrix and how each approach informs the conceptualisation and measurement of country brand equity.

Figure 4.3: Interlinking matrix of country brand equity approaches



4.3.1 Customer-based brand equity (CUBBE) theory

The roots of the nation, country, or place brand customer-based brand equity (CUBBE) model is the CUBBE model originally developed for the corporate sector (e.g. Aaker, 1996a; Keller,

1993; Pappu, Quester & Cooksey, 2005). Building on the explanation of the CUBBE model in the corporate sector, place branding academics recognise that the CUBBE approach measures brand equity from customer's viewpoint (Atilgan, Aksoy & Akinci, 2005; Dinnie, 2008; Ebrahimi, Kashani & Shojaei, 2012) thus is premised in the market or customer orientation tenet of the marketing concept. Customer orientation entails organisations researching customer needs and wants to produce responsive goods and services (e.g. Kotler & Keller, 2016; Hollensen, 2010; Ferrell & Hartline, 2011; Moore & Pareek, 2006). The marketing concept is a customer-centric, sense-and-respond philosophy (Kotler & Keller, 2016:18) that is closely linked to brand equity (Keller, 2013:57). The CUBBE approach emphasises the meaning of the brand and the value that consumers place on it (Fetscherin, 2010:468) hence it agrees with the marketing concept (see Table 4.3 above). The CUBBE perspective measures how a country brand is perceived by consumers by collecting and analysing primary survey data (Fetscherin, 2010:468) whether the consumer is an individual or an organisation (Keller, Parameswaran & Jacob, 2011:48).

"*Customer-based brand equity* [i]s the differential effect that brand knowledge has on consumer response to the marketing of that brand" (Keller, 2013:69; Keller, Parameswaran & Jacob, 2011:48). Three key ideas are evident in the definition of CUBBE, namely "differential effect," "brand knowledge," and "consumer response to marketing" (Keller, 1993:8). The differential effect of a brand is demonstrated through the nature of the CUBBE i.e. whether positive or negative. A brand has *positive* CUBBE if consumers react more favourably to a product and how it is marketed when the brand is identified than when it is not identified (Keller, 2013; Kotler & Keller, 2016). Positive CUBBE occurs when consumers have a high level of awareness and familiarity with the brand and hold a strong, favourable and unique association with it in their minds (Laforet, 2010:43). A brand has negative CUBBE when consumers react less favourably to its marketing activities under the same circumstances (Keller, Parameswaran & Jacob, 2011:48). Keller's notion of positive and negative brand equity agrees with the definition of brand equity proposed by Aaker. "Brand equity is a set of assets (and liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm, and/or firm's customers" (Aaker, 1996b:7-8). The asset categories are brand name awareness, brand loyalty, perceived quality, and brand associations (Aaker, 1996b:8). This thesis assumes that the "assets" are sources of positive CUBBE and "liabilities" are sources of negative CUBBE. Brand equity is thus a suitable

instrument for assessing the long-term impact of marketing decisions (Keller, 2013; Laforet, 2010).

Keller (2013:69) argues that brand equity results from brand knowledge and differences in consumer response. The differences in reactions to the marketing of a brand arise from knowledge consumers have about the brand hence brand equity depends on what resides in the minds and hearts of consumers (Keller, 2013:69). Brand equity is an **asset** built over time (Anholt, 2010; Keller, 2013; Laforet, 2010). Brand knowledge is all the thoughts, feelings, perceptions, images, and experiences that become linked to the brand in the minds of customers (Laforet, 2010:43). Customers' responses to marketing, which constitute brand equity, are reflected in perceptions, preferences, and behaviour related to all aspects of brand marketing, for instance, choice of a brand, recall of copy points from an ad, and response to a sales promotion (Keller, 2013:69). Based on the definition of CUBBE given above, Ebrahimi, Kashani and Shojaei (2012:9266) suggest that there are five important considerations to defining brand equity:

> "First, brand equity refers to consumer perceptions rather than any objective indicators. Second, brand equity refers to a global value associated with a brand. Third, the global value associated with the brand stems from the brand name and not only from physical aspects of the brand. Fourth, brand equity is not absolute but relative to the competition. Finally, 'brand equity positively influences financial performance' (Lassar, Mittal & Sharma, 1995)."

Ferrell and Hartline (2011:22) argue that the term *customer* no longer only refers to customers in the traditional sense but also includes employees, business partners, shareholders, the government, the media, and society in general. Laforet (2010:42) agrees with Ferrell and Hartline highlighting that the early definition of brand equity focused on customers but this has since extended to include other target audiences. Dinnie agrees with Ferrell and Hartline and Laforet because he includes the stakeholder approach under the consumer, or CUBBE, perspective. "Stakeholder models suggest that a brand must appeal to and communicate with multiple constituencies, rather than take a myopic unidimensional view of the customer" (Dinnie, 2008:63). However, in principle, the new definition of "customers" advocated by the theorists cited above calls for an overhaul of the underlying basic notion of CUBBE and revision of marketing and strategic management theory, which distinguishes customers from stakeholders although it recognises that customers are a key stakeholder group for any organisation. If customer orientation was, indeed, stakeholder-inclusive why then are there calls to move away from the

overriding consumer focus of the marketing concept to more holistic approaches that identify other relationships, that is stakeholders, that provide fundamental sources of brand value (e.g. Jones, 2005; Kasabov & Sundaram, 2011; Kavaratzis, 2012; Tiberghien, Garkavenko & Ashirbekova, 2013) such as the relationship-based approach (Hollensen, 2010), societal marketing concept (Blythe, 2005; Schiffman *et al.*, 2010; Kotler & Keller, 2016)—which, essentially, is the stakeholder-based brand equity perspective reviewed later in this section? While this thesis agrees with Dinnie (2008) and Laforet (2010) for placing the CUBBE and stakeholder paradigms in the "behavioural school", it also recognises CUBBE and SOBE are separate macro theories that all depend on primary survey data to measure perceptions on brands. CUBBE focuses on the customer or consumer, and the stakeholder approach goes beyond customers to include all key multiple stakeholder groups.

The advantage of conceptualising brand equity from the CUBBE perspective is that it enables managers to consider specifically how their marketing programme might improve the value of their brands (Keller, 1993:8). Although the ultimate goal of any marketing strategy is to increase sales, it is first necessary to establish knowledge structures for the brand so that consumers respond favourably to marketing activity for the brand, Keller adds. As already stated, one of the essential pillars of the marketing concept is customer focus or market orientation (Ferrell & Hartline, 2011; Kotler & Keller, 2016). This orientation means that suppliers must begin the marketing process by researching the needs and wants of customers before they decide what to produce and their offering must be superior. In a way, this is also what the CUBBE approach within the country branding context is all about—understanding how the country brand is perceived by customers and how customers react to its marketing activities. Given the focus of this thesis, the customers of a country are its current and prospective foreign investors (excluding portfolio investors). So the CUBBE approach is essentially an outside-in perspective of measuring country brand equity where the customer is the centre of influence.

Nonetheless, the main limitation of the CUBBE approach is its emphasis on customers despite that brands have multiple stakeholders. Kapferer (2008:143-4) argues that the emphasis on measuring brand equity from the customer's viewpoint has its limits: "[I]t neglects the true playing field, which is distribution, and its decision-making factors such as its actors (the shoppers)". Kapferer is echoed by Jones (2005:12) who states that, under stakeholder

theory, the firm depends on a network of relations where it has legal, contractual and moral responsibilities to members of the network beyond customers. The second limitation of the CUBBE perspective stems from its reliance on survey data to measure brand equity. This may result in "a perception-actuality gap" (see, e.g. Fetscherin, 2010:473) which, in simple words, is a variation between expected and perceived performance.

Another weakness of the CUBBE school of thought is inherent in its ideological link with the marketing concept. The marketing concept is sometimes inconsistent with consumers' and society's well-being and best interests hence the emergency of the societal marketing concept (Armstrong & Kotler, 2009; Moore & Pareek, 2006; Schiffman *et al.,* 2010) that is related to the stakeholder approach to branding reviewed below. The marketing concept motivates firms to establish long-term relationships with customers, but because of the compensation structure for executives, many incentives exist to direct the company's resources to maximise the short-term value of the firm's stock (Moore & Pareek, 2006:19). Maximising the short-term value of a company would not just weaken the long-term wellbeing of business but can also cause long-term damage to society and the consumer, they conclude. For example, foreign investors may prefer host countries with low taxation rates and permit control and/or ownership of subsidiaries based on capital share structure and with no restrictions on repatriation of profits. Regardless of these incentives, foreign investors may go on to invest very little, if anything, towards improving living conditions in the communities where they exploit resources. Where foreign investors are perceived as not socially responsible, CUBBE is likely to be opposed by other stakeholders such as the host government, non-governmental organisations (NGOs), the media, and citizens.

4.3.2 Company-based brand equity (COBBE) theory

The company-based brand equity (COBBE) paradigm, also known as the financial brand equity approach, assesses country brands from the standpoint of the company's shareholders (Atilgan, Aksoy & Akinci, 2005; Dinnie, 2008; Fetscherin, 2010; Kalamova & Konrad, 2010; Kapferer, 2008; Laforet, 2010). Consequently, the COBBE approach is underpinned by the theory of shareholder value and thus can be described as an "inside-out" paradigm (see Table 4.3 above). The shareholder value perspective posits that companies belong to their owners, that is shareholders, thus should be managed to meet the interests of those shareholders (de Wit &

Meyer, 1998; Levy & Mitschow, 2009). Hence the COBBE approach is a top-down framework of measurement which uses objective secondary information on company performance (Fetscherin, 2010:469). Laforet (2011:41) argues that company-driven methodologies overemphasise stock market capitalisation, earning capacity and future cash flows of the brand, licence revenue, et cetera, many of which lead to the hunch that brand equity is equivalent to future returns and profits.

Maintaining the same acronym, the COBBE school of thought can be readily translated into the country-based brand equity model (see, e.g. Atilgan, Aksoy & Akinci, 2005; Dinnie, 2008; Laforet, 2010). In the country context, the COBBE approach draws on actual statistics for exports, tourist arrivals, FDI inflows, migration et cetera to assess country brand strength using econometric formulae (see e.g. Fetscherin, 2010; Kalamova & Konrad, 2010) and these performance data are known as objective secondary data. Interestingly, that is also predominantly the methodology economic theorists apply to measure the determinants of FDI (e.g. Anyanwu, 2012, Bellak & Leibrecht, 2011; Danish & Akram, 2014; Kornecki & Ekanayake, 2012; Bellak, Leibrecht & Stehrer, 2008; Bénassy-Quéré, Coupet & Mayer, 2007; Hornberger, Battat & Kusek, 2011; Ham & Kleiner, 2007; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010; Nayak & Choudhury, 2014; Razafimahefa & Hamori, 2005; Satyanand, 2011). Interestingly, however, most studies on determinants of FDI carried out in international economics were not designed with country branding in mind although they have obvious relevance to country reputation, image, or competitive positioning. A position is a place that is occupied by a brand in the minds of customers (Hollensen, 2010; Keller, 2013; Keller, Parameswaran & Jacob, 2011; Kotler & Keller, 2016) and is perception-based. Economic theory does not rely on perceptions but objective secondary data and econometric formulae to measure phenomena, FDI determinants included. It sticks to fundamentals or facts. However, as noted under theories of FDI discussed above, many of the fundamentals for FDI are also country brand identity attributes (although the term "brand identity" is foreign to economics). While measuring country performance on objective secondary data is entirely sound, the underlying reasons for the performance are left to speculation because the stakeholders are not surveyed.

Countries are complex organisations with multiple stakeholders (Fetscherin, 2010; Dinnie, 2008; Kasabov & Sundaram, 2011; Tiberghien, Garkavenko & Ashirbekova, 2013).

Nevertheless, drawing from the theory of shareholder management (de Wit & Meyer, 1998; Levy & Mitschow, 2009) and public policy (Anderson, 2015; Birkland, 2007; Cochran & Malone, 2005; Dye, 2014; Kotzé & Steenekamp, 2008; Levy & Mitschow, 2009; Vergara, 2013) it is clear that political leaders are the *de facto* shareholders of countries. Students of government know that allocation decisions are frequently based on political power, score-settling, "log rolling," and other hidden agendas that have nothing to do with the interests of other stakeholders (Levy & Mitschow, 2009:6). According to the elite theory, public policy is not influenced by the needs and actions of "ordinary citizens" but the ruling elite whose preferences are put into effect by public officials and agencies (Anderson, 2015; Birkland, 2007; Cochran & Malone, 2005; Dye, 2014; Kotzé & Steenekamp, 2008; Vergara, 2013).

The weaknesses of the COBBE approach lie in its inherent hypothesis that companies belong to shareholders and thus must primarily be managed for shareholder benefit. Country brand equity under the COBBE paradigm is measured from a shareholder value approach (Fetscherin, 2010; Kalamova & Konrad, 2010; Levy & Mitschow, 2009; Rojas-Me´ndez, 2013) hence neither the interests of customers (Aaker, 1996a; Fetscherin, 2010; Jacobsen, 2009; Keller, 1993; Keller, Parameswaran & Jacob; 2011) nor those of other key stakeholders (Kavaratzis, 2012; Kasabov & Sundaram, 2011; Jones, 2005; Tiberghien, Garkavenko & Ashirbekova, 2013; Antonsen, 2010; Dinnie *et al*., 2010; Dinnie & Fola, 2009) are taken into consideration. The financial approach does not take into account all influencing factors such as the behaviour of customers and competitors, sales expenditure, the efficiency of the distribution system and human resources when calculating profits (Laforet, 2011:41).

A strength of the COBBE paradigm is that it relies on objective secondary data, namely export receipts, FDI inflows, tourism receipts, migration figures and other secondary hard evidence to measure brand equity. Objective secondary data denotes the actual performance of a country so there may not be a perceptions-actuality gap (Fetscherin, 2010:473). Nonetheless, shareholders and management may only infer the reasons for the realised performance because customers and other stakeholders are not involved. To address these weaknesses, Fetscherin, for example, suggests that his Country Brand Strength Index (a COBBE operational model) be combined with the Anholt-GfK Roper Nation Brand Index (a CUBBE micro framework), both of which are reviewed in the next chapter, to "help countries assess their country brand, how people perceive it, and how well it performs in terms of exports, tourism, investment, and

immigration" (Fetscherin, 2010:475). Ironically, this recommendation meshes a country branding macro theory reviewed below—the blended or combined customer- and company-based brand equity perspective. At the level of approaches, some theorists seem not to recognise CUCOBBE approach because they maintain there are only two theories of measuring brand equity—CUBBE and COBBE (e.g. Atilgan, Aksoy & Akinci, 2005; Dinnie, 2008; Fetscherin, 2010).

As already highlighted, the COBBE perspective is an "inside-out" macro theory because it prioritises shareholder value at the expense of the needs and interests of customers and other key stakeholders of the organisation. Marketing philosophies that share the same assumptions are the production, product, sales and financial concepts all of which came before the marketing concept. These orientations still guide some companies today such as those following the shareholder approach. Organisations guided by the production concept believe that they will be successful if they mass produce, reduce their costs of operation, distribute their offering widely and avail them (product and services) at affordable prices (Kotler & Keller, 2016; Moore & Pareek, 2006; Blythe, 2005). This paradigm normally succeeds in market conditions where demand greatly exceeds supply (Blythe, 2005:3). This is not the case in the context of FDI since all the 190+ countries and territories on the planet are competing for this finite resource. Marketing gurus agree that the product concept suggests that consumers prefer products of high quality which are also continuously improved (Kotler & Keller, 2016; Moore & Pareek, 2006; Blythe, 2005). Because of their obsession with quality which, however, is not backed by quality standards defined by customers, "managers are sometimes caught in a love affair with their products" (Kotler & Keller, 2016:18) instead of loving their customers and key stakeholders.

Kotler and Keller (2016:18), Moore and Pareek (2006:18), and Blythe (2005:4) state that the sales or selling concept assumes that customers will not buy enough of a firm's products if not persuaded to do so hence companies have to promote their products aggressively. "Selling focuses on the needs of the seller; marketing on the needs of the buyer (Levitt, 1960:50). The sales orientation relies on the premise that the customer can be fooled, the customer will not mind being fooled and will let you do it again later, and that if there are problems with the product, these can be glossed over by a fast-talking sales representative (Blythe, 2005:4). Unfortunately, no country can talk its way out of a bad reputation but has to change its behaviour. Anholt (2013b:2) argues that the strategy for improving national image should be

based on international engagement, policy, strategy and organisational change instead of marketing communications. Organisations guided by the finance concept believe in efficient financial resources or asset management (de Wit & Meyer, 1998:12; Doyle, 2002:30; Johnson & Scholes, 2002:579; McDonald, 2002:10). The common weakness of all these four marketing management orientations is that firms using them are driven more by shareholder interests than they are by the desire to satisfy customers and to build sustainable relationships with key stakeholders. From a stakeholder viewpoint, the performance of an organisation must be assessed in a more pluralistic manner than simply through the financial bottom line (Johnson, Scholes & Whittington, 2008:147).

4.3.3 Customer- and company-based brand equity (CUCOBBE) theory

As implied by its name, the CUCOBBE approach blends the CUBBE and COBBE schools of thought to measure brand equity. This means that it takes into account the interests of both customers and shareholders and relies on both primary survey data and objective secondary data to measure country brands. It is essentially both outside-in and inside-out at the same time, which means that it is superior to the CUBBE and COBBE approaches when each is considered independently. Kapferer (2008:509) believes that it is time to bring together the CUBBE and COBBE approach to the concept of brand equity. As shall be seen in Chapter 5, presently, there are a number of operational (micro) level methodologies for measuring country brands, which are inspired by the CUCOBBE approach (e.g. Brand Finance, 2013; Mo Ibrahim Foundation, 2014; World Bank, 2014a; Sun, 2009; World Economic Forum, 2013b, 2014). However, there is sparse academic literature that, at the macro level, acknowledges the existence of the combined customer and financial perspective—exceptions are Hampf and Lindberg-Repo (2011) and Kim, Kim and An (2003).

The CUCOBBE perspective is designed to complement the insufficiencies that may arise when only one of the two approaches was applied (Kim, Kim & An, 2003:338). As will be demonstrated in the next chapter, at the operational level the CUCOBBE approach can generate a wider range of variables for assessing the nation brand than would be possible when constituent micro models of each school are considered independently. The CUCOBBE perspective integrates the assumptions of the CUBBE paradigm i.e. customer interests and the COBBE perspective i.e. shareholder interests, which strengthens its methodology compared to

the theories when considered independently. Nonetheless, the approach has a limitation in that, excepting for customers and shareholders of the organisation, it does not consider the interests and perceptions of other key stakeholders hence is not sufficiently outside-in orientated. Country brands have a broad range of stakeholders they should involve in designing, implementing and evaluating their strategic branding plans (see e.g. Dinnie, 2008; Dinnie & Fola, 2009; Donner, Fort & Vellema, 2014; Fetscherin, 2010; Ebrahimi, Kashani & Shojaei, 2012; Kavaratsis, 2012; Konecnik & Petek, 2012; Rojas-Me´ndez, 2013). As already highlighted in the COBBE paradigm above, a "combined index [i.e. Country Brand Strength Index and Anholt-GfK Nation Brand Index] might help identify any perception-actuality gap" (Fetscherin, 2010:475). Such a combined index at the operational or micro level had already been provided for at the approach or macro theory level when the combined customer and financial perspective was recognised (e.g. Hampf & Lindberg-Repo, 2011; Kapferer, 2008; Kim, Kim & An, 2003). At marketing orientation level, the absurdity of the CUCOBBE model is that it is both outside-in and inside-out. This means that the organisation guided by this approach has traits of both the marketing concept and the production, product, sales and finance concepts as already discussed and obviously is not driven by social equity or responsibility. In terms of public policy approaches, the CUCOBBE approach is aligned to the needs of ruling elites although the needs of customers (i.e. the governed) are also considered (see Table 4.3 above).

4.3.4 Resource-based view of brand equity (RBVBE)

"The emergence of the resource-based view provides the conceptual foundations for linking brands and brand management to the development of sustained competitive advantage" (Louro & Cunha, 2001:851). While the RBVBE approach is yet to gain comparable recognition to that of CUBBE and COBBE perspectives, a number of country reputation theorists agree that the perspective is suitable for guiding nation branding (e.g. Chen & Lee, 2013; Kidane, 2010; Rojas-Me´ndez, 2013; Rusko, Merenheimo & Haanpää, 2013; Sun, 2009). The resource-based theory is a resurgence of interest in the role of the firm's resources as the foundation of organisation strategy (Barney, 1996; Grant, 1991; Hart, 1995; Hollensen, 2010; Johnson, Scholes, Whittington, 2008; Peteraf, 1993; Sun. 2009; Thompson, Peteraf, Gamble & Strickland, 2014; Wernerfelt, 1984). "Although resource advantage theory focuses on firms or organisations, we argue that a nation can be regarded as a "bigger" firm or organisation with

more stakeholders" (Sun, 2009:28). According to the resource-based viewpoint, every organisation is a unique bundle of tangible and intangible resources (Ferrell & Hartline, 2011:127) and so is every place including country (Dinnie, 2008; FutureBand, 2006; Sun, 2009; Rojas-Me´ndez, 2013). Tangible assets like buildings, machinery, people, and intangible assets like knowledge, skills or competencies, and reputation (Hollensen, 2010; Ferrell & Hartline, 2011) are recognised as the basis of firm competitiveness (Barney, 1996; Grant, 1991; Hart, 1995; Wernerfelt, 1984). The availability or lack of these resources explain a firm's internal strengths and weaknesses in meeting customers' needs and determine which external conditions represent opportunities and threats (Ferrell & Hartline, 2011:127). While both tangible and intangible assets are critical to the operation of any organisation, it is the costly-to-copy and inimitable intangible resources such as capabilities, core competencies and reputation that are a sustainable source of competitive advantage (Hollensen, 2010; Hart, 1995). Helfat and Peteraf (2003:999) define organisational resources and capabilities as follows:

> "A resource refers to an asset or input to production (tangible or intangible) that an organization owns, controls, or has access to on a semi-permanent basis. An organizational capability refers to the ability of an organization to perform a coordinated set of tasks, utilizing organizational resources, for the purpose of achieving a particular end result."

Despite that countries are more complex than organisations, nation branding literature acknowledges that there are similarities between companies and countries (Fehlmann *et al*., 2002; Passow, Fehlmann & Grahlow, 2005; Rojas-Me´ndez, 2013; Sun, 2009). For instance, both have an offering, exist and operate within a competitive set, are dependent on resources and supportive behaviour, must follow financial logic, the government's role is to large extent similar to that of general management of a company, the importance of social responsibility is even more pronounced for a country than it is for a firm, a country's raison d'être is similar to that of a company (Passow, Fehlmann & Grahlow, 2005:312). Due to the similarities, several recent nation branding studies have recognised the suitability of the resource-based view to countries (e.g. Chen & Lee, 2013; Kidane, 2010; Rojas-Me´ndez, 2013; Rusko, Merenheimo & Haanpää, 2013; Sun, 2009). However, the RBVBE approach is yet to gain comparable recognition to that of CUBBE and COBBE theories. Whereas the resource advantage theory focuses on firms or organisations, a nation might be seen as a "bigger" firm or organisation with more diverse stakeholders (Sun, 2009:28). Countries too have tangible and intangible assets (Dinnie, 2008; FutureBrand, 2006; Rojas-Me´ndez, 2013) just like organisations, which they can leverage to give themselves a competitive advantage over other countries. In

particular, Rojas-Me´ndez (2013:463) intimates that the resource-advantage theory can be used as a theoretical framework to investigate the importance of the determinant factors of a nation brand. The resource-advantage theory is premised on the assumptions of the resource-based view of strategic management (Sun, 2009:24) which is well explained in the literature (Dinnie, 2008; Ferreira, Azevedo & Fernández, 2011; FutureBrand, 2006; Hollensen 2010; Hafeez, Shariff & Lazim, 2012; Hunt & Morgan, 1996; Rojas-Me´ndez, 2013; Wernerfelt, 1984).

The resource-advantage theory posits that comparative advantages in a firm's resources create a competitive advantage in the marketplace, which in turn will result in the firm's superior financial performance (Rojas-Me´ndez, 2013:463). In comparison, a nation too can desire to achieve superior financial performance (i.e. increase in country's product exports, attract more foreign tourists, enhance FDI, et cetera) by branding itself and managing its tangible and intangible resources (i.e. natural resources, politics, economics, culture, history, society, technology, et cetera) to achieve a distinctive image in the competitive global market (Sun, 2009; Rojas-Me´ndez, 2013). Under the resource-advantage and resource-based theories, resources are notably heterogeneous (i.e. assortment of resources that might be unique) across competitors and imperfectly movable (i.e. are not usually, easily, or readily bought and sold in the marketplace) (Rojas-Me´ndez, 2013; Hafeez, Shariff & Lazim, 2012; Ferreira, Azevedo, & Fernández, 2011; Hunt & Morgan, 1996; Wernerfelt, 1984). Resultantly, like a firm, a nation must identify its resources and potential critical dimensions (both positive and negative) in order to design, implement, and maintain the suitable brand image for its various audiences (Rojas-Me´ndez, 2013:463).

A strength of the resource-based view of countries, as shall be seen from a review of resource-based operational models of country branding in the next chapter (e.g. Dinnie, 2008; FutureBrand, 2006) is that there are several tangible and intangible attributes on which nation brands can be evaluated. However, the glaring weakness of the resource-based view is that it is an entirely "inside-out" perspective of corporate management that focuses on the resources owned by the firm (Hollensen, 2010:34 & 630). This means that countries, just like firms informed by this theory, merely look inside themselves to identify sources of competitive advantage and to design their national development policies. The resource-based view of strategic management, consequently, can be criticised for having the inherent weaknesses of the production, product, sales and finance marketing management philosophies. An

organisation guided by any one or more of these philosophies crafts its marketing strategy starting from inside, i.e. doing whatever it can do and then looking outside for customers to market whatever would have been produced (see e.g. Kotler & Keller, 2016; Blythe, 2005). Governmental decisions made under the elite theory reflect the interests of the ruling elites alone (Anderson, 2015; Birkland, 2007; Cochran & Malone, 2005; Dye, 2014; Kotzé & Steenekamp, 2008; Levy & Mitschow, 2009; Vergara, 2013). One study showed that 88 percent of all respondents opined that companies should increase their responsibility to society and urban districts (Hampf & Lindberg-Repo, 2011:11). It appears the RBVBE is aligned with the elite theory of public policy making (see Table 4.3 above). However, there is nothing that stops the RBVBE to blend the hypotheses of the other theories of measuring brand equity (see Figure 4.3).

4.3.5 Stakeholder-oriented brand equity (SOBE) theory

It appears that the SOBE theory of country brands, also referred to as the stakeholder-based brand equity (SBBE) approach (Rojas-Me´ndez, 2013:465), extends Freeman's (1984) ground breaking stakeholder theory of strategic management. The existence of this approach is supported by operational models such as Jones' (2005) stakeholder model of brand equity (for the corporate sector), Sartori, Mottironi and Corigliano's (2012) empirical internal stakeholder-based brand equity model, and Rojas-Me´ndez (2013). The emerging SOBE perspective acknowledges that a detailed understanding of place, including country, brands from the viewpoint of potential stakeholders is a requirement for successful brand management (Donner, Fort & Vellema, 2014; Jones, 2005; Laforet, 2010; Rojas-Me´ndez, 2013). While the theory still needs empirical backing, it is a tentative answer to the several calls in the literature for stakeholder involvement in place branding (e.g. Antonsen, 2010; Aronczyk, 2008; Dinnie & Fola, 2009; Dinnie *et al*., 2010; Fan, 2005; Kasabov & Sundaram, 2011; Kavaratzis, 2012; Tatevossian, 2008; Tiberghien, Garkavenko & Ashirbekova, 2013; Yee, 2009). Nevertheless, the calls largely remain empty given the scarcity of empirical umbrella country branding and endorsed FDI sub-branding stakeholder-driven operational models. Rojas-Me´ndez's (2013) country nation brand molecule cannot be generalised because, while its underpinning study covered 20 countries, it is based on a survey of only one stakeholder group—532 postgraduate students. It is essential to identify the various stakeholder groups and define their interest levels during the consultation process (Manasoe, 2009:102). Stakeholders are often characterised by

conflicting interests and varying levels of power to influence a brand's activities (Manasoe, 2009) hence the need for establishing stakeholder salience once key stakeholder groups have been identified (Jones, 2005; Dinnie, 2008). Freeman's (1984) power and interest model may be applied to establish the interests and power levels of key stakeholder groups in a country brand strategic planning process.

Rojas-Me´ndez (2013:465) posit that "the stakeholder-based brand equity approach focuses on the meaning of the brand and the value that stakeholders place on it". In the resource-advantage theory, the idea of brand value, as it is also understood from the marketing concept, means the sum of benefits that consumers perceive they will get a product (Rojas-Me´ndez, 2013:465) minus the costs (Hollensen, 2010; Kotler & Keller, 2016; Keller, 2013). This consumer-led definition of value is inadequate considering that organisations, and especially so countries, have many stakeholder groups. The brand value must concern itself with looking at the sources of the creation and co-creation of value for both the firm and its stakeholders (Jones, 2005:13-14). The key sources of brand equity are found outside the brand-consumer relationship, in relations that have previously been unnoticed such as the supply or value chain (Jones, 2005:15). Thus the SOBE macro theory is also rooted in the Porter's (1998:33-61) value chain model and necessitates the conceiving of a new definition of nation brand equity rooted in the stakeholder model. **Nation brand equity** is the added value endowed on a country brand and its sub-brands as reflected in how the country's stakeholders perceive and behave towards the nation brand concerning what it stands for and how it is marketed.

A value chain is a set of primary and support activities that create and deliver value in an organisation. It is the underpinning of an organisation's competitive advantages in the market. A typical value chain for an organisation has multiple stakeholders, such as customers, suppliers, suppliers of suppliers, intermediaries (distributors), and competition. Adoption of a stakeholder approach can facilitate improved understanding and monitoring of brand performance against each stakeholder group (Jones, 2005:16) hence the perspective cannot be divorced from the value chain model. Extending on the value chain model, Hollensen (2010:34) created what he calls a "value chain based view", which focuses on what the firm does with its resources to create brand value and brand equity. The value chain based view is the building of sustainable competitive advantages based on the firm's positioning in the value chain (Hollensen, 2010:632). The stakeholder value perspective acknowledges that an

organisation has multiple stakeholder groups who are often competing for interests and moral claims should be considered in making strategic decisions (Jensen, 2001; Zhao, 2006; Elias & Cavana, nd; Levy & Mitschow, 2009; Jones, 2005; Sauvage e*t al*., 1991).

"In many ways, stakeholder theory appears to envision a balancing of claims more common in government operations than in the business world" (Levy & Mitschow, 2009:5). A conceptualisation of the marketing management concept that balances the needs of society with the needs of consumers and marketing organisations is the societal marketing concept (Blythe, 2005; Hollensen, 2010; Moore & Pareek, 2006; Schiffman *et al*., 2010). The societal marketing concept incorporates the marketing concept because it acknowledges the needs of consumers and goes further by seeking to improve the well-being of the wider society in which the firm operates (Blythe, 2005:6). Future brands will enjoy the full advantage of their products if they invest in corporate social responsibility (Hampf & Lindberg-Repo, 2011:20) and behave ethically. The importance of social responsibility is greater for a country than it is for a corporation because the country's constitution is binding, the government has limited room for manoeuvre as it is held accountable to its electorate and does not have the freedom to select its internal audiences (Passow, Fehlmann & Grahlow, 2005:311). In reality, the holistic marketing concept designed and popularised in the early 2000s by American international marketing professor, Phillip Kotler, also supports the assumptions of the SOBE approach. The holistic marketing concept is centred on the development, design, and implementation of marketing programmes, processes, and activities that recognise their breadth and interdependencies (Kotler & Keller, 2016:18). The pillars of the holistic marketing concept are internal marketing (i.e. marketing department, senior management, and other departments), integrated marketing (i.e. communications, products & services, and channels), relationship marketing (i.e. partners, channels, and customers), and performance marketing (i.e. sales revenue, brand & customer equity, ethics, environment, legal and community). The performance marketing tenet of the holistic marketing concept is not just consistent with the societal marketing concept but the whole stakeholder value approach discussed in this very macro theory.

"A strong brand leads to a comprehensive brand culture that ensures that internal stakeholders are equally valued and taken care of as the external stakeholders" (Roll, 2008:234). Stakeholder theory is based on the assumption that a firm's performance not only depends on direct business relationships but also on relations with a wide range of people and

organisations, for example, media, non-governmental organisations, the public opinion and even competitors (Donner, Fort & Vellema, 2014:2). Consequently, there are several brand equities with each targeting a defined stakeholder group as implied by its name, such as, CUBBE (Keller, 1993, 2013; Aaker, 1996a), COBBE (Fetscherin, 2010; Laforet, 2010), CUCOBBE (Brand Finance®, 2015; Hampf & Lindberg-Repo, 2011; Kim, Kim & An, 2003; Sun, 2009; World Economic Forum, 2014), channel or distribution equity (Kapferer, 2008; Kotler & Keller, 2016; Jones, 2005; Sudharshan & Sanchez, 1998; Sullivan & Thomas, 2004), and internal stakeholder-based brand equity (Sartori, Mottironi & Corigliano, 2012). Channel equity is the net present value of the current and future profits generated through a distribution channel (Sullivan & Thomas, 2004:2). Distribution equity is the incremental value a firm can derive from its product opportunities through effective use of existing distribution partners (Sudharshan & Sanchez, 1998:335). From the preceding arguments, it is clear that Porter's (1998c) value chain model plays an important role in defining and co-creating brand value and brand equity in the SBBE approach (Hollensen, 2010:34). It is also clear that Jones' (2005) stakeholder model of brand equity agrees with the value chain based view (VCBV) of value creation. Extending from Porter's (1998c:33-61) value chain model, Hollensen (2010:34) constructed the VCBV of value creation which, unlike the RBV that focuses on what the firm has and what the firm does with its resources. The VCBV integrates some elements of the market-orientation but does not ignore the costs of performing the activities (Hollensen, 2010:34).

By predicting stakeholder responses to organisational strategies, top management can design and pursue place strategies that either capitalise on potential positive responses or reduce or eradicate negative responses (Ackermann & Eden, 2011:180). It also appears that the stakeholder approach is inextricably linked with Payne's (1995) six markets model of relationship marketing cited by Hollensen (2010). In the six markets model, customers remain the main focus of the firm but this does not mean that the role of five other markets, i.e. internal (employee) markets, recruitment (skilled people) markets, referral markets (i.e. creation of advocates besides customers, e.g. intermediaries, agencies), influence markets (i.e. industry-related influencers such as associations, government departments, universities), and supplier markets should be underplayed. Relationship marketing tries to involve and integrate customers, suppliers, and other infrastructural partners into the firm's developmental and marketing operations (Hollensen, 2010:9). Kotler and Keller (2016:19) agree that the key

constituents for relationship marketing are customers, employees, marketing partners (channels, suppliers, distributors, dealers, agencies), and members of the financial community (shareholders, investors, analysts). They add that marketers should facilitate prosperity among all these constituents and balance the returns to all key stakeholders. Therefore, the advantage of the stakeholder approach to branding is that it recognises the existence of multiple stakeholders for the brand. Nevertheless, the challenge inherent in the SBBE perspective is that stakeholders often have conflicting interests which may make it difficult to coordinate effective planning, execution and evaluation of a nation brand strategy. Regarding strategy formulation models, the stakeholder school fits into the cultural and political schools of thought (see, e.g. McCarthy, 1997; Mintzberg, Ahlstrand & Lampel, 1998; Turpin & Marais, 2004) and regarding public policy approaches it is aligned with group theory (i.e. Anderson, 2015).

4.4 CONSUMER DECISION MAKING AND FDI DESTINATION SELECTION

Models such as the investor-based place brand equity framework (Jacobsen, 2009), Country Brand Index (CBI) and its integral Hierarchical Decision Model (FutureBrand, 2006), 4D model of country image (Buhmann & Ingenhoff, 2015) and studies on determinants of FDI done in international economics (e.g. Al-Sadig, 2009; Anyanwu, 2012; Bellak & Leibrecht, 2011; Bellak, Leibrecht & Stehrer, 2008; Bitzenis, Tsitouras & Vlachos, 2009; Demirhan & Masca, 2008; Denisia, 2010; Faeth 2008; Hornberger, Battat & Kusek, 2011; Ledyaeva, Karhune & Whalley, 2013; Mohamed & Sidiropoulos, 2010; Nayak & Choudhury, 2014; Satyanand, 2011) go a long way in attempting to prove that the selection of an FDI destination is a purchase decision like any other. For instance, the investor-based place brand equity framework for attracting FDI to creative industries of European cities notes that city marketers should be familiar with the processes that companies follow when they select business locations in order to identify those steps where the decision-maker(s) will be most receptive to marketing messages (Jacobsen, 2009:72). The more an investing company understands how the decision-making process should be structured and what is essential to invest effectively, the better the outcome is likely to be (Sahgal, 2011:161). Following Jacobsen's and Sahgal's suppositions above, place marketers need to understand how and the attributes that assess foreign investors use to evaluate alternative FDI locations. The Hierarchical Decision Model is used to understand how strongly audiences perceive countries

from seven levels of information processing: awareness, familiarity, preference, associations, consideration, decision/visitation and advocacy (FutureBrand, 2014:7).

Several researches on location determinants of FDI have been carried out in international economics to identify what economists refer to as 'fundamentals' or facts underlying FDI (e.g. Adam & Filippaios, 2007; Al-Sadig, 2009; Bellak & Leibrecht, 2011; de Beule & van den Bulcke, 2012; Denisia, 2010; Bellak, Leibrecht & Stehrer, 2008; Ledyaeva, Karhune & Whalley, 2013; Iamsiraroj & Doucouliagos, 2015). In comparison, nonetheless, few scientific papers on FDI destination attractiveness have been published in the emerging field of nation brand management (e.g. Jacobsen, 2009; Kalamova & Konrad, 2010) although theorists in this area and marketing have, for a considerable time, acknowledged the deficiency (e.g. Dinnie, 2008; Szondi, 2007; van den Akker, 2011; Wilson, Baack & Baack, 2014). Combined, the existing large body of knowledge on FDI destination selection in economics and what little is known about FDI from country brand management can be helpful to the demand side (i.e. company FDI location decision making) and the supply side (i.e. FDI destination policy making) processes.

A decision involves the selection of an option from two or more choices (Schiffman *et al.*, 2010:426). Thus place marketers can draw from the consumer decision-making process suggested in consumer behaviour literature to understand how foreign investors make investment location choices. Consumers go through between five and seven stages ranging from need (problem) recognition or identification to post-purchase behaviour or divestment to make purchase decisions (Schiffman *et al.*, 2010; Kardes, Cline & Cronley, 2011; Kotler & Keller, 2016; Blythe, 2008; Blackwell, Miniard & Engel, 2006; Hollensen, 2010; Solomon, 2011). The stages in the consumer decision-making process model explained in summary in Table 4.4 below are broadly in agreement with those of FutureBrand's (2014) Hierarchical Decision Model reviewed under CUBBE operational models of country branding in the next chapter.

The consumer decision-making process is a simplified version of the roadmap of consumers' minds that marketing managers can use to help guide product mix, communication and sales strategies (Blackwell, Miniard & Engel, 2006:70). The time spend by a consumer at each stage of the buying process is determined by the nature of

the purchase to be made and the level of risk a consumer perceives (Blackwell, Miniard & Engel, 2006; Blythe, 2008; Kardes, Cline & Cronley, 2011; Keller, 2013; Kotler & Keller, 2016; Hollensen, 2010; Schiffman *et al*., 2010). The authors also agree that perceived risk manifests in a variety of forms: financial, physical, performance, psychological, and social. Financial risk is the chance of losing money as a result of making the purchase; the physical risk is the probability of being harmed during use or consumption of the product, and performance risk is the possibility that the product will fail to perform to expectations. The psychological risk is the chance that the purchase will bruise the ego of the purchaser or consumer and social risk is the prospect that the product will not be approved by associates in the social circle of the consumer. As will be appreciated from FDI determinant studies reviewed under the COBBE approach in Chapter 5, country risk is one of the fundamentals of FDI location decision making (Bouyahiaoui & Hammache, 2014; Hayakawa, Kimura & Lee, 2012; Săvoiu, Dinu & Ciucă, 2013; Petrović & Stanković; 2009) and it falls within the risks defined above. While foreign investors are more rational than tourists in their decision-making process, they still consider the image of a target country to select an investment location (Rojas-Me´ndez, 2013:466).

Schiffman *et al.* (2010:427) suggest three types of consumer decisions: extensive problem solving, limited problem solving, and routinised response behaviour. Kardes, Cline & Cronley (2011:63) agree with these decision types although they use slightly different terminology: routine choice, intermediate choice, and extensive problem-solving. Blackwell, Miniard and Engel (2006:89) give four decisions which largely agree with those suggested above: extended problem solving, midrange problem solving, limited problem solving, and habitual decision making.

Limited or intermediate problem solving normally involves limited information search and evaluation (Kardes, Cline & Cronley, 2011:63). Products such as food and soft drinks are characterised by limited problem solving because they are not technical, they are relatively affordable, so the consumer perceives lower or no risk at all. The habitual or routine choice is even more simple than limited problem solving because the consumer is familiar with the product which is also inexpensive hence risk perception is low, if any, for example when buying toothpaste, milk or sweets (Kardes, Cline & Cronley, 2011:63). Extensive problem solving takes place when a consumer is buying an important or

technically complicated product or service for the first time (Schiffman *et al.,* 2010:434). Consumers engage in extended problem solving, i.e. extensive information search and evaluation of alternatives because "the costs and risks of a wrong decision are high" (Blackwell, Miniard & Engel, 2006:70). As international investment activities are impacted by country risk, multinational companies tend to predict all risks that may occur in the host country before they make FDI decisions (Petrović & Stanković, 2009:9). They add that risk is the first indicator of the investment quality of a country. Jensen (2008:1042) argue that when a government engages in a contract dispute, expropriates an investment, or passes policies that damage multinational corporations, the host country concerned incurs serious reputation costs.

Table 4.4: The consumer decision making process

Stage(s)	Explanation	Author(s) supporting
i. Need (Problem) Recognition	Consumer realises the difference between the desired state and existing state as a result of internal or external influences	Schiffman *et al.* (2010), Kardes, Cline and Cronley (2011), Blackwell, Miniard and Engel (2006), Kotler and Keller (2016), Hollensen (2010)
ii. (Pre-purchase) Information Search	Consumer searches for or gathers information, from personal or non-personal sources, on alternative solutions to the problem or need recognitioni. As the consumer searches for information, s/he is influenced by marketing activities of the suppliers the solutions (products or services) of which s/he is gathering, macro and micro-environment, and her or his own social and psychological state	Schiffman *et al.* (2010), Kardes, Cline and Cronley (2011), Blackwell, Miniard and Engel (2006), Kotler and Keller (2016), Hollensen (2010)
iii. (Pre-purchase) Evaluation of Alternatives **(Focus of thesis)**	Consumer evaluates the alternatives solutions and suppliers assembled during information search	Schiffman *et al.* (2010), Kardes, Cline and Cronley (2011), Blackwell, Miniard and Engel (2006), Kotler and Keller (2012), Hollensen (2010)
iv. Purchase Decision	Consumer makes the purchase or decision	Schiffman *et al.* (2010), Kardes, Cline and Cronley (2011), Blackwell, Miniard and Engel (2006), Kotler and Keller (2016), Hollensen (2010)
v. Feedback	This is an intervening step in the consumer decision-making process which enables the consumer to move back-and-forth between stages to refine their decision making	Kardes, Cline and Cronley (2011)
vi. Consumption	The purchase or decision is utilised to solve the identified need	Blackwell, Miniard and Engel (2006)

vii. Post-Purchase (consumption) Evaluation	Consumer evaluates after purchase while or after consuming	Schiffman *et al.* (2010), Kardes, Cline and Cronley (2011), Blackwell, Miniard and Engel (2006), Kotler and Keller (2016), Hollensen (2010)
viii. Post-purchase Behaviour or Divestment	Consumer is either satisfied hence adopts the chosen alternative to solve a similar consumption problem in future or is dissatisfied and vows not to purchase the particular solution from that supplier again	Schiffman *et al.* (2010), Blackwell, Miniard and Engel (2006)

When perceived risk is unnecessarily high, there is either the motivation to avoid purchase and use altogether or to minimise risk through pre-purchase evaluation of alternative evaluation stages in extended problem solving (Blackwell, Miniard & Engel, 2006:94). The selection of an FDI location should typically be an extended problem decision because of perceived country risk issues. Various studies on FDI determinants (e.g. Anyanwu, 2012; Bellak & Leibrecht, 2011; Mohamed & Sidiropoulos, 2010; Bellak, Leibrecht & Stehrer, 2008; Petrović & Stanković, 2009), annual proprietary country brand tracking indices such as FutureBrand's Country Brand Index, Anholt-GfK Roper Nation Brands Index^{SM}, Brand Finance®'s Nation Brand Impact™ Framework, Bloom Consulting's Country Brand Ranking©, including annual country ranking indices designed without nation branding in mind, for example, the Human Development Index (HDI) of the United Nations Development Programme (UNDP), Fund for Peace's Fragile States Index, AT Kearney's FDI Confidence Index®, World Bank's Doing Business, World Economic Forum's Global Competitiveness Index, Transparency International's Corruption Perception Index, Mo Ibrahim Foundation's Ibrahim Index of African Governance, Social Progress Imperative's Social Progress Index, Global Innovation Index of Cornell University, Institut Européen d'Administration des Affaires and World Intellectual Property Organization, and academic country branding studies (e.g. Fetscherin, 2010; Kalamova & Konrad, 2010; Dinnie & Fola, 2009; Jacobsen, 2009; Rojas-Me´ndez, 2013; Bivolaru, Andrei & Purcăroiu, 2009) reviewed in the next chapter help to generate a comprehensive list of attributes foreign investors can use to assess alternative FDI destination brands. Proprietary country reputation and performance indices reviewed in this thesis can help governments to assess their country risk profile and investors, foreign investors included, to evaluate country risk too. The world has over 190 countries of which 54 of them are in Africa. Consumers vary in how they evaluate alternative brands and pay particular attention to the "evoked set"—a limited number of alternatives they are familiar with that have attributes that deliver the sought-after

benefits (Hollensen, 2010; Kotler & Keller, 2016). Marketers are in a better position to appeal to customers if they know the evaluative criteria or attributes customers use to assess alternative brands (Schiffman *et al*., 2010:440). This thesis focuses on the evaluation of alternatives stage of the consumer decision-making model in general and brand attributes in particular. Its underlying argument is that country marketing or national development policy should address the stakeholder-preferred country brand attributes if countries are to improve their chances to attract FDI. So, this thesis is, to a large extent, a study on consumer decision making as it relates to FDI destination selection criteria from a stakeholder perspective. Consumer decision making (see Table 4.4 above) is an integral part of consumer behaviour.

Consumer behaviour is the behaviour that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs (Schiffman *et al.,* 2010:5). Consumer behaviour entails all consumer activities associated with the purchase, use, and disposal of goods and services, including the consumer emotional, mental, and behavioural responses that precede, determine, or follow these activities (Kardes, Cline & Cronley, 2011:8). Schiffman *et al.* (2010:5) and Kardes, Cline and Cronley (2011:8) argue that the term "consumer behaviour" describes two different consuming entities: the personal or individual consumer and organisational consumer. They also agree that the individual consumer purchases goods and services for own use, for the use of the household or other individuals while organisational consumers, e.g. for-profit and non-profit organisations buy goods and services for their own use or resale to other organisations and individuals. Perhaps, building on this realisation, Hawkins, Best and Coney (2004) and Solomon (2011) suggested a definition of consumer behaviour that integrates the individual and group or organisational consumers. Consumer behaviour is the study of individuals, groups or organisations and the processes they use to select, secure, use and dispose of products, services, experiences, or ideas to satisfy needs (Hawkins, Best & Coney, 2004; Solomon, 2011) and the impacts these processes have on the consumer and society (Hawkins, Best & Coney, 2004).

As evident from current models of consumer behaviour (e.g. Schiffman *et al.,* 2010:434; Kotler & Keller, 2016:174; Blackwell, Miniard & Engel, 2006:83; Hollensen, 2010:117), there are many factors that influence consumer choice besides the consumer decision making process itself. Among the factors are the traditional or original marketing mix

(i.e. product, price, promotion, place, people, physical evidence and processes), macro environment (i.e. political, legal, economic, social, technological, natural, international elements) micro environment (e.g. customers, suppliers, intermediaries, government, media, general public), personal (e.g. age, sex, marital status, education) and psychological e.g. motivation, perception, learning, attitudes, memory, and personality (e.g. see Blackwell, Miniard & Engel, 2006; Blythe, 2008; Hollensen, 2010; Kardes, Cline & Cronley, 2011; Kotler & Keller, 2016; Schiffman *et al.*, 2010). The psychological factors basically link with stereotypes, intangibles and emotions (Kalamova & Konrad, 2010; van de Laar & de Neubourg, 2002) which, although largely ignored in existing FDI determinants studies, affect how countries are perceived by their multiple target audiences—stakeholders. Personality determines where consumers buy and what they consume (Kardes, Cline & Cronley, 2011; Keller, 2013; Schiffman *et al*., 2010). Products are part of consumers "self-defining" process thus consumers are likely to choose brands that interconnect with their personality (Schiffman *et al*., 2010:149). Through brand personality, a brand may take on a personality that assists the customer to connect emotionally with the brand (Dinnie, 2008:42). Applied to countries, the concept of nation brand personality implies that foreign investors, skilled people, tourists, and students may prefer to invest, work, visit and study in a country with a personality matching their own.

The importance of stereotypes and emotions in consumer decision making is evident in Kardes, Cline and Cronley's definition of consumer behaviour given above. The definition emphasises "the consumer emotional, mental, and behavioural responses that precede, determine, or follow the activities associated with the purchase, use, and disposal of goods and services" (Kardes, Cline & Cronley, 2011:8). The importance is also demonstrated in the "emotional view of consumer decision making", which questions economists' assumptions of perfect competition and all-rational consumers portrayed in "the economic view" or rational consumer decision making process model reviewed above (Schiffman *et al*., 2010:429). In practice, all consumers are likely to associate deep feelings or emotion, such as joy, fear, love, hope, sexuality, fantasy, and even a little magic with certain purchases or possessions (Blackwell, Miniard & Engel, 2006; Schiffman *et al*., 2010). Organisational buying is similar to consumer buying (Baker & Hart, 2007; Loudon & Bitta, 1993) because it is people within organisations who make purchase decisions, not the organisations (Loudon & Bitta, 1993:658). The personal emotions of people in the firm's buying centre, i.e. those who sit in the

procurement committee (Baker & Hart, 2007; Kotler & Keller, 2016) are likely to affect the FDI location choice evaluation process. Consequently, the next chapter of this thesis will review both country branding literature (e.g. Adebola, Talabi & Lamidi, 2012; Anholt-GfK Roper, 2016a; FutureBrand, 2014; Dinnie, 2008; Kalamova & Konrad, 2010; Rainisto, 2003; Molainen & Rainisto, 2009; Sartori, Mottironi & Corigliano, 2012; Jacobsen, 2009; Rojas-Me´ndez, 2013) and FDI determinants studies conducted in economics (e.g. Anyanwu, 2012; Bellak, Leibrecht & Stehrer, 2008; Danish & Akram, 2014; Kornecki & Ekanayake, 2012; Razafimahefa & Hamori, 2005; Mohamed & Sidiropoulos, 2010; Hornberger, Battat and Kusek, 2011; Bénassy-Quéré, Coupet & Mayer, 2007; Ledyaeva, Karhunen & Whalley, 2013) to generate a comprehensive highbred set of attributes for evaluating the brand equity, strength or competitiveness of country FDI sub-brands from a stakeholder perspective. The assumption is that foreign investors do not necessarily differentiate between emotions or stereotypes and economic fundamentals or facts when evaluating alternative FDI locations (see e.g. de Laar & de Neubourg, 2002; Dinnie, 2008; Fetscherin, 2010; Njoroge and Okech, 2011; Kalamova & Konrad, 2010; Simons, 2013; Viosca, Bergiel & Balsmeier, 2004). "Stereotyped images are much easier to perceive and remember because they are simplifications of a much more complex reality" (Same & Solarte-Vasquez, 2014:141).

4.5 SUMMARY

This chapter has critically reviewed nation branding literature focusing on the FDI sub-brand, approaches to measuring nation brand equity, and the consumer decision making and FDI destination selection processes. The chapter opened by examining the construct of country branding to clarify the vexing terminologies in this emerging area. Next, it reviewed the literature on the focus areas of nation branding with a special emphasis on FDI and how theories of FDI, developed in economics, relate to country brand management within an FDI endorsed brand context. The chapter then identified and reviewed five-nation brand equity approaches—i.e. CUBBE, COBBE, CUCOBBE, RBVBE, and SOBE. Hitherto this thesis, such a review had hardly been carried out in the domains of nation competitiveness (economics) and nation brand equity (marketing). From the review of the macro theories, it is clear that countries and their governments need not just concern themselves with CUBBE and COBBE, as classical branding literature tends to emphasise, but other brand equities as well, especially SOBE.

Stakeholder-based brand equity theory provides for the participation of a whole range of stakeholders in managing a country as a brand. Lastly, the chapter reviewed the consumer decision making and FDI destination selection concepts. This helped to illuminate how investors evaluate and select investment locations. The chapter has contributed to knowledge by (i) demonstrating how economics and place brand management theories can be blended to build a foundation for exploring nation FDI brand reputation and (ii) identifying, clarifying and reviewing the five macro theories of measuring brand equity. The next chapter will review some micro models of nation branding falling under each of the five perspectives. That chapter will help to clarify how the five schools of thought reviewed in this chapter inform nation brand identity and image attributes within the context of the FDI destination brand.

CHAPTER 5

META-ANALYSIS OF OPERATIONAL MODELS OF NATION BRAND EQUITY

5. META-ANALYSIS OF OPERATIONAL MODELS OF NATION BRAND EQUITY

5.1 INTRODUCTION

Building on from the five approaches to, or macro theories of, nation brand equity and the theory of consumer behaviour reviewed in the previous chapter, this chapter argues that foreign direct investment (FDI) destination selection is a consumption decision like any other. As a result, foreign investors go through the consumer decision making a process like any other consumers to select an investment location. The chapter employs what the researcher calls *theoretical* meta-analysis to deconstruct and categorise over 46 micro or operational models of nation brand equity into a typology of nation brand equity models based on brand equity theories, foundation descriptors, and coverage descriptors. The approaches under which the models were reviewed and catalogued are the customer-based brand equity (CUBBE), company-based brand equity (COBBE), customer- and company-based brand equity (CUCOBBE), the resource-based view of brand equity (RBVBE), and stakeholder-oriented brand equity (SOBE). The researcher assumed that the models were theoretically correlated. Hence he employed [some basic form of] meta-analysis to analyse them (see Rana, Williams & Dwivedi, 2012:3). There is a scarcity of nation branding studies that have employed meta-analysis as an analytical technique in this field. All but two of the 46 models fit perfectly into the five approaches. The two operational frameworks that did not fit into these theories are reviewed under an "unclassified" approach, which implies that there is still a gap in the literature. The chapter makes a fundamental theoretical contribution to the literature by illustrating how a conceptual foundation to identify nation brand components and attributes for assessing FDI destination brand equity can be laid. It makes a further theoretical contribution by cataloguing the frameworks into a typology of nation brand equity models based on brand equity theories, foundation descriptors, and coverage descriptors. As far as this researcher knows, this is one of the first such typologies to dissect nation branding models by their underlying theories in one academic paper.

5.2 DECONSTRUCTION OF COUNTRY BRANDING MICRO MODELS

An extensive review of existing micro models of nation brand equity is necessary because "the determinants of national competitiveness are many and complex" (Fetscherin & Marmier, 2010:59) and "nation branding is complex in nature" (Brand Finance®, 2015:22). Kapferer (2008:123) argues that "[t]he country brand combines information at all levels: from political to social to cultural to economic to tourist, from the past to the present, real and imaginary, in complete syncretism". He further asserts that managing the country brand involves working precisely on the salience of these diverse facets, burying some (by saying nothing) and making others more visible. Given the diversity of the facets of the nation brand and the fact that almost all are in one way or the other relevant to the FDI sub-brand, Table 5.1 below deconstructs or theoretically meta-analyses 46 models of country branding basing on nation brand equity theories, foundation descriptors, and coverage descriptors. The deconstruction focuses on model dimensions, sub-dimensions, and variables to enable detailed characterisation of the models.

Table 5.1: Deconstruction of selected operational models of nation brand equity

Model, Author(s) Conceiving, and Year	Dimensions, Sub-dimensions, Variables and Descriptors
1. Asset-Based Nation Brand Equity (Dinnie, 2008)	**Internal assets** (***Innate assets*** – iconography, landscape, culture; ***Nurtured assets*** – internal buy-in, support for the arts, loyalty levels); **External assets** – (***Vicarious assets*** – country image perceptions, external portrayal in popular music; ***Disseminated assets*** – brand ambassadors, diaspora, brand exports) ***Descriptors:*** *1d = RBVBE; 2a = Academic; 3a = Conceptual; 4a = Bona fide; 5a = Umbrella; 6a = Dimensions (2); 6b = Sub-dimensions (4); 6c = Variables (11)*
2. AT Kearney Foreign Direct Investment Confidence Index® (AT Kearney, 2016)	**Market assets and infrastructure factors** (domestic market size, cost of labour, technological and innovation capabilities, talent and skill level of labour pool, availability of capital in domestic market, R& D capabilities, availability of raw materials and other inputs, availability of land or real estate, quality of transportation infrastructure, quality of electricity infrastructure, quality of telecommunications infrastructure); **Governance and regulations** (regulatory transparency and lack of corruption, general security environment, efficiency of legal and regulatory processes, tax rates and easy of tax payment, ease of moving capital into and out of the country, government incentives for investors, regional or bilateral trade agreements, strength of investor and property rights) ***Descriptors:*** *1a = CUBBE; 2b = Proprietary; 3b = Empirical; 4b = Default; 5b = Sub-brand (FDI); 6a = Dimensions (2); 6c = Variables (19); 7d = Global (25 countries); 8a = Questionnaire – Index (0-3 points); 9b = Primary (survey) data; 10a = Frequency (Annual)* ***Note:*** *Factor solutions varies from year to year; data is presented in percentages*
3. Complex Interdependences of Country Brands Model (FutureBrand, 2006)	**Environmental drivers** (architecture, events, safety, monuments, entertainment, culture); **Market drivers** (tourism, conventions, investment dollars, industry diversification, real estate, employment, population growth); **Segments** (states, provinces, capitals, government departments, cities, economic councils, trade commissions, regions, cultural foundations); **Audiences** (foreign governments, convention & meeting planners, press, tour operators, citizens, corporate, business travellers)

Model, Author(s) Conceiving, and Year	Dimensions, Sub-dimensions, Variables and Descriptors
	Descriptors: *1d = RBVBE; 2a = Proprietary; 3a = Conceptual; 4a = Bona fide; 5a = Umbrella; 6a = Dimensions (4); 6c = Variables (33)*
4. Corruption Perception Index (Transparency International, 2014)	**Dimensions not clearly stated – following summary variables given***:* Widespread bribery, lack of punishment for corruption, public institutions that don't respond to citizens' needs, kickbacks in public procurement, embezzlement of public funds, strength and effectiveness of public sector anti-corruption efforts, etc. ***Descriptors:*** *1c = CUCOBBE; 2b = Proprietary; 3b = Empirical; 4b = Default; 5b = Sub-brand (Corruption); 6d = No dimensions and variables clearly stated; 7c = Global (180 countries); 8a = 100 percentile scale; 9b = Secondary and primary (survey) data; 10a = Frequency (Annual)*
5. Country Brand Index (current and future) (FutureBrand, 2014)	**CBI current dimensions** **Status –** ***Value system*** (political freedom, environmental standards, tolerance); ***Quality of life*** (health and education, standard of living, safety and security, would like to live/study there); ***Business potential*** (good for business, advanced technlogy, good infrastructure); **Experience –** ***Heritage & culture*** (histrorical points of interests, heritage, art & culture, natural beauty); ***Tourism*** (value for money, range of attractions, resorts & lodging options, would like to visit for a vacation, food); ***Made in*** (make products that are authentic, make products of high quality, create unique products, would like to buy products made in that country) **CBI future drivers of country brands** – governance, investment, human capital, growth, sustainability, influence ***Descriptors (based on current dimensions):*** *1a = CUBBE; 2b = Proprietary; 3b = Empirical; 4a = Bona fide; 5a = Umbrella; 6a = Dimensions (2); 6b = Sub-dimensions (6); 6c = Variables (22); 7c = Coverage (global, number of countries not clearly stated); 8c = Instrument (not stated); 8d = Analytic technique (not specified); 9b = Primary (survey) data; 10b = Every two years; 11b = Formula (not revealed)*
6. Hierarchical Decision Model (FutureBrand, 2014)	**Dimensions** - Awareness, Familiarity, Associations, Preference, Consideration, Decision/Visitation, Advocacy ***Descriptors:*** *1a = CUBBE; 2b = Proprietary; 3b = Empirical; 4a = Bona fide; 5a = Umbrella* ***Note:*** *Model is integrated with Country Brand Index above*
7. Country Brand Ranking – Umbrella (Bloom Consulting, 2013)	**Dimensions** - Investment (trade), Tourism, Talent, Pride, Public diplomacy, Exports ***Descriptors:*** *1b = COBBE; 2b = Proprietary; 3a = Conceptual; 4b = Bona fide; 5a = Umbrella (see Model 8 below); 6a = Dimensions (6); 6b = Variables (not stated)* ***Note:*** *Currently the company publishes two indices—tourism and trade (see trade below)*
8. Country Brand Ranking—Trade (Bloom Consulting, 2013)	**Dimensions** – same as in Country Brand Ranking—Umbrella immediately above ***Descriptors:*** *1b = COBBE; 2b = Proprietary; 3b = Empirical; 4a = Bona fide; 5b = Sub-brand (Trade); 6a = Dimensions (5 or 6); 6c = Variables (not clearly stated but can be somewhat inferred from the country brand ranking equation/algorithm); 7c = Global (180+ countries); 8b = 10-point scale; 9c = Secondary and primary-tangible data; 10a = Frequency (annual); 11a = (Formula—given)*
9. Country Brand Strength Index (Fetscherin, 2010)	**Exports** (Actual export values in USD for a country); **Tourism** (Actual tourist arrivals in millions for a country); **FDI** (Actual inward FDI flow in USD for a country); **Immigration** (Actual migration flow into a country); **Governance** (Exercise of political rights, rule of law, public trust, free flow of information, and level of corruption) ***Descriptors:*** *1b = COBBE; 2a = Academic; 3b = Empirical; 4a = Bona fide; 5b = Sub-brand (FDI); 6a = Dimensions (5); 6a = Variables (10); 7c = Global (31 countries); 8b = Theoretical NBI[SM]; 9a = Objective Secondary data*
10. Critical Determinant and Outcome Factors of Nation Branding (Sun, 2009)	**Culture** (Hofstede's individualism and collectivism dimension); **Economics** (gross domestic product per capita, economic development of a country, reputable brands owned by a country, reputable industries in a country); **Infrastructure** (communications infrastructure of a country); **Politics** (Economic Freedom Index); **Geography** (number of commercial natural resources in a country)

Model, Author(s) Conceiving, and Year	Dimensions, Sub-dimensions, Variables and Descriptors
	Descriptors: *1c = CUCOBBE; 2a = Academic; 3b = Empirical; 4a = Bona fide; 5d = Sub-brand (Exports, FDI & Tourism); 6a = Dimensions (5); 6b = Variables (9+); 7c = Global 13 countries (pretest) and 24 countries (final) across six regions; 8b = Econometric, nature of primary data gathering instrument not discussed; 9c = Primary survey and objective secondary data; 11a = Formula (revealed)*
11. Daisy-wheel model of stakeholder brand equities and expectations (Jones, 2005)	**Consumers** (product quality, high reputation, high benefits); **public opinion** (social responsible behaviour, good environmental track record); **governments** (legality of operations, job creation); **NGOs** (social responsible behaviour, good environmental track record); **competitors** (brand strength, reputation, market strength); **media** (social, ethical, environmental & financial responsible behaviour); **distribution partners** (brand strength, reputation); **suppliers** (brand strength, reputation, market strength); **employees** (job security, reputation); and **managers** (marketing position, reputation) ***Descriptors:*** *1e = SOBE; 2a = Academic; 3a = Conceptual; 4a = Bona fide; 5d = Corporate sector; 6a = Dimensions (10); 6b = Variables (24)*
12. Decisive obstacles to FDI inflows in an EMU member state: Greece (Bitzenis, Tsitouras & Vlachos, 2009)	Bureaucracy, taxation system, corruption, corporate tax, labour market structure, unstable legal system, poor development of technology, lack of infrastructure, creation of jobs and subsidies, macroeconomic instability, political violence, poor liberalisation, banking system ***Descriptors:*** *1a = CUBBE; 2a = Academic; 3b = Empirical; 4b = Default; 5b = Sub-brand (FDI); 6c = Variables (15); 7c = Coverage (one country, Greece); 8a = Questionnaire (Yes/No type); 9b = Primary data*
13. Determinants of foreign direct investment in MENA countries (Mohamed & Sidiropoulos, 2010)	**Domestic factors** (market size); **financial market development** (financial market development); **institutional quality variables** (investment profile, corruption); **policy variables** (inflation rate, government spending); **other variables** (infrastructure-telephone, natural resources, market potential, growth potential); **external factors** (global liquidity, trade openness, number of countries) ***Descriptors:*** *1a = COBBE; 2a = Academic; 3b = Empirical; 4b = Default; 5b = Sub-brand (FDI); 6a = Dimensions (5); 6c = Variables (5); 7c = Regional (36 countries in total - 12 MENA & 24 major recipients of FDI in developing countries); 8b = Econometric; 9a = Objective secondary data; 11b = Formula (revealed)*
14. Major Determinants and Hindrances of FDI inflow in Bangladesh (Muchie, Nasrin & Baskaran, 2010)	Economic environment; political climate; institutional factors and government initiatives; and infrastructural facilities ***Descriptors:*** *1a = CUBBE; 2a = Academic; 3b = Empirical; 4b = Default; 5b = Sub-brand (FDI); 6a = Dimensions (4); 7b = One country (Bangladesh); 8a = Interview guide; 9b = Primary data; 10a = Frequency (Once off)*
15. Doing Business (World Bank, 2015)	**Starting a business** (procedures - number, time -days, cost - percentage income per capita, and minimum capital - percentage income per capita); **Dealing with construction permits** (procedures - number, time -days, cost - percentage income per capita); **Getting electricity** (procedures - number, time -days, cost - percentage income per capita), **Registering property** (procedures - their number, time -days, cost - percentage income per capita), **Paying taxes** (payments - number per year, time - hours per year, and total tax rate - percentage profit), **Trading across borders** (documents to export - number, time to export - days, cost to export - US$ per container, documents to import - number, time to import - days, and cost to import - US$ per container); **Getting credit** (strength of legal rights index i.e. 0-10, depth of information, credit information index i.e. 0-6, public registry coverage i.e. percentage adults, & private bureau coverage i.e. percentage of adults) **Protecting investors** (extent of disclosure index i.e. 0-10, extent of director liability index i.e. 0-10, ease of shareholder suits index i.e. 0-10, strength of investor protection i.e. 0-10), **Enforcing contracts** (procedures i.e. number, time i.e. days & cost i.e. percentage of claim), **Resolving insolvency** (time i.e. years, cost i.e. percentage of estate, & recovery rate i.e. cents on the dollar), **Employing workers** (indicators used to gather data not disclosed yet) ***Descriptors:*** *1c = CUCOBBE; 2b = Proprietary; 3b = Empirical; 4b = Default; 5b = Sub-brand (regulations); 6a = Dimensions (11); 6c = Variables (50+); 7c = Global (190 countries; 8a = Percentile scale; 8a = Analytical technique (PCA used to validate the simple equal weighting technique used); 9b = Primary data gathering instrument (interview guide); 10a = Frequency (Annual); 11b = Formula (revealed)*
16. Empirical Internal Stakeholder-Based Brand Equity Model	Internal brand awareness; Internal brand image; Internal brand commitment; Internal brand satisfaction

Model, Author(s) Conceiving, and Year	Dimensions, Sub-dimensions, Variables and Descriptors
for Tourism Destinations (Sartori, Mottironi & Corigliano, 2012)	***Descriptors:*** *1e = SOBE; 2a = Academic; 3b = Empirical; 4a = Bona fide; 5b = Sub-brand (Tourism); 6a = Dimensions (4;Variables (12); 7a = One region within Italy; 8a = 5-point Likert scale; 8b = Factor Analysis (EFA, PCA); 9b = Primary data* **Note:** Mean scores & standard deviation
17. Factors influencing FDI inflows in Kenya's horticultural industry (Njoroge & Okech, 2011)	**Variables** - Poor infrastructure especially road network and telecommunications; cumbersome regulatory framework (bureaucratic and multiple screening and approval system); erratic weather conditions; unfair investment policy requirements for foreign investors; unfavourable labour laws and trade union activities; inadequate policy framework for fair competition; stringent requirement imposed in the EU market ***Descriptors:*** *1a = CUBBE; 2a = Academic; 3a = Empirical; 4a = Default; 5b = Sub-brand (FDI); 6c = Variables (10+); 7b = 1 country (Kenya); 8a = Questionnaire (open- and close-end questions – most likely Likert-type); 8b = Descriptive statistics i.e. percentages*
18. Fragile States Index (FSI) (Fund for Peace, 2014)	**Dimensions i.e. (1) social and economic indicators** – demographic pressures, refugees & internally displaced people (IDPs), group grievance, human flight & and brain drain, uneven economic development, poverty & and economic decline, and **(2) political and military indicators** – state legitimacy, public services, human rights & rule of law, security apparatus, factionalized elites, and external intervention **Social indicators (sub-dimensions and variables)** – ***i. Demographic pressures*** (natural disasters, disease, environment, pollution, food scarcity, malnutrition, water scarcity, population growth, youth bulge, mortality); ***ii. Refugees and Internally Displaced Peoples (IDPs)*** (displacement, refugee camps, IDP camps, disease related to displacement, refugees per capita, IDPs per capita, absorption capacity); ***iii. Group grievance*** (discrimination, powerlessness, ethnic violence, communal violence, sectarian violence, religious violence); ***iv. Human Flight & Brain Drain*** (migration per capita, human capital, emigration of educated population), **Economic Indicators (sub-dimensions and variables)** – ***i. Uneven Economic Development*** (GINI coefficient, the income share of highest 10 percent, the income share of lowest 10 percent, urban versus rural service distribution, access to improved services, slum population); ***ii. Poverty & Economic Decline*** (economic deficit, government debt, unemployment, youth employment, purchasing power, GDP per capita, GDP growth, inflation) **Political and Military Indicators (sub-dimensions and variables)** – ***i. State Legitimacy*** (corruption, government effectiveness, political participation, the electoral process, level of democracy, illicit economy, drug trade, protests and demonstrations, power struggles); ***ii. Public Services*** (policing, criminality, education provision, literacy, water & sanitation, infrastructure, quality healthcare, telephony, internet access, energy reliability, roads), ***ii. Human Rights & Rule of Law*** (press freedom, civil liberties, political freedoms, human trafficking, political prisoners, incarceration, religious persecution, torture, executions; ***iii. Security Apparatus*** (internal conflict, small arms proliferation, riots and protests, fatalities from conflict, military coups, rebel activity, militancy, bombings, political prisoners), ***iv. Factionalized Elites*** (power struggles, defectors, flawed elections, political competition), ***v. External Intervention*** (foreign assistance, presence of peacekeepers, presence of United Nations (UN) missions, foreign military intervention, sanctions, credit rating) ***Descriptors:*** *1b = COBBE; 2b = Proprietary; 3b = Empirical; 4b = Default; 5b = Sub-brand (Country fragility); 6a = Dimensions (3); 6b = Sub-dimensions (12) – multilevel; 6c = Variables (100+); 7c = Global (About 180 countries); 8a = 0-120 scale with 11 bands in all; 8c = Analytical technique (not revealed, but appears to be theoretical factor analysis); 9a = Secondary data; 10a = Frequency (Annual); 11a = Formula (not revealed)*
19. Fully-Inclusive Stakeholder (FIST) Approach (Dinnie, 2008:187)	**Government**; **Public sector organisations** (tourism board, inward investment agency & economic development agency); **Private sector organisations** (trade associations, chambers of commerce, product, service or corporate (PSC) brands); **Citizens** (not-for-profit organisations & diaspora) ***Descriptors:*** *1e = SOBE; 2a = Academic; 3a = Conceptual; 4a = Bona fide.* ***Note:*** *This a methodology for stakeholder mapping; other descriptors not relevant*
20. Global Competitiveness Index (World	**Basic requirements – *Pillar 1: Institutions*** (Property rights, Intellectual property protection, Diversion of public funds, Public trust in politicians, Irregular payments and bribes, Judicial independence, Favouritism in decisions of government officials, Wastefulness of government spending, Burden of government regulation, Efficiency of legal framework in settling disputes,

Model, Author(s) Conceiving, and Year	Dimensions, Sub-dimensions, Variables and Descriptors
Economic Forum, 2014)	Efficiency of legal framework in challenging regulations, Transparency of government policymaking, Business costs of terrorism, Business costs of crime and violence, Organised crime, Reliability of police services, Ethical behaviour of firms, Strength of auditing and reporting standards, Efficacy of corporate boards, Protection of minority shareholders' interests, Strength of investor protection), ***Pillar 2: Infrastructure*** (Quality of overall infrastructure, Quality of roads, Quality of railroad infrastructure, Quality of port infrastructure, Quality of air transport infrastructure, Available airline seat kilometres millions/week, Quality of electricity supply, Mobile-cellular telephone subscriptions/100 pop., Fixed-telephone lines/100 pop.), ***Pillar 3: Macroeconomic environment*** (Government budget balance % GDP, Gross national savings % GDP, Inflation annual % change, Government debt % GDP, Country credit rating); ***Pillar 4: Health and primary education*** (Malaria incidence cases/100,000 pop., Business impact of malaria, Tuberculosis incidence cases/100,000 pop, Business impact of tuberculosis, HIV prevalence % adult pop., Business impact of HIV/AIDS, Infant mortality deaths/1,000 live births; Life expectancy, Quality of primary education, Primary education enrolment rate net %); **Efficiency enhancers** – ***Pillar 5: Higher education and training*** (Secondary education enrolment rate gross %, Tertiary education enrolment rate gross %, Quality of the education system, Quality of math and science education, Quality of management schools, Internet access in schools, Local availability of specialized training services, Extent of staff training); ***Pillar 6: Goods market efficiency*** (Intensity of local competition, Extent of market dominance, Effectiveness of anti-monopoly policy, Effect of taxation on incentives to invest, Total tax rate % profits, Number of procedures to start a business; Time to start a business/days, Agricultural policy costs, Prevalence of non-tariff barriers, Trade tariffs % duty, Prevalence of foreign ownership, Business impact of rules on FDI, Burden of customs procedures, Imports % GDP, Degree of customer orientation, Buyer sophistication), ***Pillar 7: Labour market efficiency*** (Cooperation in labour-employer relations, Flexibility of wage determination, Hiring and firing practices, Redundancy costs, Effect of taxation on incentives to work, Pay and productivity, Reliance on professional management, Country capacity to retain talent, Country capacity to attract talent, Female participation in the labour force/ratio to men), ***Pillar 8: Financial market development*** (Financial services meeting business needs, Affordability of financial services, Financing through local equity market, Ease of access to loans, Venture capital availability, Soundness of banks, Regulation of securities exchanges, Legal rights index), ***Pillar 9: Technological readiness*** (Availability of latest technologies, Firm-level technology absorption, FDI and technology transfer, Internet user/% pop., Fixed-broadband Internet subscriptions/100 pop., Internet bandwidth kb/s/user, Mobile-broadband subscriptions), ***Pillar 10: Market size*** (Domestic market size index, Foreign market size index, GDP (PPP) PPP $ billions, Exports % GDP), **Innovation and sophistication factors** – ***Pillar 11: Business sophistication*** (Local supplier quantity, Local supplier quality, State of cluster development, Nature of competitive advantage, Value chain breadth, Control of international distribution, Production process sophistication, Extent of marketing, Willingness to delegate authority), ***Pillar 12: Innovation*** (Capacity for innovation, Quality of scientific research institutions, Company spending on R&D, University-industry collaboration in R&D, Government procurement of advanced technological products, Availability of scientists and engineers, PCT patent applications applications/million pop.) ***Descriptors:*** *1c = CUCOBBE; 2b = Proprietary; 3b = Empirical; 4b = Default; 5a = Umbrella; 6a = Dimensions (3); 6b = Sub-dimensions (12); 6c = Variables (114); 7c = Global (140 countries); 8a = Partly 7-point scale; 8b = Partly mean scores; theoretical factor analysis; 9c = Objective secondary data and primary (survey) data; 10a = Frequency (Annual); 11a = Formula (Revealed)*
21. Human Development Index (HDI) (United Nations Development Programme, 2014)	**Life expectancy** (Life expectancy at birth), **Education** (Expected years of schooling, Mean years of schooling), **Gross National Income (GNI) per capita** (GNI per capita) ***Descriptors:*** *1d = RBVBE; 2a = Proprietary; 3b = Empirical; 4b = Default; 5b = Sub-brand (Human development); 6a = Dimensions (3); 6c = Variables (Not stated); 7c = Global (188 countries); 10a = Frequency (Annual)* ***Note 1:*** *Compared to Social Progress Index, the Human Development Index is limited in terms of the actual policy issues (i.e. components) a country must address to facilitate human development.* ***Note 2:*** The HDI may be violating the rule of statistics, its longevity and GNI per capita components have one variable each.
22. Ibrahim Index of African	**Safety & Rule of Law** - ***Rule of law*** (Judicial independence, Judicial process, Property rights, Transfers of power, Sanctions), ***Accountability*** (Access to information, Online services, Public

Model, Author(s) Conceiving, and Year	Dimensions, Sub-dimensions, Variables and Descriptors
Governance (IIAG) (Mo Ibrahim Foundation, 2016)	sector accountability & transparency, Accountability of public officials, corruption in government & public officials, diversion of public funds, corruption investigation), ***Personal Safety*** (Safety of the person, police services, Social unrest, Crime, Political violence, Human trafficking), ***National Security*** (Government involvement in armed conflict, domestic armed conflict, Violence by non-state actors, Cross-border tensions, Internally Diplaced people, Political refugees); **Participation Rights** – ***Participation*** (Political participation, Civil society participation, Free & fair elections, election monitoring agencies, legitimacy of political process), ***Rights*** (Freedom of expression, Freedom of association, Civil liberties, Human rights conventions, Human rights violations), ***Gender*** (Gender equality, Women's political participation, Women's labour force participation, Women in the judiciary, Laws on violence against women); **Sustainable Economic Opportunity** - ***Public Management*** (Statistical capacity, Public administration, Diversification, Budget management, Ratio of revenue to expenditure, Fiscal policy, Revenue mobilisation, Transparency of state-owned companies), ***Business Environment*** (Investment climate, Competitive environment, Bureaucracy & red tape, Customs pocedures, Soundness of banks, Employment creation), ***Infrastructure*** (Transport infrastructure [road, rail, & air], Reliable electricity, Digital & IT infrastructure [mobile phone subscribers, household computers, household internet access], Access to water, Water and sanitation services), ***Rural Sector*** (Rural business climate [investment climate for rural businesses, rural financial services, agric. input & produce markets], Rural development resources, Agricultural support system, Agricultural policy costs, Rural land and water, Engagement with rural organisations, Equal representation in rural areas, rural accountability & transparency), **Human Development** – ***Welfare*** (Welfare services, Social safety nets, Social protection & labour, Social exclusion, Poverty/living conditions, Poverty reduction priorities, Narrowing income gaps, Environmental policy, Environmental sustainablity), ***Education*** (Education provision, Education quality, Educational system management, Human resources in primary schools, Primary school completition, Secondary school enrolment, tertiary education enrolment, Literacy), ***Health*** (Basic health services, Public health campaigns, Child mortality, Martenal mortality, Access to sanitation, Undernourishment, Disease [Malaria, Tuberculosis], Immunisation, Ant-Retroviral Treatment) ***Descriptors:*** *1b = COBBE; 2b = Proprietary; 3b = Empirical; 4b = Default; 5b = Sub-brand (Governance); 6a = Dimensions (4); 6b = Sub-dimensions (14), 6c = Variables (95), 7c = All African countries; 8a = Percentile scale, scale also divided into five bands from Low to High; 9a = Secondary data; 10a = Frequency (Annual); 11a = Formula (Provided)*
23. Industrial Relations Index (Ham & Kleiner, 2007)	FDI, Industrial relations system (Union coverage, bargaining centralisation, bargaining level, worker representation, labour law restrictions), Interest rate differences, Tax rate (export-imports), Employment rate, High school graduation rate, GDP per capita, Import percent of GDP, Language complementarities, Distance between countries ***Descriptors:*** 1b = COBBE; 2a = Academic; 3b = Empirical; 4b = Default; 5b = Sub-brand (FDI); 6c = Variables (10+); 7c = OECD (19 countries)
24. Institutional Determinants of Foreign Direct Investment (Bénassy-Quéré, Coupet & Mayer, 2007)	Weak concentration of capital; existence and enforcement of labour laws; information on firms; easiness to enter a market; government efficiency – evolution; information on the quality of goods and services; internal control of banks; easiness to create a company; ability of bank executives; social mobility – recruitment and promotion; lack of corruption; bank and financial supervision; bankruptcy law; competition – banks; decentralisation of wage bargaining; extension of insurance and pension fund sector; contract law; information on banks; guarantee of bank lending (mortgage, etc.); competition – production sector ***Descriptors:*** *1b = COBBE; 2a = Academic; 3b = Empirical; 4a = Default; 5a = Sub-brand (FDI); 6c = Variables (20)*
25. Investor-Based Place Brand Equity Framework (Jacobsen, 2009)	**Place brand actuators** – **Place brand assets** (quality, impression, promotion, awareness, heritage, personality, reputation, trust), **Place brand values** (function, distinction, prestige, identity), Investor-based place brand equity, & Preference in FDI location selection ***Descriptors:*** *1a = CUBBE; 2a = Academic; 3a = Conceptual; 4a = Bona fide; 5b = Sub-brand (FDI); 6a = Dimensions (2); 6c =Variables (12)*
26. Location model (Ledyaeva,	Corruption, resource potential, port, market size, market potential, investment risk, educational level, institutional potential, and roads

Model, Author(s) Conceiving, and Year	Dimensions, Sub-dimensions, Variables and Descriptors
Karhunen & Whalley, 2013)	***Descriptors:*** *1b = COBBE; 2a = Academic; 3b = Empirical; 4b = Default; 5b = Sub-brand (FDI); 6e = Variables (9); 7b = One country (Russia); 8b = Econometric/Regression*
27. Market Attracting FDI: How Much Does Investment Climate Matter? (Hornberger, Battat and Kusek, 2011)	***Market size and investment climate*** (Domestic market growth potential; Proximity to markets or customers; Investment climate; Availability of skilled workforce; Presence of cluster or partner or supplier; Infrastructure and logistics; Lower costs; Technology and R&D infrastructure; Quality of life and language skills; Natural resources; Real estate) ***Descriptors:*** *1b = COBBE; 2a = Academic; 3c = Conceptual; 4b = Default; 5b = Sub-brand (FDI); 6c = Variables (12)*
28. Microeconomic consequences and macroeconomic causes of FDI in southern African economies (Lederman, Mengistae & Xu, 2012)	**Microeconomic causes of FDI** - Share of foreign ownership*, Largest owner*, Firm age*, Loss of sales due to crime*, GDP per capita*, Firing costs*, Low-interest spread*, Government effectiveness* **Macroeconomic causes of FDI** – Schooling, Telephone density*, Adult share of population*, Urban share of population, Population size*, Relative exchange rate*, GDP per capita*, Mean GDP per capita growth in last five years*, Standard deviation of GDP per capita growth in past five years*, Corruption, Trade as percentage of GDP*, Rule of law ***Note: * = significant*** ***Descriptors:*** *1b = COBBE; 2a = Academic; 3b = Empirical; 4b = Default; 5b = Sub-brand (FDI); 6a = Dimensions (2); 6c = Variables (18); 7c = Coverage (13 SADC countries); 8b = Analytical tool (Econometric – correlations); 9a = Secondary data; 10c = Frequency (Once off); 11a = Equations (Revealed)*
29. Nation Brand Impact™ Framework (Brand Finance®, 2013)	Investment; tourism; product and services; and talent ***Descriptors:*** *1c = CUCOBBE; 2b = Proprietary; 3b = Empirical; 4a = Bona fide; 5a = Umbrella; 6a = Dimensions (4); 6c = Variables (Not stated); 7c = Coverage (Global – 100 countries); 8a = Scale (Percentile with 18 cluster ranging from Failing to Exceptional); 8b = Analytical tool (royalty relief mechanism, not stated clearly); 9e = Secondary and primary data; 10c = Frequency (Annual); 11b = Equations (Not revealed)*
30. Nation Brand Index™/SM (Anholt, 2005a, 2013b; Anholt-GfK Roper, 2016a)	Exports; Governance, Culture, People, Tourism, Immigration & Investment ***Descriptors:*** *1a = CUBBE; 2b = Proprietary; 3b = Empirical; 4a = Bona fide; 5a = Umbrella (FDI); 6a = Dimensions (6); 6c = Variables (Not clearly stated, scattered in few country reports available to public); 7c = Coverage (Global – 50 countries); 8a = Scale (7-point scale ranging from extremely favourable to extremely unfavourable); 8b = Analytical tool (Not stated, mean scores used, sometimes converted to mean percentages); 9b = Primary data; 10c = Frequency (Annual, report not freely available but only summary of 10 best performing countries); 11b = Formulae (Not revealed)*
31. Nation Brand Molecule (Rojas-Me´ndez, 2013)	**Economy**—FDI & Immigration, Imports & Exports, Labour Market, Economic Development (Economic Environment, Large Companies, Products & Services, Poverty & Wealth, Natural Resources & Productive Sectors); **Government**—Safety, Army & Militia, Crime & Corruption (Political and Social), Health; **Science & Technology** (Modernisation, Technological Development, Inventions); **Society**—Life Style, Language & Dialects, Demography (Social Values, Personality, Physical Characteristics); **Culture & Heritage**—Colours, Religion, History (Prominent Figures & Celebrities), National Culture (Cultural Attractions & Traditions), Gastronomy, Sports; **Tourism**—Cities & Scenaries, Entertainment, Attractions (Natural, Artificial); **Geography & Nature**—Climate, Geomorphology, Rivers, Lakes & Seas, Geographic Location, Disasters (Natural, Artificial), Flora & Fauna ***Descriptors:*** *1e = SOBE; 2a = Academic; 3b = Empirical; 4a = Bona fide; 5a = Umbrella; 6a = Dimensions (7); 6c = Variables (Around 40); 7c = Coverage (20 countries); 8a = Survey, qualitative, free elicitation process, Sample 520 graduate students); 9b = Primary data*
32. Nation Brands and Foreign Direct Investment (Kalamova & Konrad, 2010)	Nation Brand Index; Population; Set up costs; Voice and accountability; Control of corruption; Government effectiveness; Regulatory quality; Political stability; the rule of law; Market capitalisation, Common language, Free trade agreement, Distance, Skills, Tariffs ***Descriptors:*** *1b = COBBE; 2a = Academic; 3b = Empirical; 4a = Bona fide; 5b = Sub-brand (FDI); 6c = Variables (15+); 7c = Coverage (34 countries); 8b = Econometric/Regression; 9a = Secondary; 10c = Frequency (Once-offl); 11a = Equations (Revealed)*

Model, Author(s) Conceiving, and Year	Dimensions, Sub-dimensions, Variables and Descriptors
33. Nationalism and economic development model (Bond, McCrone & Brown, 2003)	Nationalism ***Descriptors:*** *1d = RBVBE; 2a = Academic; 3b = Conceptual; 4b = Default; 5b = Sub-brand (Economy, FDI); 6a = Dimensions (1); 6c = Variables (None but potentially many); 7c = Coverage (Scotland & Wales)*
34. PESTEL Framework (Bivolaru, Andrei & Purcăroiu, 2009)	**Political** (civil liberties/political rights, press Freedom); **Economic** (GDP, per capita GDP (PPP), GDP growth rate, Exports output, Balance of payments, Current account deficit, FDI, per capita tourism turnover); **Social** (GINI coefficient, literacy rate, primary and secondary and tertiary education enrolment, UN HDI score, level of generalised trust); **Technological change** (WEF—Global Competitiveness Reports); **Environmental** (United Nations Development Programme—Human Development Reports, United Nations Environmental Programme, United Nations Framework Convention on Climate Change); **Legislative** (Corruption Perception Index—Transparency International, Global Corruption Report—Transparency International) ***Descriptors:*** *1f = Unclassified; 2a = Academic; 3b = Empirical; 4a = Bona fide; 5b = Sub-brand (Economy, FDI); 6a = Dimensions (6); 6c = Variables (30+); 7c = Coverage (Romania only); 8b= Analytical technique (Statistical i.e. correlations, reliability, etc), 9a = Secondary data; 11b = Formula (not given)*
35. Stakeholder Model of Brand Equities (Jones, 2005)	*Brand value* – **identify relevant stakeholders** (primary & secondary stakeholders), **identify value of the relationship** (prioritisation - dependency, strategic, salience, actually), **identify nature of the exchange** (functional, symbolic, hedonic), **total communication** (leadership & performance, controlled communication, third party communication), **relationship performance** (outcomes: profitability, reputation, loyalty, synergy, political influence), **environmental factors** (salient issues, macroeconomic factors, political climate, legislation) ***Descriptors:*** *1e =SOBE; 2a = Academic; 3b = Conceptual; 4a = Bona fide; 5c = Corporate sector (Applicable to countries at umbrella & sub-brand levels); 6a = Dimensions (6); 6c = Variables (20+)*
36. Status-Experience Strength Matrix (FutureBrand, 2014)	**Dimensions** – Status and Experience **Sub-dimensions** (First set – as in CBI above, on which it is based) **Sub-dimensions** (Second set – countries, status countries, experience countries, and country brands) **Variables** - in CBI above ***Descriptors:*** *1a = CUBBE; 2b = Proprietary; 3b = Empirical; 4a = Bona fide; 5a = Umbrella; 6a = Dimensions (2); Sub-dimensions (6, as in CBI, plus four country descriptors above); 6c = Variables (22+ as in CBI); 7c = Coverage (About 120 countries); 8b= Analytical technique (based on FutureBrand's CBI); 9b = Primary (survey) data*
37. Success factors of place marketing (Rainisto, 2003) and branding (Moilanen & Rainisto, 2009)	**Inner part of "prism"** (i.e. planning group, vision and strategic analysis, place identity and place image, public-private partnerships, and leadership), **sides of framework 'prism'** (i.e. political unity, global marketplace, local development and process coincidences), and **"how and ability" factors** (i.e. strategic exploitation, organising capacity, presence of substance, measurement and follow up) ***Descriptors:*** *1a =Unclassified (based on depth interviews of place managers); 2a = Academic; 3b = Empirical; 4a = Bona fide; 5a = Umbrella; 6a = Dimensions (2); 6c = Variables (15); 7c = Coverage (Four cities across four developed countries); 8b= Analytical technique (qualitative)*
38. Travel and Tourism Competitiveness Index (WEF, 2013b)	**Subindex A (Travel & Tourism Regulatory Framework) – *Pillar 1: Policy rules and regulations*** (prevalence of foreign ownership, property rights, business impact of rules on FDI, visa requirements, openness of bilateral Air Service Agreements, transparency of government policymaking, time required to start a business, cost to start a business, GATS commitments restrictiveness index of T&T services), ***Pillar 2: Environmental sustainability*** (stringency of environmental regulation, enforcement of environmental regulation, sustainability of T&T industry development, carbon dioxide emissions, particulate matter concentration, threatened species, environmental treaty ratification), ***Pillar 3: Safety and security*** (business costs of terrorism, reliability of police services, business costs of crime and violence, road traffic accidents), ***Pillar 4: Health and hygiene*** (physician density, access to improved sanitation, access to improved drinking water, hospital beds), ***Pillar 5: Prioritisation of Travel & Tourism*** (government prioritisation of the T&T industry, T&T government expenditure, effectiveness of marketing and branding to attract tourists, comprehensiveness of annual T&T data, timeliness of providing

Model, Author(s) Conceiving, and Year	Dimensions, Sub-dimensions, Variables and Descriptors
	monthly/quarterly T&T data), **Subindex B (Travel & Tourism Business Environment & Infrastructure) – *Pillar 6: Air transport infrastructure*** (quality of air transport infrastructure, available seat kilometres, domestic; available seat kilometres, international; Departures per 1,000 population; airport density; number of operating airlines; international air transport network), ***Pillar 7: Ground transport infrastructure*** (quality of roads, quality of railroad infrastructure, quality of port infrastructure, quality of domestic transport network, road density), ***Pillar 8: Tourism infrastructure*** (hotel rooms, presence of major car rental companies, ATMs accepting Visa cards), ***Pillar 9: ICT infrastructure*** (ICT use for business-to-business transactions, ICT use for business-to-consumers transactions, individuals using the Internet, telephone lines, broadband Internet subscribers, mobile telephone subscriptions, mobile broadband subscriptions), ***Pillar 10: Price competitiveness in the T&T industry*** (ticket taxes and airport charges, purchasing power parity, extent and effect of taxation, fuel price levels, hotel price index), **Subindex C: Travel & Tourism Human, Cultural, and Natural Resources – *Pillar 11: Human resources*** (education and training, primary education enrolment, secondary education enrolment, quality of the educational system, local availability of specialised research and training services, extent of staff training, availability of qualified labour, hiring and firing practices, ease of hiring foreign labour, HIV prevalence, business impact of HIV/AIDS, life expectancy), ***Pillar 12: Affinity for Travel & Tourism*** (tourism openness, attitude of population toward foreign visitors, extension of business trips recommended, degree of customer orientation) ***Pillar 13: Natural resources*** (number of World Heritage natural sites, quality of the natural environment, total known species, terrestrial biome protection, marine protected areas), ***Pillar 14: Cultural resources*** (number of World Heritage cultural sites, sports stadiums, number of international fairs and exhibitions, creative industries exports) ***Descriptors:*** *1a = CUCOBBE; 2b = Proprietary; 3b = Empirical; 4a = Default; 5b = Sub-brand (Travel & Tourism); 6a = Dimensions (14); 6b = Sub-dimensions (3); 6c = Variables (79); 7c = Coverage (Global – 140 countries); 8a = Scale (7-point scale); 8b = Anltytical tool (adopted Principal Components Analysis in 2015 to validate the TTCI); 9b = Primary data; 10c = Frequency (Every two years); 11b = Formulae (Revealed, but index is unweighted)*
39. Why foreign direct investment goes where it goes in Africa (Anyanwu, 2012)	Urban population share, GDP per capita, openness, financial development, inflation, exchange rate, infrastructure, human capital, aid, GDP growth, FDI, control of corruption, regulatory quality, the rule of law ***Descriptors:*** *1b = COBBE; 2a = Academic; 3b = Empirical; 4b = Default; 5b = Sub-brand (FDI); 6c = Variables (14); 7c = Coverage (53 African countries); 8b = Econometric/Regression; 9a = Secondary; 10c = Frequency (Once offl; 11a = Equations (Revealed)*
40. Social Progress Index (Social Progress Imperative, 2016a)	**Basic human needs—*Nutrition and Basic Medical Care*** (Undernourishment, Depth of food deficit, Maternal mortality rate, Child mortality rate, Deaths from infectious diseases), ***Water and Sanitation*** (Access to piped water, Rural access to improved water source, Access to improved sanitation facilities), ***Shelter*** (Access to electricity, Availability of affordable housing, Quality of electricity supply, Household air pollution attributable deaths), ***Personal Safety*** (Homicide rate, Level of violent crime, Perceived criminality, Political terror, Traffic deaths) **Foundations of wellbeing—*Access to Basic Knowledge*** (Adult literacy rate, Primary school enrolment, Lower secondary school enrolment, Upper secondary school enrolment, Gender parity in secondary enrolment), ***Access to Information and Communications*** (Mobile telephone subscriptions, Internet users, Press Freedom Index), ***Health and Wellness*** (Life expectancy at 60, Premature deaths from non-communicable diseases, Obesity rate, Suicide rate), ***Environmental Quality*** (Outdoor air pollution attributable deaths, Wastewater treatment, Greenhouse gas emissions, Biodiversity and habitat) **Opportunity—*Personal Rights*** (Political rights, Freedom of speech, Freedom of assembly/association, Freedom of movement, Private property rights), **Personal Freedom and Choice** (Freedom over life choices, Freedom of religion, Early marriage, Satisfied demand for contraception, Corruption), **Tolerance and Inclusion** (Tolerance for immigrants, Tolerance for homosexuals, Discrimination and violence against minorities, Religious tolerance, Community safety net), ***Access to Advanced Education*** (Years of tertiary schooling, Women's average years in school, Inequality in the attainment of education, Globally ranked universities, Percentage of tertiary students enrolled in globally ranked universities)

Model, Author(s) Conceiving, and Year	Dimensions, Sub-dimensions, Variables and Descriptors
	Descriptors: *1b = COBBE; 2b = Proprietary 3b = Empirical; 4b = Default; 5b = Sub-brand (Social Progress); 6a = Dimensions (3); 6b = Sub-dimensions (12); 6c = Variables (54); 7c = Coverage (133 African countries); 8a = Scale (0 to 100); 8b = Analytical technique (Principal Components Analysis); 9a = Secondary data; 10c = Frequency (Annual); 11a = Equations (Revealed)*
41. World Competitiveness Scoreboard/ Yearbook (Institute of Management Development, 2014)	**Economic Performance (83 criteria) (**Domestic Economy, International Trade, International, Investment, Employment, Prices); **Government Efficiency (70 criteria)** (Public Finance, Fiscal Policy, Institutional Framework, Business Legislation, Societal Framework); **Business Efficiency (71 criteria)** (Productivity, Labour Market, Finance, Management Practices, Attitudes and Values), **Infrastructure (114 criteria)** (Basic Infrastructure, Technological Infrastructure, Scientific Infrastructure, Health and Environment, Education) ***Descriptors:*** *1b = CUCOBBE; 2b = Proprietary; 3b = Empirical; 4b = Default; 5b = Umbrella (Social Progress); 6a = Dimensions (4); 6b = Sub-dimensions (20); 6c = Variables (338 overall but 253 only used to calculate index); 7c = Coverage (60 countries); 8a = Scale (1-6, 1-10 and then 0 to 100); 8b = Analytical technique (Standard Deviation-based); 9a = Secondary data; 10c = Frequency (Annual); 11a = Equations (Revealed)*
42. Modified Fombrun-Reputation Institute Country Reputation Index (Passow, Fehlmann & Grahlow, 2005)	**Emotional Appeal** (I respect [COUNTRY], I like [COUNTRY], I trust [COUNTRY]); **Physical Appeal** ([COUNTRY] is a beautiful place, [COUNTRY] has well-educated residents, [COUNTRY] has good infrastructure of roads, housing, services, healthcare, and communications); **Financial Appeal** ([COUNTRY] is an inviting country to do business, [COUNTRY] has well-developed industrial sector, [COUNTRY] is a low tax country, [COUNTRY] is a safe place in which to invest); **Leadership Appeal** ([COUNTRY] has charismatic leaders, [COUNTRY] communicates an appealing vision of the country, [COUNTRY] is well-managed, [COUNTRY] upholds international laws); **Cultural Appeal** ([COUNTRY] is socially and culturally diverse, [COUNTRY] has a rich cultural past, [COUNTRY] offers enjoyable entertainment activities); and **Social Appeal** ([COUNTRY] supports good causes, [COUNTRY] is a responsible member of the global community, [COUNTRY] supports responsible environmental policies) ***Descriptors:*** *1e = SOBE; 2a = Academic; 3b = Empirical; 4a = Bona fide; 5a = Umbrella; 6a = Dimensions (6); 6c = Variables (20); 7c = Coverage (Liechtenstein, Sample 6739); 8a = Scale (10-point scale); 8b = Analytical techniques (Regression, mean scores); 9b = Primary data*
43. Global Innovation Index (Cornell University, Institut Européen d'Administration des Affaires (INSEAD) & World Intellectual Property Organization (WIPO) (2016)	**Institutions – *Political environment*** (Political stability & safety; Government effectiveness), ***Regulatory environment*** (Regulatory Quality, the rule of law, Cost of redundancy dismissal & salary weeks); ***Business environment*** (Ease of starting a business, Ease of resolving insolvency, Ease of paying taxes) **Human capital & research – *Education*** (Expenditure on education and percentage of GDP, Government expenditure/pupil & secondary and percentage GDP/cap, School life expectancy in years, PISA scales in reading & maths & science, Pupil-teacher ratio in secondary schools); ***Tertiary education*** (Tertiary enrolment/% gross, Graduates in science & engineering, Tertiary inbound mobility); ***Research & development*** (R&D)(Researchers, Gross expenditure on R&D as percentage GDP, Global R&D companies/average expenditure of top 3 companies in $US, QS university ranking/average score top 3) **Infrastructure – *Information & communication technologies (ICTs)*** (ICT access, ICT use, Government's online service, E-participation); ***General infrastructure*** (Electricity output i.e. kWh/cap, Logistics performance, Gross capital formation/percentage GDP), ***Ecological sustainability*** (GDP/unit of energy use, Environmental performance, ISO 14001 environmental certificates/billion PPP$ GDP) **Market sophistication – *Credit*** (Ease of getting credit, Domestic credit to private sector/percentage GDP, Microfinance gross loans/percentage GDP), ***Investment*** (Ease of protecting minority investors, Market capitalisation/percentage GDP, Total value of stocks traded/percentage GDP, Venture capital deals/billion PPP$ GDP); ***Trade, competition & market scale*** (Applied tariff rate, Intensity of local competition, Domestic market scale/billion PPP$) **Business sophistication - *Knowledge workers*** (Knowledge-intensive employment/percentage, Firms offering formal training/percentage firms, GERD performed by business – percentage of GDP, GERD financed by business—% percentage, Females employed w/advanced degrees—% total), ***Innovation linkages*** (University/industry research collaboration, State of cluster development, GERD financed by abroad—%, JV–strategic alliance deals/billion PPP$ GDP, Patent families 2+ offices/billion PPP$ GDP), ***Knowledge absorption*** (Intellectual property

Model, Author(s) Conceiving, and Year	Dimensions, Sub-dimensions, Variables and Descriptors
	payments—% total trade, High-tech imports less re-imports—% total trade, ICT services imports—% total trade, FDI net inflows—% GDP, Research talent—% in business enterprise) **Knowledge & technology outputs – Knowledge creation** (Patents by origin/billion PPP$ GDP, PCT patent applications/billion PPP$ GDP, Utility models by origin/billion PPP$ GDP, Scientific & technical articles/billion PPP$ GDP, Citable documents H index); ***Knowledge impact*** (Growth rate of PPP$ GDP/worker, New businesses/000 pop. 15–64, Computer software spending—percentage % GDP, ISO 9001 quality certificates/billion PPP$ GDP, High- & medium-high-tech manufactures), ***Knowledge diffusion*** (Intellectual property receipts—% total trade, High-tech exports less re-exports—% total trade, ICT services exports—% total trade, FDI net outflows—% GDP) **Creative outputs – *Intangible assets*** (Trademarks by origin/billion PPP$ GDP, Industrial designs by origin/billion PPP$ GDP, ICTs & business model creation, ICTs & organisational model creation); ***Creative goods & services*** (Cultural & creative services exports—% of total trade, National feature films/million pop. 15–69, Global entertainment & media market/000 pop. 15–69, Printing & publishing manufactures, Creative goods exports—% total trade); ***Online creativity*** (Generic top-level domains (TLDs)/000 pop. 15–69, Country-code TLDs/000 pop. 15–69, Wikipedia edits/million pop. 15–69, Video uploads on YouTube/pop. 15–69) ***Descriptors:*** *1a = COBBE; 2b = Proprietary; 3b = Empirical; 4b = Default; 5b = Sub-brand (Innovation); 6a = Dimensions (7); Sub-dimensions (21); 6c = Variables (80+); 7c = Coverage (Global, 140+ countries); 8a = Scale (10-point scale converted to percentile scale in the composite index); 8b = Analytical techniques (Regression); 9b = Data (Secondary); 10 = Frequency (Annual); 11b = Equations (Revealed)*
44. Global Manufacturing Competitiveness Index (Deloitte Global & US Council on Competitiveness, 2016)	**Twelve drivers of manufacturing competitiveness:** Talent, cost competitiveness, workforce productivity, supplier network, legal and regulatory system, education infrastructure, physical infrastructure, "economic, trade, financial and tax system", innovation policy and infrastructure, energy policy, local market attractiveness, and health care system. These 12 drivers are mediated by two additional drivers i.e. market forces and government forces. ***Descriptors:*** *1a = CUBBE; 2b = Proprietary; 3b = Empirical; 4b = Default; 5b = Sub-brand (Manufacturing Competitiveness); 6a = Dimensions (14); 6c = Variables (Not clearly stated, unlike in other proprietary indices like Global Competitiveness Index, Global Innovation Index, Social Progress Index); 7c = Coverage (Global, 40 countries); 8a = Scale (10-point scale converted to percentile scale in the composite index); 8b = Analytical techniques (Regression); 9b = Primary; 10c = Frequency (Every two years)*
45. National Diamond Framework (Porter, 1990a)	**Dimensions** – Firm strategy, structure and rivalry; demand conditions; government; related and supporting industries; factor conditions; and chance. **Note:** Items for this model are not listed clearly, but one can infer on some of them from the explanation of the model dimensions. ***Descriptors:*** *1d = RBVBE; 2a = Academic; 3b = Empirical; 4b = Default; 5a = Umbrella; 6a = Dimensions (7); 6c = Variables (Not clearly, see note above); 7c = Coverage (10 countries)*
46. Global Investment Prospects Assessment (UNCTAD)	**No clear dimensions and variables articulated.** ***Descriptors:*** *1e = SOBE; 2b = Proprietary; 3b = Empirical; 4b = Default; 5b = Sub-brand (FDI)*

The descriptive information in Table 5.1 is further analysed and summarised using a typology of operational models of measuring nation brand equity (Table 5.2 below). The typology divides and classifies the 46 models regarding nation brand equity theories, foundation descriptors, and coverage descriptors with 18 sub-descriptors in all hence the title of the chapter. The brand equity theories, descriptors and their constituent sub-descriptors help to clarify each model. The five theories were reviewed in Chapter 4 and are summarised in this

chapter in sections 5.2.1 through 5.2.5 below before nation brand operational models falling under them are reviewed. The section ends with an "unclassified" theory of nation branding, 5.2.6 below, and two models that could not fit in the five approaches are classified under this unclassified approach.

Table 5. 2: A typology of operational models of measuring nation brand equity

Model	Nation Brand Equity Theories						Foundation Descriptors								Coverage Descriptors			
	CUBBE	COBBE	CUCOBBE	RBVBE	SOBE	Unclassified	Academic	Proprietary*	Conceptual	Empirical	Bona fide	Default	Umbrella	Sub-brand	Dimensions	Sub-dimensions	Variables	Countries Covered
1				X			X		X		X		X		2	4	11	
2	X							X		X		X		FDI	2		19	25
3				X				X	X		X		X		4		33	
4			X					X		X		X		Corr				180
5	X							X		X	X		X		2	7	22	
6	X							X		X	X		X					
7		X						X	X		X		X		6			
8		X						X		X	X			Trad	5			180
9		X					X			X	X			FDI	5		10	31
10			X				X			X	X			EIT	5		9+	24
11					X		X		X		X				10		24	
12	X						X			X		X		FDI			15	1
13		X					X			X		X		FDI			5	36
14	X						X			X		X		FDI	4			1
15			X					X		X		X		Reg	11		50+	190
16					X		X			X	X			T	4		12	R1
17	X						X			X		X		FDI			10+	1
18		X						X		X		X		CF	3	12	100	180
19					X		X		X		X							
20			X					X		X		X	X		3	12	114	140
21				X				X		X		X		HD	3		4	188
22		X						X		X		X		Gov	4	14	95	54
23		X					X			X				FDI			11+	19
24		X					X			X		X		FDI			20	52
25	X						X		X		X			FDI	2		12	
26		X					X			X		X		FDI			9	1
27		X					X		X			X		FDI			12	
28		X					X			X		X		FDI	2		18	13
29			X					X		X	X		X		4			100

Model	Nation Brand Equity Theories						Foundation Descriptors								Coverage Descriptors			
	CUBBE	COBBE	CUCOBBE	RBVBE	SOBE	Unclassified	Academic	Proprietary*	Conceptual	Empirical	Bona fide	Default	Umbrella	Sub-brand	Dimensions	Sub-dimensions	Variables	Countries Covered
30	X							X		X	X		X		6			50
31					X		X			X	X		X		7		40+	20
32		X					X			X	X			FDI			15+	34
33				X			X		X			X		Eco	1			2
34						X	X			X	X			Eco	6		30+	1
35					X		X		X		X		X*		6		20+	
36	X							X		X	X		X		2	6	22+	120
37						X	X			X	X		X		2		15	
38			X					X		X		X		T	14	3	79	140
39		X					X			X		X		FDI			14	53
40		X						X		X		X		SP	3	12	54	133
41			X					X		X		X	X		4	20	253	60
42					X		X			X	X		X		6		20	1
43		X						X		X		X		GI	7	21	80	140
44	X							X		X		X		GM	14			40
45				X			X			X		X	X		7			10
46					X			X		X		X		FDI				
Total	10	15	7	5	7	2	25	21	9	37	21	24	15	28	33^	9^^	34**	25*^

Legend 1 (Micro models): 1 = Asset-Based Nation Brand Equity; **2 =** AT Kearney FDI Confidence Index®; **3 =** Complex Interdependences of Country Brands Model; **4 =** Corruption Perception Index; **5 =** Country Brand Index (current and future); **6 =** Hierarchical Decision Model; **7 =** Country Brand Ranking—Umbrella; **8 =** Country Brand Ranking—Trade; **9 =** Country Brand Strength Index; **10 =** Critical Determinant and Outcome Factors of Nation Branding; **11 =** Daisy-wheel model of stakeholder brand equities and expectations; **12 =** Decisive obstacles to FDI inflows in an EMU member state—Greece; **13 =** Determinants of foreign direct investment in MENA countries; **14 =** Major Determinants and Hindrances of FDI inflow in Bangladesh; **15 =** Doing Business; **16 =** Empirical Internal Stakeholder-Based Brand Equity Model for Tourism Destinations; **17 =** Factors influencing FDI inflows in Kenya's horticultural industry; **18 =** Fragile States Index; **19 =** Fully-Inclusive Stakeholder Approach; **20 =** Global Competitiveness Index; **21 =** Human Development Index Programme; **22 =** Ibrahim Index of African Governance; **23 =** Industrial Relations Index; **24 =** Institutional Determinants of Foreign Direct Investment; **25 =** Investor-Based Place Brand Equity Framework; **26 =** Location model; **27 =** Market Attracting FDI—How Much Does Investment Climate Matter?; **28 =** Microeconomic consequences and macroeconomic causes of foreign direct investment in Southern African economies; **29 =** Nation Brand Impact™ Framework; **30 =** Nation Brand Index™; **31 =** Nation Brand Molecule; **32 =** Nation Brands and Foreign Direct Investment; **33** = Nationalism; **34 =** PESTEL Framework; **35 =** Stakeholder Model of Brand Equities; **36 =** Status-Experience Strength Matrix; **37 =** Success factors of place marketing; **38 =** Travel and Tourism Competitiveness Index; **39 =** Why foreign direct investment go where it goes in Africa ; **40 =** Social Progress Index; **41 =** World Competitiveness Scoreboard/Yearbook; **42 =** Modified Fombrun-Reputation Institute Country Reputation Index; **43 =** Global Innovation Index; **44 =** Global Manufacturing Competitiveness Index; **45 =** National Diamond Framework; **46 =** Global Investment Prospects Assessment

Legend 2 (Sub-brands): FDI = Foreign Direct Investment; **Corr =** Corruption; **Trad. =** Trade; **EIT =** Exports, FDI & Tourism; **Reg. =** Regulation; **T =** Tourism; **CF. =** Country Fragility; **HD =** Human Development; **Gov. =** Governance; **Eco =** Economy; **SP =** Social Progress; **GI =** Global Innovation; **GM =** Global Manufacturing

Legend 3 (Coverage descriptors): ^ = Total number of models with dimensions (33); **^^ =** Total number of models with sub-dimensions (9); **** =** Total number of models with variables (34); ***^ =** Total number of models covering at least one country (25)

Within the theories of nation brand equity of the typology, the 46 models are catalogued as follows: 10 are academic, 15 COBBE, seven CUCOBBE, five RBVBE, seven SOBE, and two unclassified. The fact that the researcher only managed to identify seven models guided by the SOBE approach, despite a concerted effort to identify more than this number, is testimony that a participative, stakeholder-driven, perspective to managing country brands is still far from becoming a reality. The typology's foundation descriptors have four pairs of sub-descriptors, i.e. academic (25 models) *versus* proprietary (21 models), conceptual (9 models) *versus* empirical (37), bona fide (21) *versus* default (24), and umbrella (15) *versus* sub-brand (29), each of which helps to deepen knowledge on the existing and future models of nation brand equity. Each of the 46 operational models conceptually meta-analysed in Table 5.2 is suitable for theorising on nation and FDI brand equity.

An **academic nation brand equity model** is developed by academics merely to contribute knowledge to the emerging theory of nation branding. A **proprietary model** or **index** is a model developed and owned by an organisation to address a defined problem in an area of national, regional or international development. A **conceptual model** is a framework designed from a review of existing literature. While it may be useful in extending knowledge about a particular concept, situation, product or brand, a conceptual model is weak in that it has not been validated through primary research. An **empirical model** is a framework that has been validated with a primary study hence its assumptions have empirical backing.

Unlike the two pairs of descriptors defined above, the following pair of descriptors of nation brand equity models is an invention of the researcher. **Bona fide nation brand equity models** qualify as such by virtue of having been developed with the goal of understanding nation brand equity in mind. In other words, bona fide nation branding theorists are fully aware that they are contributing to existing knowledge on nation brands and nation reputation. As a result, bona fide brand equity models are noticeable by their frequent use of terms like brand, brand identity, brand image, brand reputation, and brand equity whether in the context of place branding or corporate branding. On the contrary, **default nation brand equity models** are frameworks that measure one or more aspects of a country brand but are (were) themselves designed without the theorists realising that their models have place branding and/or place

marketing implications. In other words, such models barely, if at all, use marketing and branding language in the manner done by bona fide frameworks explained above.

An **umbrella nation brand model** is a model that includes all possible outcome areas of a nation brand such as exports, tourism, FDI, human capital and culture, governance as opposed to focusing on one or a few areas (see e.g. Dinnie, 2016; Lee, 2009; Pálsdóttir, 2008; Therkelsen & Halkier, 2008; van den Akker, 2011). A model that focuses on one or a few otcome areas is called a **sub-brand model**. Table 5.2 summarises the models in terms of these two descriptors. There are 15 umbrella and 29 sub-brand models in the typology. As evident in Tables 5.2 and 5.3, the majority of the sub-brand models focus on FDI (14); two each focus on the economy, human development/social progress, and tourism. Each of the remaining sub-brand models concentrates on one of the following areas: corruption, trade, EIT (exports, FDI and tourism), regulation (doing business), governance, country fragility, global manufacturing, and global innovation. Table 5.3 also shows the detailed breakdown of the 46 models by nation brand equity approach and foundation descriptors.

Table 5.3: Summary statistics of reviewed operational models of nation branding

Nation Brand Equity Theories	Foundation Descriptors								Sub-Brands											
	Academic	**Proprietary***	**Conceptual**	**Empirical**	**Bona fide**	**Default**	**Umbrella**	**Sub-brand**	FDI	Corruption	Trade	EIT	Regulation	Governance	Country Fragility	Economy	Human Dev./ Social Prog.	Tourism	Global Manufacturing	Global Innovation
CUBBE	4	6	1	9	5	5	4	5	4										1	
COBBE	9	6	2	13	4	9	1	14	9		1			1	1		1			1
CUCOBBE	1	6		7	2	5	3	4		1		1	1					1		
RBVBE	3	2	3	2	2	3	3	2								1	1			
SOBE	6	1	3	4	6	1	3		1									1		
Unclassified	2			2	2		1									1				
Total	**25**	**21**	**9**	**37**	**21**	**23**	**15**	**25**	**14**	**1**	**1**	**1**	**1**	**1**	**1**	**2**	**2**	**2**	**1**	**1**

EIT = Exports, FDI and Tourism

In accordance with the literature, CUBBE and COBBE models dominate the typology while CUCOBBE, RBVBE and SOBE models are in the minority. The typology also shows that

privately-owned frameworks almost co-dominate existing nation brand equity models alongside academic models. This probably shows that practitioners and policymakers have a thirst for models to help them evaluate and formulate national development policies. The typology shows that default brand equity models dominate the models by a slim majority over bona fide models. The ratio of academic to proprietary-owned and bona fide to default country branding models, indeed, confirms the assertion raised by several theorists that nation branding is an emerging field with extensive real-world activity but relatively limited extant theory (e.g. Bisa, 2013; Dinnie, 2008, 2016; Donner, Fort & Vellema, 2014; Kilduff & Tabales, 2017; Rojas-Me´ndez, 2013).

Lastly, the typology (Table 5.2) presents its coverage descriptors, i.e. dimensions (33 models), sub-dimensions (nine models), variables (34 models), and countries covered (25 models). Among the 46 nation brand equity models, 10 are **multilevel** because they comprise dimensions, sub-dimensions and variables i.e. Asset-Based Nation Brand Equity (Dinnie, 2008:68), Country Brand Index (FutureBrand, 2014:9), Fragile States Index (Fund for Peace, 2016:12-13), Global Competitiveness Index (World Economic Forum, 2016:39-40), Ibrahim Index of African Governance (Mo Ibrahim Foundation, 2016:84-85), Status-Experience Strength Matrix (FutureBrand, 2014:9&36), Social Progress Index (Social Progress Imperative, 2016b:10), World Competitiveness Scoreboard/Yearbook (Institute of Management Development, 2014:480), and Global Innovation Index (Cornell University, INSEAD & WIPO, 2016:171), World Travel and Tourism Competitiveness Index (World Economic Forum, 2015b:4&29-30). Multilevel models are more detailed and complex in their conceptualisation and measurement of nation brand equity than simplex models. They measure reputation at variable level, sub-dimension level, dimension level, and lastly composite level, that is, the whole country. Most of the remaining models are simplex as they have either dimensions and variables e.g. Nation Brand Index (Anholt, 2013b; Anholt-GfK Roper, 2016b), Critical Determinants and Outcome Areas of Nation Branding (Sun, 2009) or variables only e.g. Anyanwu (2012), Nation Brands and FDI (Kalamova & Konrad, 2010), Factors influencing FDI inflows in Kenya's horticultural industry (Njoroge & Okech, 2011), and decisive obstacles to FDI inflows in an EMU member state—Greece (Bitzenis, Tsitouras & Vlachos, 2009). All models outside of multilevel models are regarded in this typology as **simplex models** because they have dimensions and variables only or just variables.

The dimensions vary between two and 14, sub-dimensions between four and 21, and variables range between four and 253 (Table 5.2). From the statistics in the coverage dimension of the typology, it is proprietary models that have the most domensions, sub-dimensions, and variables for measuring country brand equity. In his textbook entitled *Nation Branding*, Dinnie (2008:230) acknowledges that the availability of numerous indices, such as the Global Competitiveness Index (GCI) of the World Economic Forum (WEF), can be used to track the performance of different facets of nation brands. Elsewhere in the same textbook, Dinnie also states that "doing business" is a variable of nation brands thus can be linked to the World Bank's Ease of Doing Business Index. Chishamba (2017:8) argues that the Ibrahim Index of African Governance is suitable for analysing perceived investment risk. It is in view of this conceptual evidence that the chapter reviews the 46 country performance tracking models and indices. The assumption is that these models are in one way or another suitable for theorising on the nation and FDI brand equity. In fact, the variety of their dimensions, sub-dimensions, and variables (see Tables 5.1 and 5.2) provides a rich source from which to pick and begin theorising on brand attributes of an FDI destination.

A common weakness of most proprietary models reviewed in this chapter – except the Nation Brand Index^{SM} (Anholt-GfK Roper, 2016b), Country Brand Index (FutureBrand, 2014) and, to some extent, Human Development Index (United Nations Development Programme, 2014), Doing Business (World Bank, 2016), and Global Competitiveness Index (World Economic Forum, 2016) – is that, up until now, they have been barely critiqued in academic literature. So, this thesis may be one of the pioneering comprehensive academic reviews of proprietary-owned country reputation models. The strength of nation brands must be evaluated on a continuing basis (Dinnie, 2008:230). Brand tracking studies or audits provide in-depth information and insights necessary for mapping the long-term strategic direction for the brand (Keller, 2013:300). A shared strength of proprietary nation brand frameworks is that some track country equity overall i.e. tourism, investment, immigration, exports, governance, public diplomacy (e.g. Anholt-GfK Roper, 2016a; Brand Finance®, 2015; FutureBrand, 2014; WEF, 2016) or on specified outcome areas, for instance, doing business (World Bank, 2016), country fragility or instability (Fund for Peace, 2016), global manufacturing competitiveness (Deloitte Global & US Council on Competitiveness, 2015), corruption (Transparency International, 2016b), FDI attractiveness (Bandura, 2005; AT Kearney, 2016; Bloom Consulting, 2013; United Nations Conference on Trade and Development, 2016b), human development and/or

social progress (Social Progress Imperative, 2016b; United Nations Development Programme, 2016), country innovation (Cornell University, INSEAD & WIPO, 2016) on a regular basis, usually annually.

The sections below review the operational models falling within each underlying nation brand equity theory. A review of such a large number of models is necessary because the increasing significance of country image raises the need to analyse and compare these constructs and their effects both in research and practice (Buhmann & Ingenhoff, 2015:103).

5.2.1 Critique of customer-based brand equity (CUBBE) micro models of nation branding

There are several CUBBE operational models of measuring country brand equity. Below, 10 CUBBE models all of which except one (i.e. Jacobsen, 2011) are empirical (i.e. Anholt-GfK Roper, 2016b; AT Kearney, 2014; Bitzenis, Tsitouras & Vlachos, 2009; Deloitte Global & US Council on Competitiveness, 2016; FutureBrand, 2006, 2014; Muchie, Nasrin & Baskaran, 2010; Njoroge & Okech, 2011) are reviewed with FutureBrand's framework being a three-in-one model. Interestingly, four out of the ten frameworks are default country branding models (i.e. AT Kearney, 2016; Bitzenis, Tsitouras & Vlachos, 2009; Muchie, Nasrin & Baskaran, 2010; Njoroge & Okech, 2011) because they are underpinned by economic theory and were not conceived with nation branding in mind. Economic theory is known for its custom of measuring concepts using objective secondary data yet the three methodologies in question here measure the country brand construct using primary survey data. Also, five of the models are proprietary-owned (i.e. Anholt-GfK, 2016b; FutureBrand, 2014; AT Kearney, 2016) and only four are academic (i.e. Bitzenis, Tsitouras & Vlachos, 2009; Jacobsen, 2009; Muchie, Nasrin & Baskaran, 2010; Njoroge & Okech, 2011). The advantage of proprietary models discussed in this section and throughout the chapter is that they track and measure global country brand equity annually. However, models conceived by academics throughout this chapter and thesis are not longitudinal because none of them is associated with a known regular nation brand tracking index.

As highlighted in the previous chapter, the CUBBE perspective measures brand equity from a consumer perspective and rely on primary subjective data. So, all ten frameworks theoretically analysed in this section share equally in the strengths and limitations of the CUBBE paradigm

that *mothers* them. Advocates of the CUBBE theory have a fixation with consumers at the expense of other key stakeholders (e.g. Fetscherin, 2010; Kapferer, 2008; Keller, 2013) and an overreliance on primary survey data as bases for assessing country brand equity.

5.2.1.1 Nation Brand Index® (NBI)

Simon Anholt, who coined the term nation brand in 1996, designed the NBI in 2005 as a tool to measure the image and reputation of nations and to track their profiles as they rise or fall (Anholt-GfK Roper, 2009:4). In 2008, Anholt entered into a partnership with GfK-Roper Public Affairs & Media to offer the Anholt-GfK Roper NBI℠ – an expanded annual NBI® providing governments and their agencies with a unique research resource needed to more effectively manage country reputation. The NBI℠ is a proprietary, empirical and CUBBE-inspired model designed with country branding in mind. It is one of the two most prominent measures to assess country brands, the other one being FutureBrand's CBI reviewed below, to emerge from practitioner-led sources (Csaba & Stöber, 2011; Fetscherin, 2010; Rojas-Me´ndez, 2013). Various researchers acknowledge the NBI's or Anholt's contribution to the development of nation branding theory (e.g. Al-Ghazzi & Kraidy, 2013; Dinnie, 2016; Fanning, 2011; Fetscherin, 2010; Lee, 2009; Marat, 2015; Mariutti & Tench, 2015; Ndlovu & Heath, 2013; Rojas-Me´ndez, 2013; Tinne, 2013; Kalamova & Konrad, 2010; Same & Solarte-Vasquez, 2014; Saraniemi & Ahonen, 2008 to name but a few).

Since 2008, the Anholt-GfK Roper NBI℠ is conducted annually to measure the image of 50 nations. Each year, approximately 20 000 adults ages 18 and over are surveyed online in 20 core panel countries consisting of developed and emerging economies only. Some of the African economies that have been featured in the NBI℠ annual surveys are South Africa, Egypt, Nigeria, and Kenya. However, because of the proprietary nature of the NBI℠, it is impossible to know exactly how many of the remaining 50 countries in the continent have been included to date unless one buys the annual reports.

The Anholt-GfK Roper NBI℠ measures the power and appeal of each country's "brand image" by examining six dimensions of national competence—i.e. exports, governance, culture, people, tourism, immigration and investment (Anholt-GfK Roper, 2009:4). Combined, these

dimensions translate into six sub-indices that constitute the NBI, also known as the Nation Brand Hexagon®.

The effect of **exports** on country reputation is measured in terms of the "country of origin" (COO) effect or brand (Anholt-GfK Roper, 2009; Laforet, 2010)—whether knowing where the product is made increases or decreases people's likelihood of purchasing it, and whether a country has particular strengths in science and technology, and has creative energy (Anholt-GfK Roper, 2009:4). COO branding can be viewed as a pathway for manufacturers to brand a product by taking advantage of the positively perceived image of the country where the product is made or the "made in" label (FutureBrand, 2014; Laforet, 2010; Kapferer, 2008; Keller, 2013). Perceived associations with particular industries in a country summarise that country's image in the export index. Keller (2013:266) notes that many countries are famous for expertise in product categories or for conveying a certain kind of image.

Governments are positioned by the manner they conduct themselves. The **governance** dimension covers perceived competency and honesty of government, respect for citizens' rights and fair treatment, and international behaviour in global peace and security, environmental protection, and world poverty reduction (Anholt-GfK Roper, 2008:1-2). Respondents are also asked to select an adjective that best describes the government in each country included in the survey, but no actual adjectives used in the tool are given in clips of NBI^{SM} reports freely available on the internet.

The cultural aspects of a country, **culture**, is assessed on perceptions of a country's heritage, its existing cultural "vibes" from music, films, art and literature, and the country's excellence in sports. The NBI^{SM} presents many cultural activities of a country to respondents to gauge their strongest images of the country's cultural "product".

Every country is a collection of **people**. The NBI^{SM} evaluates a people's friendliness by whether respondents would feel welcome when visiting the country. Also, the appeal of the people on a personal level is measured by whether respondents want to have a close friend from that country and as human resources on a professional level, that is, how willing respondents would be to hire a well-qualified person from that country. Respondents are also asked to select adjectives out of a list to describe the predominant images they have of the

people in each country. However, examples of the adjectives used are not included in the summarised version of the Anholt-GfK Roper NBI^{SM} report publicly available on the internet.

Tourism is a key aspect in the economic activities of many countries (Brand Finance®, 2013; Fetscherin, 2010; FutureBrand, 2014; Rojas-Me´ndez, 2013). In the NBI^{SM}, a country's tourism appeal is rated in three key areas: natural beauty, historic buildings and monuments, and vibrant city life and urban attractions. Tourism potential is also assessed on how likely respondents would be to visit a country if they can afford and the probable experience represented by adjectives such as "romantic", "stressful", "spiritual", et cetera. However, given the proprietary nature of the NBI^{SM} no further measurement variables apart from those stated above are given. It is fundamental that the tourism dimension is interrogated since the tourism brand has obvious links to the FDI sub-brand by its inclusion in many bona fide country branding models (e.g. Bloom Consulting, 2013; Brand Finance®, 2013; Fetscherin, 2010; FutureBrand, 2014; Rojas-Me´ndez, 2013). That interrogation is done below through the WEF's Travel and Tourism Competitiveness Index (TTCI), which falls under the CUCOBBE macro theory of country branding. A study carried out in India on the causality between FDI and tourism found that FDI has a causal effect on the number of foreign tourist arrivals in India (Selvanathan, Selvanathan & Viswanathan, 2009:17).

Immigration and Investment is the last sub-index in the NBI**.** A country's power to attract talent and capital is measured by whether people would consider studying, working and living in that country and also by the country's economic success, equal opportunity, and lastly the perception that it is a place with a high quality of life. The country's economic and business circumstances – whether static, deteriorating, developing or forward-thinking – complete the assessment in this component (Anholt-GfK Roper, 2009:5).

The overall country NBI^{SM} score is an average of the scores from the six sub-indices or dimensions explained above. Each dimension is assessed with 3 to 5 questions based on a 7-point scale with seven representing the highest and best, 1 being the lowest and worst, and 4 being the middle position which is neither positive nor negative (Anholt-GfK Roper, 2009; Csaba & Stöber, 2011). Given the six NBI^{SM} dimensions, this means that respondents answer between 18 and 30 questions per each of the 20 core countries and this translates to between 360 and 600 questions in total to be answered by each respondent per year. Also, the NBI^{SM}

survey has entry questions concerning respondents' knowledge of and prior experience with the country they are requested to evaluate (Csaba & Stöber, 2011:15) which means the NBI^{SM} questionnaire has 360+ to 600+ questions. "The sheer number of questions that respondents are flooded with makes it unlikely that all of their answers are particularly thoughtful" (Csaba & Stöber, 2011:15). Hence in Egypt, where respondents are not as familiar and experienced with online surveys, survey length has been reduced, resulting in each nation getting approximately 250 ratings (Anholt-GfK Roper, 2009:6). Csaba and Stöber (2011:15) also mourn that Anholt-GfK Roper NBI^{SM} does not shade light on how respondent self-reported familiarity is factored into the results.

Anholt-GfK Roper (2009:3) states that each dimension has a word choice question that assists to enrich the understanding of the characteristics of a nation's image. However, save for the tourism factor, the NBI^{SM} being a proprietary tool does not reveal the adjectives that help to clarify each of the five remaining hexagon points. This reduces the academic value of the model as the full NBI^{SM} report cannot be accessed for review. The NBI^{SM} is weakened by its use of proprietary methodologies with respect to specific questions asked and the aggregation and statistical techniques used (Fetscherin, 2010:468). The private and commercial nature of the NBI shapes the survey in certain ways and imposes certain restraints on how to review it (Csaba &Stöber, 2011:14).

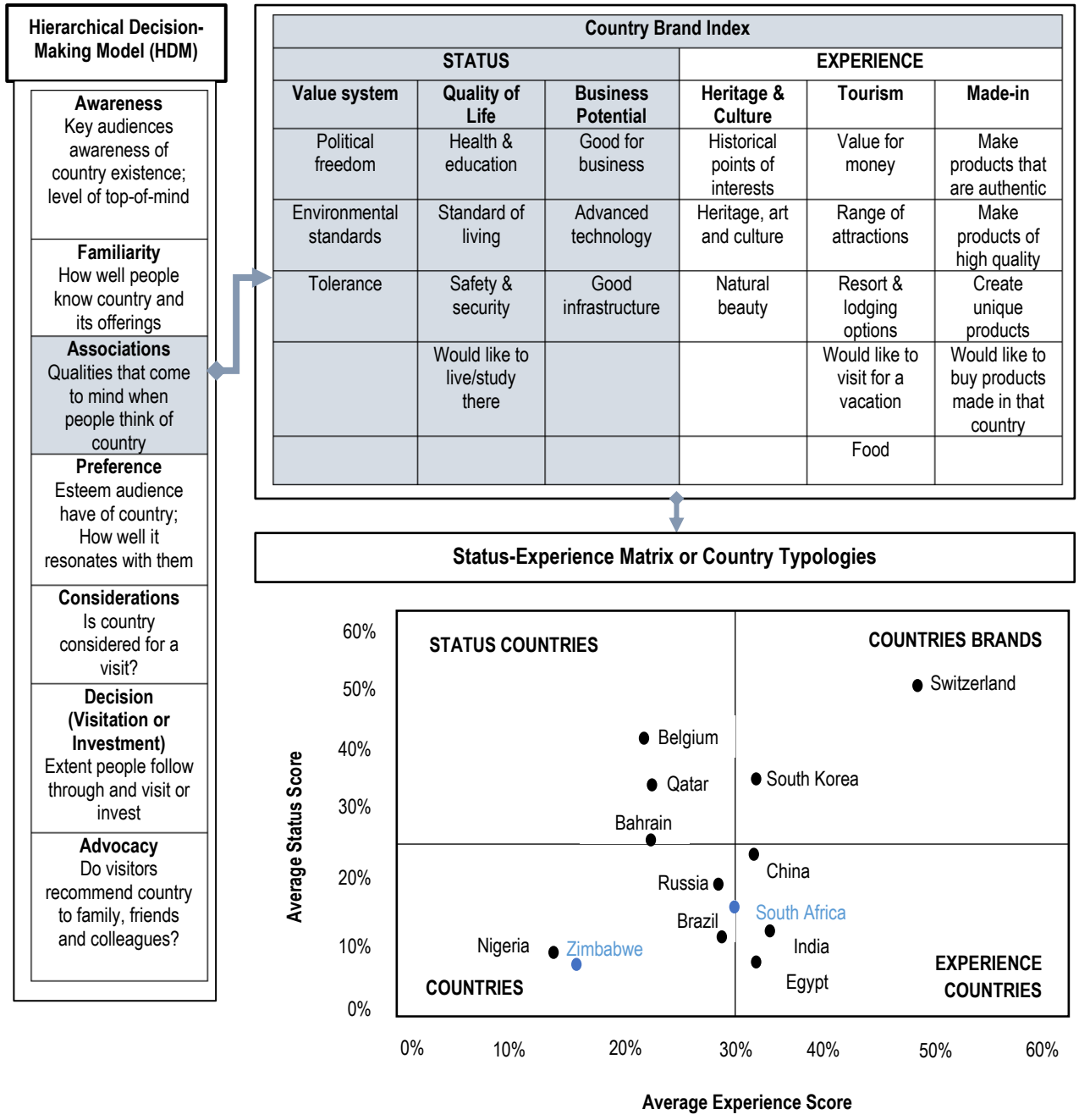
Although the NBI has been extensively applied for several country-branding projects since 2005, it only shows what is being measured but not necessarily what should be assessed in respect of a country brand (Rojas-Me´ndez, 2013:264). Rojas-Me´ndez further infers that the procedure by which the NBI was designed has not been subjected to rigorous academic review and validation. Another glaring limitation of the NBI is that it does not include infrastructure and FDI-drawing natural resources in its measures of nation brands yet other researchers include them (e.g. Adebola, Talabi & Lamidi, 2012; Anyanwu, 2012; Foster & Pushak, 2011; Rojas-Me´ndez, 2013). Perhaps, this shortcoming stems from the fact that the NBI was designed by a practitioner from a highly industrialised country, England, where natural resources endowment and infrastructure are probably taken for granted hence Lasso and Esquivel (2014:8) highlight that the NBI has many shortcomings. *One*, the six dimensions of the NBI do not analyse the effect of a key reputation generator for many countries (Mexico included)—diaspora. *Two*, the index presumes that a country can or should name and portray

a specific identity, yet this denies the varied composition and experiences of countries. *Three*, the NBI supposes that reputation is an objective, independent factor countries must package and deliver precisely and persuasively. Nonetheless, reputation is a relational concept that cannot be generated autonomously from relations with the stakeholders concerned (Lasso & Esquivel, 2014:8). A strength of the NBI^{SM} displays in its interchangeable use of the terms "nation" and "country" on one hand and "image, "reputation" and "brand" on the other (these terms were reviewed in the previous chapter). Of course, as explained in Chapter 4, image and reputation are related but different concepts.

5.2.1.2 Country Brand Index (CBI) and its related models

The CBI is one of the two widely popular frameworks of assessing perceptions on country brands (Fetscherin, 2010; Csaba and Stöber, 2011; Rojas-Me´ndez, 2013). It measures the identity and reputation of countries in the same way as consumer or corporate brands, ranking them according to strength of perception across association dimensions i.e. value system, quality of life, business potential, heritage & culture, tourism, and "made in", which are divided into two composite elements—status and experience (FutureBrand, 2014:4&8). Each of the six dimensions has some variables as shown in Figure 5.1 below. FutureBrand argues that, just like brands, the strengths or weaknesses of perception of a country can determine people's decisions to select them as places to visit, live or invest in. Like many nation brand theorists and consulting firms, such as, Anholt (2013a), Dinnie (2008), FutureBrand (2014:4) agree that the perceptions, if positive, give a country competitive advantage in a global market for tourism, education and investment and country brand research gives evidence for proactive country brand management. As of 2014, FutureBrand added "made in" to the five association dimensions of the CBI making them six. This was inspired by the company's own research that agrees with existing the knowledge that country-of-origin (COO) effects contribute positively to how country brands are perceived (e.g. Kapferer, 2008; Keller, 2013; Laforet, 2011; Sun, 2009).

Figure 5.1: Country Brand Index and its related models



Source: Adapted from FutureBrand (2014:9 & 36)

As evident in Figure 5.1 above, the CBI is a three-in-one model. It comprises the firm's proprietary Hierarchical Decision Model (HDM), country associations (i.e. falling under status and experience) and, as of 2014, country status and experience matrix or country brand typologies. The HDM is a cognitive framework similar to the consumer decision-making model reviewed in the last chapter (e.g. Schiffman *et al.*, 2010; Kardes, Cline & Cronley, 2011; Kotler & Keller, 2016; Blackwell, Miniard & Engel, 2006). It has seven stages that

prospective customers are thought to go through to decide whether they will consume the brand—i.e. awareness, familiarity, associations, preference, consideration, decision/visitation, and advocacy. The HDM stages inform the questionnaire which measures how strongly audiences perceive countries along the association dimensions – value system, quality of life, business potential, heritage & culture, tourism, and made-in – and their respective attributes (see Figure 5.1 above). A country derives competitive advantages from its performance in the association dimensions. FutureBrand collects data from a sample of 2 530 opinion formers and frequent international business or leisure travellers in 17 countries—i.e. United States of America (USA), Canada, Brazil, Argentina, Mexico, United Kingdom (UK), Germany, France, Russia, Turkey, South Africa, United Arab Emirates (UAE), India, China, Thailand, Japan and Australia.

In its 2014-15 report, FutureBrand decided to offer a new classification matrix to help define countries by their perception strength. The portfolio matrix is designed to clarify the current position of each country relative to its peers and maps their distribution across one of four discrete typologies—"Countries", "Status countries", "Experience countries", and "Country brands" (Figure 5.1 above). The classifications are self-explanatory given the status and experience percentages in the figure and the constituent dimensions of each specified in the CBI. The CBI has always suggested that countries with stronger perceptions and higher rank position are also 'stronger' country brands, but by default, all countries qualify as brands (FutureBrand, 2014:4). Nonetheless, FutureBrand acknowledges that it is yet to examine the idea of a minimum threshold of perception strength determining the difference between a "country" and a "country brand" although that appears to be evident in the matrix. For a country to qualify as a "country brand" its *average experience score* should be at least 30 percent, and *average status score* must be at least 25 percent. As hinted in Chapter 3, the weakest of the four country brand portfolio positions in the FutureBrand (2014:7&37) typologies is "countries", which in this thesis is interpreted as a commodity. Besides the enviable "country brands" position the other two – "Status countries" and "Experience countries" – are at least relatively respectable positions.

The CBI is a proprietary CUBBE micro model of measuring the strength of country brands that rely on survey data. It shares most of the same weaknesses as the NBI, which were highlighted above. While the CBI is widely used for several country branding projects worldwide, it is

weakened by its application of proprietary methodologies with respect to specific questions asked and the aggregation and statistical techniques used (Fetscherin, 2010:468). The specific questions asked in the CBI surveys are not available for academic review. In addition, like the NBI, the CBI omits natural resource-endowment in its measures of country brands except from a heritage and natural beauty perspective, which is suitable for tourism and quality of life dimensions than business potential aspects. This shortcoming could be attributed to the fact that the CBI was designed by practitioners based in highly industrialised countries. The CBI only shows what is being measured but not basically what should be assessed in respect of the country brands (Rojas-Me´ndez, 2013:464). Unfortunately, Rojas-Me´ndez also falls short in his critiques of both the CBI and NBI^{SM} because he does not give examples of what exactly should be assessed in country brands. Regardless of its wide use in country branding research, Rojas-Me´ndez (2013:464) mourns that the index has not been subjected to comprehensive academic review and validation.

5.2.1.3 Factors influencing FDI inflows in Kenya's horticultural industry, Determinants of FDI inflow in Bangladesh, and Decisive obstacles to FDI inflows in Greece

Although they reviewed international economics literature, which in this thesis has categorised under financial brand equity or COBBE theory, Njoroge and Okech's (2011) study on factors influencing FDI inflows in Kenya's horticultural industry is, by default, a CUBBE-motivated operational model of assessing nation brands. The factors are a measure of the perception strength of Kenya's horticultural sector as an FDI destination. Njoroge and Okech broke ranks with other theorists in economics by gathering survey data from 185 enterprises to attain their research objectives. They found that the flow of FDI into Kenya's horticultural sector was determined by the following factors—poor infrastructure especially road network and telecommunications, cumbersome regulatory framework (bureaucratic and multiple screening and approval system), erratic weather conditions, unfair investment policy requirements for foreign investors, unfavourable labour laws and trade union activities, inadequate policy framework for fair competition, and stringent requirements imposed in the EU market as measures of FDI destination competitiveness. In fact, these are merely a list of variables demotivating FDI inflows in Kenya rather than determinants as Njoroge and Okech's (2011) paper insinuates. The researchers neither analysed their data using factor analysis nor even

attempted to conceptually group the variables into few theme-related components, which factor analysis entails (see e.g. Singh, 2007; Kothari, 2004; Malhotra & Dash, 2011).

Despite the rich list of measures Njoroge and Okech (2011) suggest, their paper is limited by its focus on the horticultural sector when viewed from the holistic nation FDI context. They might have omitted many relevant indicators in respect of the other sectors in need of FDI. Furthermore, they did not take into account the perceptions of a broad range of key stakeholders except the investing firms. Nonetheless, within the macro theoretical orientation of this thesis, the significance of Njoroge and Okech's paper lies in its use of primary survey data to measure the determinants of FDI in a country. A study of determinants and hindrances of FDI inflow in Bangladesh done by Muchie, Nasrin and Baskaran (2010:14) also relied on survey data gathered from 27 respondents, 17 foreign investors and ten policymakers although their theoretical framework was underpinned by international economics literature. However, the Bangladeshi researchers theoretically clustered the variables into four major determinants and hindrances of FDI inflow in Bangladesh, namely, "economic environment, political climate, institutional factors and government initiatives, and infrastructural facilities". While Muchie, Nasrin & Baskaran's findings are a useful starting point for surveying the relationship between country brands and FDI determinants, their sample of 27 respondents does not meet the minimum requirement of at least 30 elements for large samples hence their results cannot be generalised even to Bangladesh itself let alone other developing countries in Asia and beyond. Nevertheless, three Greek economists whose model has also been deconstructed in Table 5.1 above – Bitzenis, Tsitouras and Vlachos (2009) – studied the decisive FDI obstacles to FDI inflows in an EMU member state, Greece, using survey data. They gathered data from 150 multinational corporations that have invested in Greece, and their results confirm that there are 13 obstacles to FDI inflow in Greece listed in their model in the table above. While their conceptual frameworks are underpinned on economic theory, Njoroge and Okech (2011), Muchie, Nasrin and Baskaran (2010), and Bitzenis, Tsitouras and Vlachos (2009) studied the determinants of FDI in the above-stated respective countries drawing on primary survey data, which is inconsistent with research custom in economics. All three are default CUBBE-inspired nation branding studies focusing on the FDI sub-brand.

5.2.1.4 Investor-Based Place Brand Equity (IBPBE) Framework

As implied by its name, the IBPBE, designed by UK-based academic Bjo¨rn P. Jacobsen, is an academic theoretical framework for measuring the influence of investor-based place brand equity on FDI destination preference. Investors are prospective customers; they may consider buying investment opportunities offered by a place. Jacobsen (2009:70) laments that the use of supply-side (i.e. COBBE) strategies to address the challenges arising from the effects of globalisation, de-regulation, regionalisation and technological developments has contributed to the homogeneity (commoditisation) of places which economic development professionals try to solve by creating place brands. He highlights that the behaviour of the place brand customers (that is, the decision to invest in a given place) is influenced by the assessment of the place brand values which in turn are derived from the perception of place brand assets. Jacobsen (2009:80) hypothesises that the FDI location preference is influenced by investor-based place brand equity which, in turn, is determined by place brand equity actuators or motivators. The motivators are placed brand assets (i.e. quality, impression, promotion, awareness, heritage, personality, reputation, and trust) and place brand values (i.e. function, distinction, prestige, and identity). As denoted by the place brand equity actuators above, the IBPBE framework is similar to models such as Anholt's (2005a) NBI and FutureBrand (2014) CBI reviewed above. Furthermore, notwithstanding that the IBPBE model falls in the CUBBE approach, it is also influenced by the resource-based theory of strategic management (see e.g. Grant, 1991; Hart, 1995; Hollensen, 2010; Barney, 1996; Wernerfelt, 1984; Peteraf, 1993; Dinnie, 2008; FutureBrand, 2006; Sun, 2009; Rojas-Me´ndez, 2013) because it identifies place brand tangible and intangible assets that give a place sustainable competitive advantage. The assets express the perception of the place brand by investors (Jacobsen, 2009:80).

While the IBPBE is a useful starting point of measuring country brand equity, Jacobsen (2009:80) mourns that the framework is entirely conceptual and has not been empirically verified. Another weakness of the model is that it assumes that place brand value is created by customers only, in this case, foreign direct investors. This assumption is questionable because, according to the stakeholder-based brand equity (SBBE) model reviewed later in the chapter, there are various other stakeholder brand equities that are equally important for successful

brand management (Jones, 2005; Hollensen, 2010; Rojas-Me´ndez, 2013). This criticism applies to all models reviewed in this chapter except those falling under the SOBE approach.

5.2.1.5 AT Kearney Foreign Direct Investment (FDI) Confidence Index®

The AT Kearney FDI Confidence Index® is a proprietary, empirical and CUBBE-inspired operational methodology designed by AT Kearney in 1998 to measure foreign direct investor attitudes toward countries. It ranks the world's top 25 countries every year, developing and developed, on how overarching changes in political, economic and regulatory systems and trends are likely to affect FDI inflows into those economies in the coming years (AT Kearney, 2014:3). This means that if a country fails to quality into the league of top 25 FDI national destinations, then it is not featured in the index. Considering the low FDI inflows most African countries attract every year, save for South Africa in some years, the relevancy of this index to the region is somewhat reduced.

AT Kearney, a global management consulting firm of American origin, gathers primary data through a survey administered to senior executives in the world's leading corporations who include corporate-level managers and regional and business heads to construct the index. About 300 companies with global revenue of at least US$1 billion each take part in the survey annually representing about 30 countries and covering all industry sectors. The index is calculated as a weighted mean of the number of high, medium and low responses to questions about the prospect of FDI in a market over the next three years (AT Kearney, 2010:3). Index values ranging from 0 to 3 are based on non-source-country responses. For instance, the index value of a country is calculated without responses from investors in that economy. A low index value suggests unattractive FDI prospects hence a poor ranking. By default, the AT Kearney FDI Confidence Index® is a nation branding model.

Despite that the FDI Confidence Index® shades light on investor attitudes about the future, it does not give reasons for the perceptions (AT Kearney, 2013:2). Secondly, the focus on perceptions of corporate executives alone regarding FDI prospects disregards the place brand values and brand equities of other stakeholders, which are important despite that the stakeholders are not involved in the investment location decision-making process. Thirdly,

while the sample for the index is representative of developed and developing countries, only one African economy, South Africa, has sometimes qualified to be included in the index.

From its inception in 1998, the FDI Confidence Index® has accurately predicted the FDI competitiveness of countries. This has proven the explanatory power of perceptions in predicting FDI location preferences. Since 1998, the ten most attractive FDI destinations predicted in the index have always received at least 50 percent of world FDI inflows about one year after the survey (AT Kearney, 2014:2). The predictive power of perceptions, intangibles, stereotypes or emotions in explaining nation brand, including FDI, competitiveness is confirmed in recent empirical and conceptual literature (e.g. AT Kearney, 2014; de Laar & de Neubourg, 2002; Dinnie, 2008; Kalamova & Konrad, 2010; Simons, 2013; Viosca, Bergiel & Balsmeier, 2004). Interestingly, in the 2015 AT Kearney FDI Confidence index®, respondents agreed that the most important factors their companies considered when choosing where to make foreign investments were domestic market size (25 percent), transparency of government regulations and lack of corruption (22 percent), tax rates and ease of tax payment (21 percent), general security environment (21 percent), cost of labour (20 percent), efficiency of legal and regulatory processes (20 percent), government incentives for investors (18 percent), talent and skill level of labour pool (17 percent), ease of moving capital into and out of country (17 percent), availability of financial capital in domestic market (15 percent), strength of investor and property rights (15 percent), quality of transportation infrastructure (11 percent), availability of raw materials and other inputs (11 percent), country's participation in regional and bilateral trade agreements (11 percent), quality of telecommunications infrastructure (10 percent), quality of electricity infrastructure (8 percent), and availability of land and real estate (8 percent) (AT Kearney, 2015:8). These indicators reflect those of the WEF's Global Competitiveness Index and the World Bank's Doing Business reviewed later in this chapter.

5.2.1.6 Global Manufacturing Competitiveness Index (GMCI)

Created by Deloitte Global & US Council on Competitiveness in 2009 (and first published in 2010), the GMCI is an indication of the influence that manufacturing has on driving the competitiveness of global economies. The index weighted based on company revenues, falls under the CUBBE approach to measuring nation brand equity. It gathers data through a survey instrument developed jointly by Deloitte Global, US Council on Competitiveness, and subject-

area experts at leading companies in the USA which is administered to chief executives and manufacturing business unit leaders. So far only three editions of the GMCI have been published—in 2010, 2013, and 2016 (the latest) hence this a tri-annual index.

The GMCI measures global manufacturing competitiveness on 12 drivers, namely, talent, cost competitiveness, workforce productivity, supplier network, legal and regulatory system, education infrastructure, physical infrastructure, "economic, trade, financial and tax system", innovation policy and infrastructure, energy policy, local market attractiveness, and health care system (Deloitte Global & US Council on Competitiveness, 2016:17). The previous two editions of the index measured global manufacturing competitiveness on ten drivers or determinants (Deloitte Global & US Council on Competitiveness, 2010, 2013) of which the factors that were added in 2016 are workforce productivity and education infrastructure. The 12 drivers are mediated by two additional components, market forces and government forces. Government is one of the two additional factors in the diamond of national advantage model (Porter, 1990a, 1990b) reviewed in the resource-based view of brand equity theory below. Governments are responsible for developing and passing policies that govern company operations. Public policy can affect "the efficiency and effectiveness of a country's workforce, the economic factors that govern its manufacturing processes and partnerships, and the overall manufacturing competitiveness of a nation now and into the future (Deloitte Global & US Council on Competitiveness, 2016:37).

Although as an emerging and privately-owned index the GMCI has so far hardly been reviewed in academic literature, most, if not all, of its drivers and variables are compatible with those of other proprietary time-tested indices (see, e.g. Cornell University, INSEAD & WIPO, 2016; World Bank, 2016a; WEF, 2016). Many of the drivers of global manufacturing competitiveness are also consistent with the determinants of FDI measured in FDI studies done under the classical theory of economics (e.g. Al-Sadig 2009; Andrés, Nunnenkamp & Busse, 2013; Anyanwu 2012; Hornberger, Battat & Kusek 2011; Ledyaeva, Karhune & Whalley 2013; Mohamed & Sidiropoulos 2010) and, to some extent, nation branding models (e.g. Kalamova & Konrad, 2010, Outhavong, 2007; Sun, 2009). This makes the GMCI an emerging but potentially useful default CUBBE-inspired model for measuring the strength of nation brands as destinations for manufacturing investments. Global manufacturing competitiveness is, in fact, the foundation of reputable industries and may later translate into reputable brands.

Countries earn global reputation from "made in" labels or country of origin effect (FutureBrand, 2014; Laforet, 2010; Sun, 2009). Anholt (2005a:130) suggests that once a country's brand image starts to improve, a worthy "circle comes into play: the country promotes the brands and the brands promote the country".

The GMCI started with a sample of 26 countries in 2013, increased it to 38 in 2013, and grew the sample to 40 countries in 2016. One of the strengths of the index is that it measures global manufacturing competitiveness by asking respondents to rate a country's position now and in the next five years (Deloitte Global & US Council on Competitiveness, 2010, 2013, 2016). This enables both country and corporate and policymakers to simultatenously address current and future policy issues underlying a country's performance. One of the major weaknesses of the GMCI is in its coverage of countries. Developed economies and emerging economies in Asia, South America and Central Europe dominate the index, the top manufacturers on the planet. To date only three African countries – Egypt, Nigeria and South Africa – are included in the GMCI sample although its measures are equally important to policymakers in the smallest and least competitive of countries. Given that the GMCI is an emerging proprietary index, it is not possible to tell whether its proprietors will increase the number of countries covered in its sample in future editions and whether developing countries will be a priority at all in that expansion vision. Nonetheless, it is expected that this framework will continue to be published hence will permit longitudinal data analysis in the coming years (Deloitte Global & US Council on Competitiveness, 2013:6). The GMCI surveys chief executives and manufacturing executives' responses on the importance of drivers for manufacturing competitiveness and the current and future ratings of countries in respect of manufacturing competitiveness using 10-point, self-anchoring scales, with "1" representing least competitive and "10" representing extremely competitive (2016:65). The scores are converted to 10-100 scale to give composite GMCI index with 10 representing low competitiveness and 100 representing high competitiveness.

5.2.2 Critique of company-based brand equity (COBBE) micro models of nation branding

As flagged in the COBBE approach in the previous chapter, COBBE micro models of country brand equity are inspired by shareholder value theory. In the shareholder value, approach firms

exist to serve interests of stockholders—their owners (Freeman, 1984; Mitchell, Agle & Wood, 1997; Freeman, Wicks & Parmar, 2004). So, the interests of consumers and other stakeholders are not the priority of corporate management in organisations driven by financial or company-based brand equity. The strength of the COBBE-driven micro frameworks, however, is that they measure actual organisational (i.e. company or country) performance basing on objective secondary data (Fetscherin, 2010:468). Tables 5.1 and 5.2 above deconstructs 15 COBBE operational models (e.g. Anyanwu, 2012; Bénassy-Quéré, Coupet & Mayer, 2007; Bloom Consulting, 2013, 2017a; Fetscherin 2010; Fund for Peace, 2014; Ham & Kleiner, 2007; Hornberger, Battat and Kusek, 2011; Kalamova & Konrad, 2010; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010; Mo Ibrahim Foundation, 2016). Nine of the 15 frameworks are academic (i.e. Fetscherin 2010; Kalamova & Konrad, 2010; Mohamed & Sidiropoulos, 2010; Ham & Kleiner, 2007; Bénassy-Quéré, Coupet & Mayer, 2007; Ledyaeva, Karhunen & Whalley, 2013; Hornberger, Battat & Kusek, 2011; Anyanwu, 2012) and three are proprietary-owned (i.e. Bloom Consulting, 2013; Fund for Peace, 2016; Mo Ibrahim Foundation, 2016). Except for a few, most of the models are empirical. Three academic and conceptual resource-based view brand equity models (i.e. Bond, McCrone & Brown, 2003; Kalfadellis & Gray, 2004; Zhang, 2014) are included in Table 5.1 because of their thematic correlation with the determinants of FDI conceived under the classical economic theory, which is critiqued in this section.

5.2.2.1 Country Brand Strength Index (CBSI)

The CBSI is an academic, empirical and COBBE-stimulated model designed by Swiss academic, Marc Fetscherin, in 2010 to help assess the strength of country brands using objective secondary data. Fetscherin (2010:468) claims that his CBSI has helped to improve "country brand research since it is the first index of its kind that provides objective measurement rather than survey perceptions". This claim may be true in respect of place branding literature alone. However, it may be controversial if viewed in light of the many extant studies on determinants of FDI carried out in the domain of international economics (see e.g. Anyanwu, 2012; Bénassy-Quéré, Coupet & Mayer, 2007; Danish & Akram, 2014; Ham & Kleiner, 2007; Kok & Ersoy, 2009; Somlev & Hoshino, 2005; Razafimahefa & Hamori, 2005) some of which are reviewed below as default nation branding models. While studies on FDI determinants conducted by economics are not designed with country branding in mind, they

essentially fall under the domain of nation branding frameworks conceived from a COBBE paradigm because of a number of reasons. First, their results are based on objective secondary data and econometric modelling, a method which Fetscherin's CBSI also uses. Both literature on determinants of FDI (e.g. Anyanwu, 2012; Kok & Ersoy, 2009; Danish & Akram, 2014; Razafimahefa & Hamori, 2005; Sichei & Kinyondo, 2012; Gentvilaitė, 2010; Ranjan & Agrawal, 2011; Muchie, Nasrin & Baskaran, 2010; Chatterjee, Mishra & Chatterjee, 2013) and the FDI dimension of country brands (e.g. Kalamova and Konrad, 2010; Sun, 2009) share many similarities in variables such as infrastructure, talent (skilled labour), natural resources, and people (population). This paves the pathway for drawing attributes from both clusters of literature when investigating the FDI component of place brands. Third, there are also proprietary COBBE-led operational models that were not originally conceived with country branding in mind but have implications for nation brands because they rely on objective secondary data to rank countries on some predefined reputation construct. Two examples are the Fragile States Index developed by the Fund for Peace in 2005, which measures country fragility or stability, and the Ibrahim Index of African Governance developed by the Mo Ibrahim Foundation in 2001, which assesses the strength of African governments; both of these indices are reviewed later in this subsection.

The CBSI assesses the strength of country brands on five proxy dimensions—exports, tourism, FDI, immigration, and governance which are underpinned on, and explained in exactly the same way as they are, in the NBI^{SM} reviewed above. The more exports, tourism, FDI, and immigration a country has, along with a positive government environment, the stronger the country brand (Fetscherin, 2010:170). This is also largely the underlying hypothesis of the NBI given its similar hexagon dimensions. Fetscherin (2010:173) argues that both the CBSI and the NBI are not just complementary but also interdependent.

However, there are some notable variations between the CBSI and the NBI. First, the two indices are founded on different underlying macro theories of managing country reputation. The CBSI is motivated by the COBBE perspective while the NBI is inspired by the CUBBE paradigm. Second, the CBSI measures actual country brand performance using secondary objective data (actuality) while the NBI draws on subjective survey (perception) data. Consequently, there could be an actuality-perception gap (Fetscherin, 2010:173). Third, the CBSI measures the strengths of a country brand as a whole whereas the NBI provides valuable

information about the reciprocal country perception between countries, which is lacking from the CBSI (Fetscherin, 2010:173). For example, how is South Africa perceived by China or Japan and vice versa? Fourth, the NBI has a sixth dimension, culture, which is not included in the CBSI. Fifth, the NBI treats culture, people and tourism as separate dimensions whereas the CBSI combine these in the tourism component. Sixth, the NBI demerges the investment (FDI) and immigration into two factors whereas the NBI regards them as one. Seventh, since the CBSI is an academic model, its equation(s) and the additive aggregation method it uses are given (see Fetscherin, 2010:470-471). Last, out of the 31 country brands assessed in the CBSI, the majority are industrialised and emerging economies, of which only two of the emerging economies, South Africa and Egypt, are in Africa.

In the CBSI, a country that gets a high score has a strong country brand while one that gets a low score has a weak brand. In his sample, Fetscherin (2010:471) found that Ireland had the highest score (hence was the strongest country brand) and China got the lowest score (so was weakest country brand). According to calculations Fetscherin (2010:474) did with his CBSI equations, he found that most countries perceived positively in the NBI had a strong country brand, and those perceived negatively had a weak country brand. However, there were two groups of outliers in the sample. The first group, with six countries, had positive NBI but weak CBSI. This shows that the strength of the country brand does not fully reflect the positive perception people have of those countries (Fetscherin, 2010:474). The second group, with five countries, had strong CBSI but negative NBI. This shows that negative perceptions do not necessarily weaken the country brand. For instance, although South Africa had the strongest CBSI of –2.67 in the BRICS (see Fetscherin, 2010:472) it is the weakest FDI destination in the diplomatic group (World Bank, 2010-2015; United Nations Conference on Trade and Development, 2008-15). Hence the result of the two outlier groups highlighted above must be the starting point for further investigating what other factors might contribute to an improved assessment of country brand, and particularly reasons for the variance between perceptions and actual performance (Fetscherin, 2010:474). He suggests that the gap could be a result of different approaches, methodologies (e.g. components index versus measurement scale for a survey) or data, or it might be due to a real gap between what people perceive about a country and how the country performs. Given the negative place brand equity characterising countries in Africa (FutureBrand, 2011; Klufio, 2011,

Wanjiru, 2005) it is crucial to establish the extent to which perceptions affect country FDI attractiveness.

5.2.2.2 Nation Brands and Foreign Direct Investment (NB & FDI) Model

Kalamova and Konrad's (2010) NB & FDI model is inspired by the theory of international economics, and in particular, the Knowledge Capital model explained in the next subsection below. As already stated above, FDI determinants studies conducted in international economics are in this thesis categorised under the COBBE macro theory of nation branding. This is because the determinants rely on objective secondary data hence exhibit an inside-out, shareholder-led, orientation, in assessing country competitiveness. Nonetheless, unlike Fetscherin (2010) who only acknowledged the importance of perceptions hence the NBI in influencing FDI behaviour in his CBSI model reviewed above, Kalamova and Konrad tested the perceptions and stereotypes hypothesis using Anholt's NBI as a workhorse. Under the theory of international economics, FDI inflows are normally explained by 'fundamentals' like trade openness, geography, fragmentation of research and development and production facilities (Kalamova & Konrad, 2010:403). While intangible assets such as perceptions, stereotypes and emotions about countries normally do not play any role in economic theories, they can make economic theories more functional because they directly or indirectly motivate investor behaviour (Kalamova & Konrad, 2010; van de Laar & de Neubourg, 2002) and determine how FDI is perceived in host economies (Zhang, 2014:398). For example, Kalamova and Konrad (2010:405) tested the **hypothesis** that "perceptions and stereotypes matter for decisions on FDI, and they even matter if one controls for the 'fundamentals' which standard international economics accounts for". Zhang (2014:400) identified anomalies in perception about FDI and explored how several heuristics and biases can lead to undue fear of investment from China and counterproductive regulatory responses in Western Europe and the USA.

In fact, economists may be failing to fully comprehend the influence of the "brand", brand image or perceptions in assessing FDI destination reputation because of their obsession with "fundamentals—facts or rationale". Assessing country FDI attractiveness basing solely on fundamentals and using objective secondary data is brand identity driven. It does not counterbalance the fundamentals with the brand image perspective, which relies on perceptions

and survey primary data to measure brand strength. Kapferer (2008:123) argues that country names have brand power which influences consumer choices, for good or ill, through the spontaneous associations they evoke and the emotions that they stir up. The notions of "brand" and "branding" recognise that buying decisions are an outcome of the rational and emotional evaluation of each alternative. Rational evaluative criteria are the physical or factual attributes of a brand concerned while emotional criteria are the total "impressions, ideas, opinions and random associations" that prospective customers have stored in their mind about the brand (Hollensen, 2010:410). Consumers blend rational and emotional attributes of brands to form a "brand image" (Ebrahimi, Kashani & Shojaei, 2012; Hollensen, 2010; Keller, 2013; Keller, Parameswaran & Jacob, 2011).

Perception is defined as the process by which an individual, selects, organises, and interprets stimuli into a meaningful and coherent picture of the world (Kardes, Cline & Cronley, 2011; Schiffman *et al*., 2010; Solomon, 2011). Schiffman *et al.* (2010:161) and Kardes, Cline and Cronley (2011:141) agree that perception is unique to each individual in that two people are exposed to the same stimuli under the same conditions would react differently, each according to individual needs, values and expectations. Perception has strategy implications for place marketers "because consumers make decisions based on what they perceive rather than by objective reality" (Schiffman *et al*., 2010:192).

Using secondary objective data on FDI inflows of 30 host countries, Kalamova and Konrad (2010:426) found that the Anholt's NBI has a significant positive effect on FDI: a one-point increase in the index accounts for a 27 percent rise in FDI inflow. They also found that the index plays a role in determining the inbound FDI attractiveness for both developed and developing host countries with the effect being stronger for the former group. These results echo van de Laar and de Neubourg's (2002) findings in an earlier similar study on the effect of emotions on company FDI location decisions. AT Kearney (2013:2) also found that investor attitudes and perceptions about the future determine where they invest. An **attitude** is a learned inclination to behave in a reliably positive or negative way concerning a given object (Schiffman *et al*., 2010:235). Guided by the NBI, Kalamova and Konrad's (2010) model assessed nation brands drawing on population, set up costs, voice and accountability, control and corruption, government effectiveness, regulatory quality, political stability, the rule of law, and market capitalisation. These are the same variables that economists use to measure

determinants of FDI. Nonetheless, Kalamova and Konrad (2010:431) criticise the studies on FDI determinants done by economists for failing to account for important aspects of FDI decisions found in the NBI, such as, perceptions or intangibles and stereotypes that are omitted in fundamental data which explain FDI in the standard foreign trade approach to FDI. Consumer behaviour literature, under which this treatise partly falls, recognises the importance of perceptions and attitudes in shaping customer response (Blackwell, Miniard & Engel, 2006; Blythe, 2008; Kardes, Cline & Cronley, 2011; Schiffman *et al*., 2010; Solomon, 2011). In fact, it is not what is actually so but what consumers think is so that affects their actions and buying habits (Schiffman *et al*., 2010:158). Foreign investors are consumers because they have to choose their FDI destination from among 196 countries on the planet.

The strength of Kalamova and Konrad's nation brands and FDI model lies in its use of perceptions or stereotypes and emotions hence it corroborated the explanatory power of the NBI as a basis for FDI location decisions. However, like all other COBBE theories, the model's major weakness is that it did not survey customer perceptions on those countries to vindicate the NBI. Kalamova and Konrad (2010:431) criticise the studies on FDI determinants done under the theory of international economics for failing to account for important aspects of FDI decisions found in the NBI, such as, perceptions or intangibles and stereotypes that are omitted in fundamental data which explain FDI in the standard foreign trade approach to FDI.

5.2.2.3 Determinants of FDI studies: Classical Theories of Economics

While existing studies on FDI determinants were not conceived with nation branding theory in mind but, as is evident in Tables 5.4 below, they are fundamentally interconnected with the theory. There are two explanations for that interrelation. First, as stated in the previous chapter, many theories of FDI, which inform studies on FDI determinants studies, share a number of assumptions and/or dimensions with country branding models. For example, the Eclectic Paradigm or OLI (Ownership, Location, Internationalisation) Model (Dunning, 1993; Denisia, 2010; Faeth, 2008; Nayak & Choudhury, 2014) shares the natural resources component with the Nation Brand Molecule (Rojas-Me´ndez, 2013) and determinants and outcome factors of nation branding model (Sun, 2009). In addition, the Knowledge Capital Model (Carr, Markusen & Maskus, 1998; Markusen 2002; Chellaraj & Mattoo, 2015; Kurtishi-Kastrati, 2013) shares the talent or skilled people variable with default country branding frameworks

(e.g. Fund for Peace, 2014; IMD, 2013; WEF, 2013b; UNDP 2014) and bona fide models (e.g. Anholt-GfK Roper, 2009; Kalamova & Konrad, 2010; Fetscherin, 2010; Brand Finance®, 2013; Dinnie 2008; Bloom Consulting, 2013). The institutional theory of FDI (Böckem & Tuschke, 2010; Dumludag, 2009) is related to nation branding models (i.e. Bloom Consulting, 2013; IMD, 2013; WEF 2014; World Bank, 2014; Rojas-Me´ndez, 2013) because they all share the institutions and regulations attributes of FDI.

As shown in the deconstruction of selected FDI determinants and country branding models in Table 5.4 below, there is overwhelming evidence showing common variables between the two sides with many theorists on either side supporting them. For example, the FDI determinant "corruption" is supported by many economic theorists (e.g. Ledyaeva, Karhune & Whalley, 2013; Al-Sadig 2009; Anyanwu, 2012; Mohamed & Sidiropoulos, 2010; Tosun, Yurdakul & İyidoğan, 2014) and country branding theoreticians and consultants (e.g. Adebola, Talabi & Lamidi, 2012; Kalamova & Konrad, 2010; Bloom Consulting, 2013; Rojas-Me´ndez, 2013). This is true for all dimensions in the table: infrastructure, natural resources or geography, GDP per capita and poverty, talent, regulatory quality, security, political stability, FDI itself, governance, technology, economy, and labour market. Nonetheless, FDI determinants identified in economics literature are only unique in that they mainly rely on secondary objective data while within the context of country branding the same elements can also be measured flexibly either with survey data, secondary data or both. The determinants of FDI are regarded as fundamentals in economic theory but, as admitted in the previous chapter, the same are nation brand identity attributes. Interestingly, a few economists have broken ranks with their fellows to acknowledge that perceptions, stereotypes, intangibles and emotions matter in explaining FDI behaviour (e.g. Njoroge & Okech, 2011; Muchie, Nasrin & Baskaran, 2010; Kalamova & Konrad, 2010; van de Laar & de Neubourg, 2002; Zhang, 2014; Bitzenis, Tsitouras, & Vlachos, 2009). For instance, Njoroge and Okech's (2011), Muchie, Nasrin & Baskaran's (2010), and Bitzenis, Tsitouras and Vlachos's (2009) drew on survey data to measure the attractiveness of countries as FDI destinations, which is precisely why their studies have been examined under CUBBE micro models of nation branding above. The country brand image is influenced by the country brand identity through communications and perceptions (Buhmann & Ingenhoff, 2015; Dinnie, 2008).

Table 5.4 : Selected FDI and country branding determinants and multidisciplinary supporting theorists

FDI and Country Determinant Variables	Theorist(s) with Models Supporting		
	Economic Theorists	Nation Branding Theorists	Default Country Branding Theorists
Infrastructure	Anyanwu (2012), Bellak and Leibrecht (2011), Mohamed and Sidiropoulos (2010), Lederman, Mengistae and Xu (2012)	Edun (2011), Sun (2009), Adebola, Talabi and Lamidi (2012), Bloom Consulting (2013), Brand Finance (2013)	IMD (2013), Fund for Peace (2014), Mo Ibrahim Foundation (2014), World Bank (2014), WEF (2015)
Corruption	Ledyaeva, Karhune and Whalley (2013), Al-Sadig (2009), Mohamed and Sidiropoulos (2010), Anyanwu (2012), Lederman, Mengistae and Xu (2012), Tosun, Yurdakul and İyidoğan (2014)	Adebola, Talabi and Lamidi (2012), Edun (2011), Kalamova and Konrad (2010), Bloom Consulting (2013), Rojas-Me´ndez (2013)	AT Kearney (2015), IMD (2013), Fund for Peace (2014), Transparency International (2014), World Bank (2014a)
Natural resources or geography	Mohamed and Sidiropoulos (2010), Hornberger, Battat and Kusek (2011), Demirhan and Masca (2008), Andrés, Nunnenkamp and Busse (2013)	Kalamova and Konrad (2010), Sun (2009), Rojas-Me´ndez (2013), Bloom Consulting (2013)	WEF (2013b, 2015b)
Nationalism	McCrone and Brown (2003), Kalfadellis and Gray (2004), Zhang (2014)	Bloom Consulting (2013), Sun (2009) – by implication the variable "national pride."	IMD (2013) – foreign ownership of domestic firms
GDP, GDP per capita, fets	Anyanwu (2012), Bellak, Leibrecht and Stehrer (2008)	Brand Finance (2013)	Fund for Peace (2014)
Population, urban population share	Anyanwu (2012)	Kalamova and Konrad (2010)	Fund for Peace (2014), IMD (2013)
Human capital, talent or skilled labour	Anyanwu (2012), Chellaraj, Maskus and Mattoo (2009), Chellaraj and Mattoo (2015)	Anholt (2005a), Anholt-GfK Roper (2009), Bloom Consulting (2013), Brand Finance® (2013), Dinnie (2008), Fetscherin (2010), Kalamova and Konrad (2010),	Fund for Peace (2014), IMD (2013), UNDP (2014), WEF (2013b)
Regulatory quality, the rule of law, legislation, legal barriers to FDI	Anyanwu (2012), Bellak, Leibrecht and Stehrer (2008), Cywiński and Harasym (2012)	AT Kearney (2014), Kalamova and Konrad (2010), AT Kearney (2014), Bloom Consulting (2013)	Fund for Peace (2014), IMD (2013), Mo Ibrahim Foundation (2014), WEF (2013b; 2015)
Security or insecurity	Delgado *et al*. (2012), Petrović and Stanković (2009)	Adebola, Talabi and Lamidi (2012)	Fund for Peace (2014), IMD (2013), WEF (2013b)
Political risk, system or stability	Bellak, Leibrecht and Stehrer (2008), Satyanand (2011), Hornberger, Battat and Kusek (2011), Satyanand (2011)	Bivolaru, Andrei and Purcăroiu (2009), Kalamova and Konrad (2010), Adebola, Talabi and Lamidi (2012), Sun (2009)	Fund for Peace (2014), IMD (2013), AT Kearney (2014)
Number of countries, competition, or country image or brand abroad	Mohamed and Sidiropoulos (2010)	Simons (2013), Oliva and Stringari (2014), Fetscherin (2010), Anholt (2005)	IMD (2014), WEF (2014)
FDI/Investment	Anyanwu (2012)	Anholt-GfK Ropper (2014) Brand Finance (2013), Bloom Consulting (2013), Dinnie	IMD (2013, 2014)

FDI and Country Determinant Variables	Theorist(s) with Models Supporting		
	Economic Theorists	Nation Branding Theorists	Default Country Branding Theorists
		(2009), Fetscherin (2010), FutureBrand (2014)	
Governance, flawed electoral process	Abala (2014), Dike (2010), Cywiński and Harasym (2012), Lederman, Mengistae and Xu (2012)	Anholt-GfK Roper (2014), Edun (2011), Fetscherin (2010), Kalamova and Konrad (2010), Rojas-Me´ndez (2013)	Fund for Peace (2014), Mo Ibrahim Foundation (2014)
Technology, R&D expenditures, innovation, business sophistication	Bellak, Leibrecht and Stehrer (2008)	Bivolaru, Andrei and Purcăroiu (2009), Bellak, Leibrecht and Stehrer (2008), Rojas-Me´ndez (2013)	IMD (2013), WEF (2014)
Economy, economic policy or system, macroeconomic risk	Bellak, Leibrecht and Stehrer (2008)	Bivolaru, Andrei and Purcăroiu (2009), Rojas-Me´ndez (2013), Adebola, Talabi and Lamidi (2012), Sun (2009)	AT Kearney (2014), Fund for Peace (2014), IMD (2013), WEF (2014)
Industrial relations, labour market efficiency	Ham and Kleiner (2007)	Bloom Consulting (2013)	IMD (2013), WEF (2013b; 2015)

Using the assumptions of above-stated "dissident economists" as workhorses, a selected dimension-by-dimension comparison of FDI determinant models and country branding frameworks, original and default, identifies several variables common to these otherwise seemingly unrelated fields—economics and nation branding. Table 5.4 above identifies several variables common to both FDI determinants models and country reputation frameworks such as infrastructure, corruption, Gross Domestic Product (GDP), poverty, population, security, governance, technology, innovation, economic policy, and labour market efficiency, which are supported by both economics theorists (e.g. Mohamed & Sidiropoulos, 2010; Hornberger, Battat & Kusek, 2011; Demirhan & Masca, 2008; Andrés, Nunnenkamp & Busse, 2013; Anyanwu, 2012; Bellak, Leibrecht & Stehrer, 2008) and their nation branding counterparts (e.g. Kalamova & Konrad, 2010; Sun, 2009; Rojas-Me´ndez, 2013; Adebola, Talabi & Lamidi, 2012) some of which are also economists (e.g. Kalamova & Konrad, 2010). The convergence of economic and nation branding theories is not a surprise; the discipline of consumer behaviour borrows concepts from, among other social sciences, economics and marketing (e.g. Schiffman *et al*., 2010:18; Blackwell, Miniard & Engel, 2006: xxv). Dinnie (2008:20) states that the evolution of nation branding can be traced back to academic fields of national identity and country-of-origin (COO) which interact within the context of economic globalisation, whose opposing effects include simultaneous homogenisation of markets and a growing sense of national identity. The disciplines that have contributed to the founding of nation branding from a national identity perspective include political geography, international relations,

political science, cultural anthropology, social psychology, political philosophy, international law, sociology and history while those that have contributed to it from a COO paradigm are marketing and its sub-streams such as consumer behaviour, advertising and promotional management, brand management, and export marketing (Dinnie, 2008:21). However, it is not clear from Dinnie whether the economic globalisation that is causing the "contradictory effects of concurrent homogenisation of markets and an increasing sense of national identity" is an acknowledgement that the discipline of economics has also contributed, and is contributing, to the emerging theory of country branding. But from the analysis in Table 5.4 above it is clear that economics contributed significantly to "nation branding" long before nation branding emerged as a theory although hardly any economic theorists acknowledge branding as a component of national economic development policy (and it still contributes). Germany economists Kalamova and Konrad (2010) should be among a few exceptions.

The main weakness of FDI determinant studies is that a majority of them rely on secondary data to predict the FDI competitiveness of countries (e.g. Mohamed & Sidiropoulos, 2010; Hornberger, Battat & Kusek, 2011; Demirhan & Masca, 2008; Andrés, Nunnenkamp & Busse, 2013; Anyanwu, 2012; Bellak, Leibrecht & Stehrer, 2008; Lederman, Mengistae & Xu, 2012). Few economists acknowledge that investor perceptions determine the FDI competitiveness of countries (e.g. Bitzenis, Tsitouras, & Vlachos, 2009; Kalamova & Konrad, 2010; Njoroge & Okech, 2011; Muchie, Nasrin & Baskaran, 2010; van de Laar & de Neubourg, 2002; Zhang, 2014). Thus FDI determinants studies suffer from the same weaknesses as all other COBBE-inspired country branding frameworks. Although both tangible and intangible assets are important to any organisation, it is the costly-to-copy and inimitable intangible resources such as capabilities, core competencies and **reputation** (emphasis added) that are a sustainable source of competitive advantage (Hollensen, 2010; Hart, 1995).

5.2.2.4 Fragile States Index (FSI)

The FSI was developed in 2005 as the Failed States Index by the Fund for Peace (FfP), an independent non-profit research and educational organisation that works to prevent violent conflict and promote sustainable security. Classified in this thesis under the COBBE approach because of its reliance on secondary data, the FSI is a comprehensive annual scoring and ranking of 178 nations based on their levels of stability and the pressures they face. The index

is founded on FfP's proprietary Conflict Assessment Software Tool (CAST). Blending social science techniques with information technology, the FfP produced the patented CAST, a content analysis software that provides a theoretical framework and a data gathering procedure for assessing conflict risk (FfP, 2014:39). Weak, fragile and failing countries present a challenge to the global community. "In a highly interconnected world, with a globalised economy, information systems and interlaced security, pressures on one fragile state can have serious repercussions not only for that state and its people but also for its neighbours and other states halfway across the globe" (FfP, 2015:16). For example, the civil war in Syria has triggered the worst refugee crisis for Europe since the World War II.

FfP analyses several documents every year, and by applying highly specialised search boundaries, the FSI apportions scores to every country focusing on 12 key political, social and economic indicators with over 100 sub-indicators (FfP, 2014:3). The 12 key indicators are demographic pressures, group grievance, refugees and internally displaced peoples, brain drain and human flight, uneven economic development, poverty and economic decline, state legitimacy, public services, human rights and the rule of law, security apparatus, factionalised elites, and external intervention. As shown in Table 5.1 above, a number of the key indicators and sub-indicators of the FSI are consistent with the dimensions and sub-dimensions of nation branding indices, such as, the NBI^{SM} (Anholt-GfK Roper, 2016b), CBSI (Fetscherin, 2010), nation branding and FDI (Kalamova & Konrad, 2010), and FDI determinants (e.g. see Anyanwu, 2012; Bellak, Leibrecht & Stehrer, 2008; Satyanand, 2011; Hornberger, Battat & Kusek, 2011; Satyanand, 2011; Cywiński & Harasym, 2012). The FSI scores must be interpreted with the understanding that the lower the score, the better. A lower score indicates an improvement in the stability of the nation while a higher score suggests growing instability. The total score for the FSI is 120 which is divided into 11 categories or bands that are used to interpret the index: *Very Sustainable* = 1-19.9, *Sustainable* = 20.0-29.9, *Very Stable* = 30.0-39.9, *More Stable* = 40.0-49.9, *Stable* = 50.0-59.9, *Warning* = 60.0-69.9, *Elevated Warning* = 70.0-79.9, *High Warning* = 80.0-89.9, *Alert* = 90.0-99.9, *High Alert* = 100.0-109.9, and *Very High Alert* = 110-120 (see FfP, 2016:6-7). Notwithstanding its benefits as an early warning and positioning system, the FSI may be rejected by some politicians because of some of its band descriptors like "warning", "elevated warning", and "high warning", which may be associated with negative stereotypes and stigma. A country's overall score and its indicator scores are a more important and accurate indicator of a country's performance than its overall ranking,

hence as much as countries should be compared against each other, it is more useful to compare a country against itself, over time using indicator scores (FfP, 2015:3).

In 2016, there were four African countries in the Very High Alert bracket: Somalia, South Sudan, Central African Republic, and Democratic Republic of Congo. There are also four African countries in the High Alert cluster, namely, Burundi, Nigeria, Guinea, and Zimbabwe. The bulk of the remaining African countries were in the Alert and Very High Warning clusters. The fact that only one African country, Mauritius, is in the *More Stable* category (see Table 3.48 in Chapter 3; FFP, 2016:6) confirms the stigma with which Africa is associated and in this case, should be a cause for concern because the perception is backed by empirical evidence. The continent has earned the stereotype from its characterisation focusing on doom, pandemics including HIV and AIDS, poverty, underdevelopment, political instability or civil unrest, war, famine, malnutrition, corruption, and poor infrastructure (Ong'ayo, 2008; FutureBrand, 2011; Kyriacou & Cromwell, 2004; Osei & Gbadamos, 2010; Wanjiru, 2005).

Although the FSI may be criticised for not using primary survey, its 12 key indicators could possibly be used to measure perceptions of country brands in the same manner that the NBI^{SM} (Anholt-GfK Roper, 2016b) and CBI (FutureBrand, 2014) are doing. Country fragility or instability is a subjective construct. So, it can be measured through survey data drawn from a range of stakeholders: citizens, civil society, diplomats, political scientists, and other academics. Survey primary data could be used to validate the results inferred from secondary data using the current methodology of the FSI. The fact that the FSI and its CAST analytical platform are proprietary technologies means that their statistical formulae and aggregation methods are not in the public domain. While the forerunner of the FSI, the Failed States Index, got the attention the FfP intended, politicians in conflict-affected countries cleverly dismissed it altogether as well as their obligations to solve the issues it highlighted (FfP, 2014:8). The label "failed state" is unsympathetic and might have attracted stigma that led politicians in conflict-affected countries to reject the index altogether. However, time will tell whether the label "fragile state" and some of the band descriptors already described will lead to acceptance of the index.

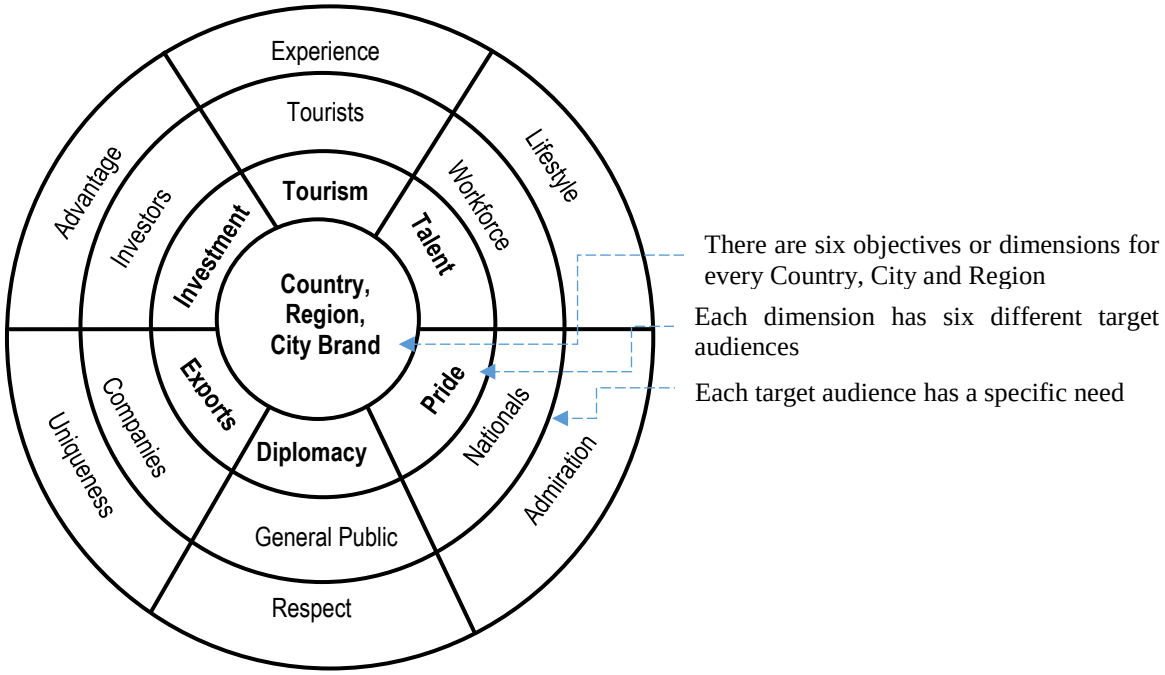
Despite the dismissive attitude of some politicians towards the index, the FSI remains a vital governance reputation index and early warning system to the world community about the

conflicts about to erupt in some countries. Many of the countries the index predicted as unstable such as Burundi, South Sudan, Central African Republic, Rwanda, Syria, and Afghanistan have, or previously, descended into chaos. For example, an estimated 800 000 to 1 million people were slaughtered in the Rwandan genocide in the space of three months in 1994 (Verwimp, 2004; Christian Aid, 2004). An early warning system such as the FSI is fundamental; it alerts concerned stakeholders about conflicts that may be about to erupt. Given its factors and sub-factors as described above and in Chapter 3, the FSI also appears to be a vital governance reputation and risk assessment index for businesses including foreign investors.

5.2.2.5 Country Brand Ranking© (CBR)

The CBR is an umbrella COBBE-inspired proprietary framework designed by Bloom Consulting in 2003 to analyse country brands. Presently, the company assesses brand performance of over 180 countries and territories worldwide annually focusing on six objectives and/or dimensions of the model's Country, Region and City (CRC) Branding wheel: investment, tourism, talent, pride, public diplomacy, and exports (see Figure 5.2 below). National pride as a dimension of nation branding is supported in the academic literature (Anholt, 2005a; Moilanen & Rainisto, 2009; Sun, 2009). Nonetheless, the latest CRC branding wheel has now reduced to five objectives or dimensions by collapsing the pride and public diplomacy objectives into one objective, prominence, which entails "increasing public diplomacy efforts" (Bloom Consulting, 2017a:3). Each dimension has different target audiences with unique needs (Bloom Consulting, 2013, 2017a). The audiences for each objective are shown in the CRC branding wheel, i.e. investors, tourists, workforce, nationals, the general public, and companies (exporters). However, in the revised CRC model, the audience for the prominence objective is the general public (Bloom Consulting, 2017:3).

Figure 5.2: Country, Region and City Branding Wheel



Source: Bloom Consulting (2013:3)

Considering the dimensions, the CBR model echoes a number of extant nation branding tools such as Anholt GfK Roper's NBI[SM], FutureBrand's CBI, Fetscherin's (2010) CBSI, Kalamova and Korad's (2010) nation brands and FDI, and Sun's (2009) determinants and outcomes of nation branding. However, the CBR-Trade, which presently focuses on investment is COBBE-inspired, is unique in that it incorporates variables such as the Online Search Demand (OSD©) and the Country Brand Strategy Rating (CBS Rating©). The OSD© measures the online appeal of a country and the Country Brand Strategy (CBS) Rating© which assesses the effectiveness of a country's communication efforts. The OSD© and CBS Rating© enable the company to categorise and evaluate country brand performance in the investment, tourism and talent dimensions drawing on hard data rather than perceptions, surveys or expert opinions (Bloom Consulting, 2013:1) hence its classification under the COBBE approach in this thesis. Bloom Consulting admits that the remaining three of the six objectives of country branding (i.e. pride, public diplomacy, and exports) can be measured using intangibles. However, the CBR trade (which covers investment) submodel is COBBE. Bloom Consulting hypothesises that, to determine the CBS Rating© in respect of the trade or investment dimension, the CBR is an aggregation of net FDI inflows, net FDI growth, OSD© (business environment, country

characteristics, sectorial expertise) and CBS Rating©, and official website and social media performance. This is expressed by the following simplified equation or algorithm:

> *CBS Investment (Trade) Rating© = net FDI inflows + net FDI growth + OSD© (business environment, country characteristics, sectorial expertise) + CBS Rating© + plus official website + social media performance*

While the CBR (trade version) solely relies on secondary data, its CBS Rating© tool measures performance of a country brand on a 10-point scale ranging from AAA = Very Strong to D = Poor. Unlike other proprietary nation branding tools such as Anholt GfK Ropper's NBI℠, FutureBrand's CBI, and Brand Finance's NBIF™, the strength of CBR model as evident above is that its proprietor, Blooms, actually gives the algorithm or equation that the firm uses to calculate each country's ranking. This means that researchers, nation brand managers, and policymakers can interrogate the formula to determine if it meets the tests of rigour, objectivity and suitability.

Bloom Consulting (2013:7) also gives a full list of the "brand tags" or attributes totalling at least 50 analysed via its OSD© categorised under three major variables: business environment, country characteristics, and sectoral expertise. The *business environment* is analysed in the OSD© using the following brand tags: access to consumer markets, ease of doing business, entrepreneurship, ecosystem, FDI records, government support, investment incentives, labour market policy, legal system, monetary policy, open market economy, tax policies, and workforce. *Country characteristics* are assessed using the following attributes: corruption level, cost of living, growing economy, infrastructure & logistics facilities, natural resources, political stability, quality of life, security & safety, social welfare, strategic location, a strong economy, and utilities. Lastly, *sectorial expertise* is measured through the following variables: advanced sciences industry, agriculture sector, automotive industry, chemical industry, construction industry, creative industry, education sector, energy sector, financial services sector, food processing industry, information technology (IT) industry, manufacturing industry, wood industry, mining industry, medical care sector, metal industry, logistics and transport industry, oil & gas industry, pharmaceutical industry, professional services sector, real estate industry, renewable energy sector, research & development industry, retail industry, tourism industry, and aerospace and military industry. The inclusion of a detailed list of brand

tags in the sectoral expertise of the OSD© gives the CBR model a unique feature rarely given such attention in other models reviewed in this chapter.

In 2016 Bloom Consulting developed and now publishes the Digital Country Index (DCI), which measures the brand appeal of countries and territories in the digital world. The DCI has published annually alongside the CBR based on CBR objectives. However, the fact that the CBR uses archival data means that it does not take into account stakeholder involvement and perceptions in designing, implementing and measuring country brand. This is despite that the model acknowledges that each of its 3T model – i.e. tourism, trade and talent – has six audiences covering the six dimensions of the CBR model. Also, if the nation brand is measured from the context of all six objectives, the model may turn into a CUCOBBE approach to branding since Bloom Consulting says the three remaining dimensions are measured with survey data. Bloom Consulting argues that its methodology focuses on isolating each objective or dimension to develop unique and tailored strategies for all five dimensions. The justification for isolating the dimensions is that a single, narrower strategy cannot possibly satisfy the needs of such a diverse range of brand target audiences and markets hence any country, region, or city seeking a professional branding technique design tailored strategies for the needs of each target market (Bloom Consulting, 2017a:3).

5.2.2.6 Ibrahim Index of African Governance (IIAG)

The IIAG is a composite or multifactorial index constructed by combining underlying indicators in a standardised manner to statistically measure governance performance in African countries (Mo Ibrahim Foundation, 2011:6). With about 95 indicators drawn from over 30 independent African and global sources, the IIAG was designed by the Mo Ibrahim Foundation in 2006 hence is proprietary-owned. The index offers citizens, governments, institutions and the private sector a framework for measuring the delivery of public goods and services, and policy outcomes across the continent (Mo Ibrahim Foundation, 2016:96). While governance remains a highly sensitive issue (Janneh, 2009:9), the significance of good governance as a basis for human development cannot be underestimated (Sebudubudu, 2010:250). Corruption and bad governance drive economic instability that may also have regional or even global effects (Freedom House, 2015:20). The United Nations Economic Commission for Africa (UNECA) states that "governance is about people and how they organise themselves to achieve

their common objectives" (UNECA, 2009:9). Governance is defined "as the provision of the political, social and economic public goods and services that every citizen has the right to expect from their state, and that a state has the responsibility to deliver to its citizens (Mo Ibrahim Foundation, 2016:96). According to the Mo Ibrahim Foundation and its IIAG, governance can be measured by four dimensions (categories) or policy outputs and outcomes, i.e. safety and the rule of law, participation and human rights, sustainable economic opportunity, and human development.

Regarding structure, the IIAG is organised into categories as stated above, subcategories and indicators. The categories can be regarded as the main factors and subcategories as sub-factors. The IIAG measures the performance of African governments with 95 indicators, 14 subcategories, and four categories, which are aggregated into one overall governance score (Mo Ibrahim Foundation, 2016:14). The category or main factors "safety and the rule of law" constitutes four subcategories, i.e. the rule of law, accountability, personal safety, and national security (with roughly 20 variables) while the "participation and human rights" category has three sub-areas, that is, participation, rights, and gender (with almost 20 items in all). The category sustainable economic opportunity comprises four sub-factors or subcategories, i.e. public management, business environment, infrastructure, and rural sector (with about 30 attributes in total). These three categories and their subcategories are consistent with FDI determinants models (see e.g. Anyanwu, 2012; Bellak & Leibrecht, 2011; Cywiński & Harasym, 2012; Mohamed & Sidiropoulos, 2010) and *bona fide* and default country branding frameworks (e.g. Sun, 2009; Adebola, Fund for Peace, 2016; Anholt-GfK Roper, 2016b; Fetscherin, 2010; Kalamova & Konrad, 2012; Rojas-Me´ndez, 2013; Adebola, Talabi & Lamidi, 2012; WEF, 2015b, 2016). Lastly, the fourth category, "human development", comprises three subcategories i.e. welfare, education and health (with about 20 indicators in all). This category resonates with the United Nations Development Programme's (UNDP's) Human Development Index (HDI). Combined, the 14 subcategories have over 95 variables on which governance in Africa is assessed on a 0 to 100 scale, where 0 = worst performance and 100 = best performance. Beginning 2016, the IIAG has introduced banding of countries based on their scores; and there are five groups ranging high to low performance for both the overall governance and the categories. The bands for overall governance are *High* representing equal to or greater 71.0, *Medium-High* representing 54.0 – 70.9, *Medium* representing 41.0 – 53.9, *Medium-Low* representing 23.0 – 40.9, and *Low* representing than 23.0.

Since governance is not measurable directly, the IIAG is a set of suitable proxy indicators that take into account the potentially diverse opinions on the notion by drawing from various data sources and indicators (Mo Ibrahim Foundation, 2016:97). The subcategories are supported by data covering a variety of governance elements, from infrastructure and freedom of expression, to sanitation and property rights (Mo Ibrahim Foundation, 2014:3). Governance is among the variables foreign investors consider when they evaluate alternative investment destinations (Abala, 2014; Cywiński & Harasym, 2012; Anholt-GfK Roper, 2014a; Fetscherin, 2010; Kalamova & Konrad, 2010; Rojas-Me´ndez, 2013).

One of the key strengths of the IIAG is its capability to measure longitudinal trends in governance and picking up the more intense annual shifts (Mo Ibrahim Foundation, 2015:13). A distinct trait of the index is that it is based on the aggregation of multiple types of data, using official data, qualitative assessments, opinion surveys, and public attitude surveys (Mo Ibrahim Foundation, 2016:97). This thesis classifies the IIAG as a COBBE methodology because the foundation does not gather primary data but rather compiles and analyses secondary data from reputable external sources.

The IIAG has a strength in that, since 2016, it partly uses survey data gathered from African citizens and other data and this implies that it is now both customer and shareholder driven. Nevertheless, it remains a *de facto* COBBE index rather than a CUCOBBE model because of all its data, survey and otherwise, is secondary hence may not have been collected with the objectives of this index in mind. Of course, as a proprietary-owned technology, its third strength is that it reveals its formula for calculating the index. The data for each indicator are transformed by the method of minimum-maximum (min-max) normalisation that performs a linear transformation on the data while keeping the relationships among the original data values (Mo Ibrahim Foundation, 2011:6). Min-max standardisation subtracts the minimum value of an indicator's raw data set from each country's value for that indicator in a particular year and divides it by the range of the indicator (maximum value in the raw data set minus the minimum value in the data set) (Mo Ibrahim Foundation, 2011:6). The new values are then multiplied by 100 in order to put them on a new scale of 0–100, where 100 is always the best possible score (Mo Ibrahim Foundation, 2011:6). Sub-category scores are computed by averaging the scores of the underlying indicators and category scores are calculated by averaging the 14 sub-

category scores, and finally, the overall index score is obtained by averaging the scores of the four categories (Mo Ibrahim Foundation, 2011:6). However, the categories and sub-categories of the IIAG are not weighted in terms of the overall composite score. Notwithstanding that it uses secondary data gathered through surveys of African citizens and other methods, the IIAG cannot be categorised as stakeholder-inclusive in its approach.

Another weakness of the IIAG is that, despite being a composite index, it is silent on how its categories, sub-categories and indicators were created and validated. The foundation only admits that its index is a progressive and consultative project that continuously adapts and accommodates the input and critiques of stakeholders (Mo Ibrahim Foundation, 2011:6). This researcher guesses that the IIAG was constructed and is continously updated drawing on theoretical factor analysis (see Tabachnick & Fidell, 2007:30) because each standardised variable is simply moved to a sub-category it best fits conceptually (Mo Ibrahim Foundation, 2011:6). In addition, from its three-tier conceptual structure – categories, sub-categories, and indicators – it is clear that it is a multifactorial index hence it may be validated with factor analysis. Lastly, as a privately-owned index, the IIAG has barely been critiqued in academic nation branding literature in general and FDI branding in particular. Chishamba (2017:8) suggests that Zimbabwe's current rank of 44 out of 54 countries in the IIAG is suggestive of the need to improve the country's ratings on several metrics "which may subsequently help lower perceived investment risks and attract long-term investment". Chishamba's opinion confirms the argument of this thesis that default country branding models, like the IIAG, can be applied to evaluate a country FDI brand equity.

5.2.2.7 Global Innovation Index (GII)

In the rapidly changing global economy, continuous innovation is a necessity (Kotler & Keller, 2016:466). As a result, innovation is no longer only a foundation for competitiveness at an organisational level only but also country level. In recent years, globabilastion has pushed innovation "to the very top of policy-making and senior executive agendas" (Dutta, INSEAD & Caulkin, 2007:26). The importance of innovation is recognised in the 2030 Agenda for Sustainable Development, one of whose 17 sustainable development goals is "industry, innovation and infrastructure", adopted by the United Nations General Assembly in September 2015 to guide development for the next 15 years (see World Bank, 2016b:1&20). Innovation

drives economic progress and competitiveness for both developed and developing economies hence "many governments are putting innovation at the centre of their growth strategies" (Cornell University, INSEAD & WIPO, 2016:49). The GII is a proprietary annual ranking of countries based on their capabilities for innovation. Having been founded in 2007 by World Business, a British magazine, and INSEAD, a French business school (see Dutta, INSEAD & Caulkin, 2007:26), the index is now published by Cornell University, INSEAD and WIPO. The GII has evolved from a 7-point to a 100-point multidemensional scale (see University, INSEAD & WIPO, 2016; Dutta, INSEAD & Caulkin, 2007; INSEAD, 2009, 2010; INSEAD & WIPO, 2011). The GII now covers over 140 countries worldwide every year.

"Innovation is the introduction of new things, ideas or ways of doing" things (Oxford Advanced Learner's Dictionary, 2015:787). In their GII, Cornell University, INSEAD and WIPO (2016:41) adopt a broad definition of innovation, first explained in the *Oslo Mannual* developed by the European Communities and the Organisation for Economic Cooperation and Development (OECD): "An innovation is the implementation of a new or significantly improved product (good or service), a new process, a new marketing method, or a new organisational method in business practices, workplace organisation, or external relations." This definition differentiates four types of innovation, i.e. product, process, marketing, and organisational (World Bank, 2010:206) and is consistent with how innovation is defined in marketing (see Kotler & Keller, 2016:490).

Innovation is important for economies as they come close to the boundaries of knowledge, and the prospect of creating more value by simply combining and adjusting external technologies tends to fade (WEF, 2016:37). When economies approach this stage, firms should design and develop innovative products and processes to remain competitive and improve their value chains. This advancement needs an environment that is conducive to innovative activity and supported by both the public and the private sectors (WEF, 2016:37). A nation barely gains competitive advantage if it is not creative and innovative (Dimnwobi, Ekesiobi & Mgbemena, 2016:29). An innovation policy capable of responding timeously to current socio-economic and industrial challenges creates a motivation for strong national competitiveness and continuous economic growth (Baležentis & Balkienė, 2014:1). The GII provides an environment where innovation factors are continuously assessed and present an instrument and comprehensive database of metrics for designing and purifying national innovation policies.

Measuring innovation outputs and impacts remains challenging. Hence the focus is placed on evaluating innovation climate and infrastructure and on measuring associated outcomes (Cornell University, INSEAD and WIPO, 2016:49). The three organisations claim that the GII metrics can be applied at the level of the composite index, the sub-indexes, and the actual raw data of the individual indicators to monitor performance over time and benchmark countries. In fact, this implies that the index is useful at the level of the 21 sub-pillars within each of the seven pillars or factors of the sub-indices.

The GII consists of two sub-indices, i.e. innovation input sub-index and the innovation output sub-index. The innovation input sub-index comprises five factors, namely institutions, human capital and research, infrastructure, market sophistication, and business sophistication. The innovation output sub-index consists of two pillars—knowledge and technology outputs and creative outputs. In total, there are 21 sub-factors in the index which over 80 indicators as of 2016. The GII groups country-level data into 21 sub-pillars, seven pillars, two sub-indices, and, finally, an overall index (Cornell University, INSEAD & WIPO, 2016:53). The index's variables were selected for inclusion in the pillars based on literature review, expert opinion, country coverage, and timeliness. The GII is one of the only two of the 18 proprietary indices in this literature review that have been validated with principal component analysis (PCA), the second one being the Social Progress Index reviewed immediately below. A number of the pillars within the GII are similar to those in the GCI. The index relies on secondary data gathered from national and international organisations. It appears this proprietary index has so far hardly been reviewed in genuine country reputation academic literature. The GII uses both objective data drawn from many public and private sources like the World Bank and the International Telecommunication Union and subjective data drawn from the WEF's annual executive opinion survey (World Bank, 2010:203). However, it remains a COBBE methodology because it relies on secondary data.

5.2.2.8 Social Progress Index (SPI)

The SPI was born out of the realisation that national performance management should "move beyond simply measuring Gross Domestic Product (GDP) per capita to make social and environmental measurement integral to measuring national performance" (Social Progress Imperative, 2016a:29). If societal performance can be tracked rigorously, that will empower

governments and businesses to make better choices, better policies, and better investments (Social Progress Imperative, 2016a:9). The SPI is a composite measure constructed from several indicators drawn from various organisations. Its sources of data, survey data included, range from large institutions such as the United Nations to non-governmental organisations like the Transparency International, and private organisations like Gallup (see Social Progress Imperative, 2016b:11). While the organisation acknowledges that certain outcomes on social progress are better measured by survey data, it only uses survey data gathered by other organisations hence does not gather its primary data. Consequently, the SPI can be classified as a COBBE methodology. This is because the index entirely relies on secondary data whether that data is objective (fundamentals) and/or survey based. It may also be classified as an RBVBE approach since its purpose is to enhance social progress. The SPI is complementary to the Human Development Index, classified in this thesis as an RBVBE theory.

The SPI is an aggregate measure consisting of three dimensions, i.e. basic human needs, foundations of wellbeing, and opportunity, each of which has four components. In turn, each of the components has three to five indicators of social progress. The components under basic human needs are nutrition and basic medical care, water and sanitation, shelter, and personal safety. The facets constituting foundations of wellbeing are access to basic knowledge, access to information and communications, health and wellness, and environmental quality. Personal rights, personal freedom and choice, tolerance and inclusion, and access to advanced education are the elements in the opportunity dimension (see Table 5.1 above). Combined these interrelated factors represent the primary elements that blend to produce a specified level of social progress (Social Progress Imperative, 2016b:4). Social progress is "the capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential" (Social Progress Imperative, 2016b:4).

Unlike most other national measurement frameworks, the SPI focuses on social progress or non-economic aspects of national performance as distinct but related to traditional economic measures such as GDP per capita. In comparison, alternative frameworks like the Human Development Index and OECD's Better Life Index combine economic and social indicators (Social Progress Imperative, 2016b:4). While the SPI derives a strength in focusing on non-

economic indicators of progress, that focus also manifests as a weakness in that social progress cannot be divorced from economic progress. Of course, it comforting that the Social Progress Imperative and its SPI do not seek to replace GDP as a key national performance metric but to complement it. Social Progress Imperative's (2016a:29) vision is a world where social progress stands beside GDP as a core benchmark for national performance. As evident in other models reviewed in this chapter, it appears that nation branding researchers, economic theorists and other social scientists share that vision. The other strength of the SPI is that it is validated, and its weights are determined, by principal components analysis. Most proprietary bona fide and default nation branding methodologies reviewed in this chapter are silent on how their components are determined. As an emerging index, another limitation of the SPI is that, like other proprietary indices especially emerging ones such as the GII and GMCI, it has so far hardly been reviewed in existing bona fide nation branding academic literature.

5.2.3 Critique of customer- and company-based brand equity (CUCOBBE) micro models of nation branding

The CUCOBBE school of thought blends the CUBBE and COBBE macro theories of country branding. So, it relies on both primary and secondary data and, in principle, takes into account the interests of stockholders and consumers in measuring nation brand equity. The evident weakness of the approach is that, given its focus on shareholder and customers only, it does not consider the interest of a broad range of stakeholders. Seven CUCOBBE models (i.e. Brand Finance, 2013; IMD, 2014; Sun, 2009; WEF, 2016, 2013b; World Bank, 2016a; Transparency International, 2014) are reviewed in this section all of which are proprietary-owned except one model (i.e. Sun, 2009), which is academic. Only two of the six frameworks were conceived with nation branding (i.e. Brand Finance®, 2013; Sun, 2009). The rest of the remaining models are default because they were not designed with a country reputation in mind. However, four of those were designed with competitiveness measurement in mind, i.e. Global Competitiveness Index (GCI) (WEF), Doing Business (World Bank), Travel and Tourism Competitiveness Index (WEF), and World Competitiveness Scoreboard or Yearbook (IMD). The GCI is one index that, while not originally designed with nation branding in mind, has useful indicators of national performance that can be used to strengthen country image perceptions, provided the nation performs well in this index (Dinnie, 2008:230) and so are the others six included in this section. A common strength of these default country branding

models is that they offer a wide range of brand assessment criteria or attributes (see Table 5.1 above).

5.2.3.1 Nation Brand Impact™ Framework (NBIF)

The NBIF™, designed by global branding consultancy firm Brand Finance®, is a CUCOBBE-motivated model that assesses the strength and value of over 100 nation brands across four segments—investment, tourism, product and services (brands), and talent (see Table 5.5 below) using the company's proprietary Brand Strength Index (BSI). These segments, each with a value of 33% of the overall BSI, are classified as inputs, throughputs and outputs. "Inputs are factors that can be directly controlled by the nation, throughputs are factors of internal and external reputation, and outputs are measures of current performance" (Brand Finance®, 2013:4). The BSI measures the performance of a nation brand overall and in the four above-stated segments by assigning a rating between AAA = Very Strong to DDD = Failing in a manner similar to credit rating. To rank a nation brand, the BSI considers factors such as a nation's image abroad, its culture, perceptions on the quality of life, the size of a country's market, its GDP growth, other metrics of economic health, physical infrastructure (e.g. internet connections), and the efficiency of a country's labour force (e.g. worker motivation) affecting all the above-stated four segments of the brand (Brand Finance®, 2013:31). The BSI initially collates various international data sources to offer comparative data for all nations. The company calculates the strength of nation brands using a balanced scorecard approach that benchmarks each nation across 147 nation brand attributes (Brand Finance®, 2012:8). It blends government statistics, consensus projections, and analyst forecasts to calculate the above-stated variables and generate an overall brand rating (Brand Finance®, 2013:4). The strength of each nation brand is stated as an indexed score out of 100, which represents how well the nation brand is being implemented against its peers. According to Brand Finance®, this data is then analysed using brand valuation tools adapted from valuation models used for corporate sector brands and intellectual property. Nation brand total value is also calculated using a royalty relief technique, which computes the royalty that would be paid to the licensor for the use of a brand by a licensee. The royalty rate is calculated based on sectors of the economy and is then added to the country's projected GDP over the next five years (Brand Finance®, 2013:4). A discount rate is then added to this total to explain the time

value of money and associated risk hence quantifying the value that the brand brings to the economy, the company says.

Table 5.5: The four segments of a nation brand

SEGMENT	INTERNAL	EXTERNAL
Investment	**Domestic Investment** Encourage local commerce to invest domestically as opposed to investing overseas	**Inward Investment** Attract FDI, including business relocation
Tourism	**Domestic Tourism** Encourage citizens to explore domestic destinations rather than vacationing abroad	**Foreign Tourism** Promote the nation to foreign tourists and conference delegates
Products & Services	**Domestic Brands** Encourage citizens to buy locally-made products and services, i.e. reduce imports	**Export Brands** Promote nation's products and services to international markets i.e. increase exports
People & Talent	**Domestic Talent** Encourage citizens to study and work locally, rather than going overseas, i.e. avoid "brain drain."	**International Talent** Encourage international students and skilled workers to come to study and work in the country

Source: Adapted from Brand Finance® (2013:4)

As evident in the table above, the distinguishing feature of the NBIF™ is that it considers both domestic and international performance among the four segments of country branding. Countries designing their brand must start by discussing what their citizens feel about their country brand (Rojas-Me´ndez, 2013:469). As confirmed in Table 5.5 above, the NBIF™ has a number of components and attribute similarities with FDI determinant models (e.g. Anyanwu, 2012; Bellak & Leibrecht, 2011; Danish & Akram, 2014; Kornecki & Ekanayake, 2012; Ham & Kleiner, 2007; Ledyaeva, Karhunen & Whalley, 2013; Razafimahefa & Hamori, 2005) and nation branding frameworks such as the Anholt-GfK Roper's NBI℠, FutureBrand's CBI, Bloom Consulting's CBR, CBSI (Fetscherin, 2010), Kalamova and Korand (2010)'s nation brands and FDI, analytical model of the determinants and outcomes of nation branding (Sun, 2009), and the nation brand molecule (Rojas-Me´ndez, 2013). However, despite that the NBIF™ is inspired by the CUCOBBE approach, it differs from other CUCOBBE and CUBBE country branding frameworks in that it specifically recognises and measures both the internal and external segments of the country brand—i.e. investment, tourism, brands, and talent (see Table 5.5 above).

As a CUCOBBE framework, the advantage of the NBIF is that it relies on both primary and secondary data to assess country brand equity. But also as a proprietary framework owned by

a profit-making firm, the NBIF has some inherent weaknesses. One, while Brand Finance® (2013:4) indicates the application of "perceptions on quality of life, consensus forecasts and analyst projections" alongside techniques for gathering quantitative data to create an overall country brand rating, the company does not shade light on the instruments and specific questions it uses to gather primary data. Two, it does not take into account the interests of a broad range of stakeholders apart from shareholders, i.e. country political leadership and to some extent researcher or consultant needs and customers, i.e. in this case experts who give the expert opinions. Brand Finance® is silent on whether the customers of the various sectors of the economies are surveyed. Three, unlike the CUCOBBE default country branding models of the WEF and IMD, the consulting company does not reveal the equations and aggregation methods it uses to process the data by which it arrives at its NBIF rankings. So it is not possible to fully interrogate the NBIF methodology. Secondly, unlike the Anholt-GfK NBI^{SM}, there is hardly any academic critiques of the NBIF. Thirdly, the NBIF has to date only seven nations from the SADC, namely, South Africa, Tanzania, Botswana, Zambia, Angola, Mauritius and Mozambique. Zimbabwe and the rest are yet to be included.

5.2.3.2 Analytical Model of Determinants and Outcome Factors of Nation Branding

Sun's (2009) determinants and outcome factors of nation branding model measures only three focus areas of nation brands: exports, FDI, and tourism. The overall argument of the model is that a nation can achieve superior 'financial' performance (i.e. attract more foreign visitors, increase exports and attract more FDI) by branding itself to achieve a distinctive image in the competitive global market (Sun, 2009:28). While "Hunt and Morgan's (1995, 1996) resource advantage theory serves as the theoretical foundation of this framework" (Sun, 2009:3), the model is catalogued in the current study as a CUCOBBE-inspired framework because it blends the inside-out and outside-in approaches to country branding. Sun (2009:28) interestingly highlights that a nation can brand itself successfully if it considers many critical determining factors in designing, implementing, and maintaining its symbolic meaning to the **stakeholders** [emphasis added]. Basing on a review of the literature on COO, place branding, nation branding and economics, he identified six determinants of a country brand, which he theoretically classified into economic and non-economic factors. Within the six factors Sun (2009:60) identified 12 determinant variables of a nation brand—i.e. exports, FDI, tourism, cultural orientation of a country (collectivism versus individualism), the economic

development of a country in terms of GDP per capita, the communication infrastructure of the country (landline and mobile phone subscribers), the commercial natural resources owned by a country, the political policy orientation of a country, the perceived reputable brands owned by a country, and perceived reputable industries owned by a country, and the NBI^{SM} in 2008. The first three (i.e. from exports to tourism) are dependent variables, the next seven (i.e. from culture to reputable industries) are independent variables, and the last – i.e. NBI^{SM} in 2008 – is a moderating variable. Sun (2009) then drew archival data from World Development Indicators, International Monetary Fund, *The Wall Street Journal*, and the Heritage Foundation on economic variables (like cultural, political, geographical and infrastructural factors) to build an econometric model and survey data on non-economic factors (e.g. political capital and national pride i.e. reputable brand and reputable industries) to discuss managerial and public policy implications of his study. The Anholt-GfK Roper (2008) NBI^{SM} was integrated into the model as a moderating variable to evaluate its influence on the relationship between the dependent variables and the independent variables (Sun, 2009:57). Sun drew on the independent variables and the moderating variable to construct econometric models for each of the three dependent variables and the overall model for the study. Overall, Sun's study failed to find a significant relationship between FDI and nation image but exports and tourism. However, in the model where FDI was the dependent variable, Sun found that out of the seven independent variables only two, communication infrastructure and industry factors, had a positive relationship with FDI. This suggests that countries with superior communication infrastructure and reputable industries attract more FDI than countries with inferior communication infrastructure and industries (Sun, 2009:85). The positive correlation between reputable industries and FDI in Sun's study theoretically supports the argument of this thesis that the GMCI reviewed in the CUBBE approach above is an important determinant of nation FDI brand attractiveness. In the overall model with the Anholt-GfK Roper NBI (country image) as a moderator, Sun found that country image only had an indirect impact on exports and tourism except for FDI. This indicates that the NBI (country image) has a significant influence on the performance of a country's export and tourism sectors (Sun, 2009:88) but neither direct nor indirect influence on FDI (Sun, 2009:69).

Sun collected economic, political and infrastructural secondary data on 24 nations for the period 1995 to 2006 to build and validate the panel data model. In an attempt to be consistent with Anholt-GfK Roper NBI^{SM} thus achieving a regional balance as well as a balance between

developed and developing countries, he sampled countries from the world's six regions: North America, South America, Asia, Europe, Africa, and Australia. The countries included in the sample represented the different classification types defined by the International Monetary Fund, i.e. advanced economy, emerging economy, and developing the economy. However, South Africa is the only African country included in the sample. Also, Sun does not clearly specify the category of respondents he surveyed from 13 of the 24 countries he collected primary data from in respect of the reputable industries and reputable brands factors, i.e. whether he focused on consumers in general or university students only. Also, he neither specifies the size of his sample nor the scale and scale items he used in the survey yet in an academic study these details help other academicians to take the research further.

5.2.3.3 Global Competitiveness Index (GCI)

Although not designed with nation branding in mind, there are various indices with suitable indicators of national performance that nations might use to strengthen their country image perceptions provided the nations pay attention to the results of those indexes one of which is the GCI of WEF (Dinnie, 2008:230). Competitiveness is the set of institutions, policies, and factors that shape a country's level of productivity (WEF, 2014:4). An economy's level of success is influenced by the level of productivity; and several static and dynamic determinants impact productivity and competitiveness, WEF says.

The GCI assesses a country's competitiveness regarding three sub-indices—that is, basic requirements, efficiency enhancers, and innovation and sophistication factors. Combined, these sub-indices or components have 12 pillars of competitiveness or sub-factors. The business requirements sub-index constitutes four pillars—i.e. institutions, infrastructure, macroeconomic environment, and health and primary education. Countries relying on these pillars are referred to as factor-driven economies. The efficiency enhancers sub-index is made up of six pillars: higher education and training, goods markets efficiency, labour market efficiency, financial market development, technological readiness, and market size. Nations in this category are referred to as efficiency-driven economies. The innovation and sophistication factors sub-index comprise two pillars—i.e. business sophistication and innovation. Countries falling in this cluster are called innovation-driven economies. The 12 pillars of the GCI have 114 indicators of competitiveness in total 79 of which are survey-based (see WEF, 2015:373-

381). To the best knowledge of this researcher, the GCI has about one-and-half to three times more survey questions than most existing academic bonafide nation brand scales (e.g. Lee, 2009; Hakala, Lemmetyinen & Kantola, 2013; Outhavong, 2007; Passow, Fehlmann & Grahlow, 2005; Sartori, Mottironi & Corigliano, 2012; Pike, Bianchi, Kerr & Patti, 2010; Ruzzier & Petek, 2012) hence is a comprehensive model. Nonetheless, as a proprietary model, the GCI may not have been subjected to the rigorous peer review that academic models are subjected to.

The survey part of the GCI uses a 7-point Likert scale ranging from 1-to-7 where 1 = the worst possible rating and 7 = the best possible rating (the actual phrases used to describe the scale varies on some indicators). Mean scores are applied to analyse data from the survey and the WEF (2014:49) states that an arithmetic mean is used to aggregate individual indicators within a category. The calculation of the GCI is centred on successive additions of scores from the indicator level (that is, the most disaggregated level) right up to the overall GCI score. To enable aggregation, indicators of the index which are assessed on objective secondary data are converted to the 1-to-7 scale so that they are aligned with survey results. Thereafter, a min-max (i.e. minimum subtract maximum) transformation, which preserves the order of and relative distance between countries, is applied to calculate country scores (WEF, 2015:39). The GCI aggregates variable mean scores into factor mean ratings.

While the results of the 12 pillars of competitiveness are reported separately in order to show countries the specific areas they may need to improve, the pillars are mutually inclusive because they tend to reinforce each other such that a weakness in one variable often has a negative effect in others (WEF, 2014:9). For instance, the WEF argues that a strong innovation ability (pillar 12) will be extremely tough to attain without a healthy, well-educated and trained workforce (pillars 4 and 5) that is skilled enough to learn new technologies (pillar 9), and without sufficient financing (pillar 8) for research and development (R&D) or an efficient goods market (pillar 6) that welcomes new product to market. One of the most useful features of the GCI is its "most problematic factors for doing business", which comprises 16 variables from the 114 already stated. Those factors are compiled from a question in the survey. So, the feature is important because it identifies the most immediate issues that policymakers should consider addressing ahead of all the 114 attributes in the index.

Compared to other proprietary methodologies such as Anholt-GfK Roper's NBI^{SM}, Brand Finance$^{®}$'s NBIF^{TM}, and Fund for Peace's FSI, and World Bank's Doing Business, Mo Ibrahim Foundation's IIAG, the GCI has at least three strengths. One, it blends the CUBBE and COBBE perspectives in measuring country competitiveness hence in this thesis it is classified under the CUCOBBE approach. The WEF gathers statistical data such as enrolment rates, government debt, budget deficit, and life expectancy from organisations such as the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Monetary Fund (IMF), and the World Health Organization (WHO). Furthermore, the GCI draws data from the WEF's annual executive opinion survey to capture concepts that require a more qualitative assessment or for which internationally comparable statistical data are not available for the entire set of economies. Two, the GCI's basic requirements sub-index includes natural resources as one of the basis of country competitiveness. Natural resource endowment is one of the drivers of FDI to particularly economies in Africa (Anyanwu, 2012:443).

The third strength is that, despite being a proprietary model, the WEF explains how the GCI is calculated. As the GCI is a CUCOBBE model, it makes aggregation feasible by converting its indicators to a 1-to-7 scale so as to align them with the survey results. The WEF also applies a min-max transformation, which preserves the order of, and the relative distance between, country scores. The calculation of the GCI is based on successive aggregations of scores from the indicator level (i.e., the most disaggregated level) all the way up to the overall GCI score (WEF, 2015:39). Unless otherwise highlighted, the WEF uses an arithmetic mean to aggregate individual indicators within a category. However, the GCI is a weighted index (see Table 5.6 below for category and subcategory weights). This means that for the higher aggregation levels, the percentage shown next to each category is used, which represents the category's weight within its immediate parent category when subcategory, category and overall composite score for a country are calculated. A country can assess its performance at item level but also sub-factor, factor and overall index level against itself and other countries covered in the GCI.

Given its three-tier structure – sub-index, pillar and indicator, the GCI is also a multidimensional index. Nevertheless, there is nothing in the Global Competitiveness Reports suggesting if the index's variables, pillars and sub-indices were validated by factor analysis. In its executive opinion survey, the GCI asks respondents to identify the five most problematic

factors for doing business in their country and rank them between 1 (most problematic) and 5 (WEF, 2015:20). From this process, the index always ends up with about 15 most problematic factors for doing business in every country surveyed although the methodology does not apply factor analysis as a data analysis tool. It is, therefore, important that the GCI is subjected to factor analysis to validate its factor solutions.

Table 5.6 : GCI sub-index weights and income thresholds for stages of development

	Stage 1: Factor Driven	Transition from stage 1 to stage 2	Stage 2: Efficiency-driven	Transition from stage 2 to stage 3	Stage 3: Innovation-driven
GDP per capita (US$) thresholds*	<2,000	2,000–2,999	3,000–8,999	9,000–17,000	>17,000
Weight for basic requirements	60%	40–60%	40%	20–40%	20%
Weight for efficiency enhancers	35%	35–50%	50%	50%	50%
Weight for innovation and sophistication factors	5%	5–10%	10%	10–30%	30%

Source: WEF (2016:38)

Nonetheless, the GCI also has limitations. Given its CUCOBBE orientation, one of the glaring limitations of the GCI is that it does not provide for the full inclusion of stakeholders in the construction of the index. For example, the survey side of the index would benefit from inclusion of a full range of stakeholders such as academics, students, foreign investors, media, and local and central government in the competitiveness assessment effort. The index has been pigeonholed in the CUCOBBE approach because it only surveys business executives in addition to gathering objective secondary data.

5.2.3.4 Doing Business

The ease of doing business index, designed by the World Bank in 2003, assesses country competitiveness on 11 areas or factors of business regulation and property rights protection with special emphasis on small-to-medium-size enterprises. The areas are: starting a business, registering property, trading across borders, dealing with construction permits, getting credit, enforcing contracts, getting electricity, protecting investors, resolving insolvency, paying taxes, and employing workers (labour market regulation). Nonetheless, the index does not yet include the employing and dismissing workers aspect although it gathers data on the aspect. The ten factors of the index currently focused on having roughly 40 indicators altogether (see Table 5.1), and each area constitutes a sub-index. The factors may influence the success or

failure of an international business venture (Morris & Aziz, 2011:403) so the indicators are of concern to investors. Doing business index measures an economy's strength using a concept known as "distance to frontier". The distance to frontier score is the gap between a country's performance and a measure of best practice across the entire set of indicators for the index, where 100 is the frontier and 0 is the furthest from the frontier (World Bank, 2016a:2). Investors are wary of investing in countries with poor rankings in the index overall, or in particular sub-indices or even specific indicators.

Now in its 13th or 14th edition, the index is not just important to investors but also policymakers and executives in economic development agencies who are responsible for formulating public policies and managing country reputation respectively. However, the index was not designed with country branding in mind although that is what the index precisely does from a business regulation perspective. The ease of doing business factors address the concerns a multinational corporation can have before it decides to invest in a foreign country (Morris & Aziz, 2011:403). In their study on the ease of doing business and FDI inflow to Sub-Saharan Africa and Asian countries done in 2011, Morris and Aziz found that the index influenced the flow of FDI into the two regions. The factors "registering property" and "trading across borders" determined FDI inflow over the six-year period covered by the study (2000-2005) for the combined sample while many factors were found to be related to FDI received by Sub-Saharan Africa and Asian countries during various years (Morris & Aziz, 2011:400). Furthermore, a study on the relationships between doing business indices and FDI net inflows carried out in six Asian countries – Afghanistan, Bangladesh, India, Iran, Pakistan and Sri Lanka – found "evidence of a significant relationships between" the two variables (Shahadan, Sarmidi & Faizi, 2014:618).

In this thesis, the ease of doing business index is classified under the CUCOBBE approach because it primarily relies on both secondary and primary data to rank about 190 countries annually. The four key sources of data for the index are the relevant laws and regulations, doing business expert respondents (both private sector practitioners and officials of the governments of the economies covered and the World Bank Group regional staff). The data are collected through several rounds of interaction with expert respondents (both private sector practitioners and government officials)—through responses to questionnaires, conference calls, written correspondence and visits by the team (World Bank, 2016a:24). Local lawyers in the

countries covered help in interpreting the laws and time estimates for procedures in the indicators usually involve "an element of judgment by respondents who routinely administer the relevant regulations or undertake the relevant transactions" (World Bank, 2013:22).

"Doing Business is not about less regulation but about better regulation" (World Bank, 2014:2). The key principle of the index is that economic activity needs good rules—that is, rules that guarantee and clarify property rights and cut the cost of settling disputes; rules that increase the certainty of economic interactions and provide contractual partners with predictability and protection against abuse (World Bank, 2014, 2013, 2012). The goal is to pass regulations that are efficient, accessible to all and simple to implement as complex regulation can overburden businesses, making it practically infeasible for businesses to operate (World Bank, 2015:2). A strength of the doing business index is that its indicators can be considered "actionable" as they measure aspects over which governments have direct control (World Bank, 2014:22). For instance, a government can amend its laws and regulations about registration of firms and reduce licensing costs and the number of procedures to be completed to get a licence.

World Bank (2013:v) admits the doing business index is limited in scope. It neither tries to assess all costs and benefits of a given regulation or law to society as a whole nor evaluate all facets of the business environment that determine the competitiveness of an economy. The index aims to give business leaders and policymakers a baseline to inform policymaking and provide open data for research on how business regulations and institutions affect economic outcomes such as productivity, investment, informality, corruption, unemployment and poverty.

Doing Business does not assess a full range of factors that impact a country's competitiveness. It does not cover areas such as security, prevalence of bribery and corruption, market size, macroeconomic stability, state of the financial system, and level of training and skills of the labour force (World Bank, 2014:17). The bank also admits that there are a number of indicators that are omitted from the areas covered such as the reliability of electricity supply, the availability of credit for firms, export and import tariffs and subsidies, and the extent to which inadequate infrastructure like roads, rail, ports and communications may add to firms' costs hence weaken competitiveness. Most importantly, World Bank (2015a:viii) acknowledges the fact that there are economies that are not performing well on the doing business indicators but

continue to receive FDI inflows hence this suggests that FDI destination choice is determined by a range of factors.

5.2.3.5 Travel and Tourism Competitiveness Index (TTCI)

In the NBI^{TM}/NBI^{SM} (Anholt, 2005a; Anholt-GfK Roper, 2014a) reviewed above, it was suggested that the tourism component of the umbrella nation brand should be interrogated in full as it is inseparably linked to the FDI sub-brand (see e.g. Brand Finance®, 2013; Bloom Consulting, 2013; FutureBrand, 2014; Fetscherin, 2010; Matiza & Oni, 2013; Rojas-Me´ndez, 2013; WEF, 2013b). Consequently, this thesis has adopted the TTCI of the WEF as the unit of interrogation of the relationship between tourism and FDI. While the country branding approaches under which the tourism dimension is considered include operational models guided by the CUBBE, COBBE, RBVBE, and SOBE, in this thesis those models will be brought in, where feasible, to support the TTCI—a CUCOBBE framework.

Like its sister index, the GCI, the TTCI is a multilevel and multidimensional model consisting of 14 pillars organised into three sub-indexes: travel and tourism (T&T) regulatory framework, T&T business environment and infrastructure, and T&T human, cultural, and natural resources. The T&T regulatory framework sub-index constitutes policy rules and regulations, environmental sustainability, safety and security, health and hygiene, and prioritisation of travel and tourism. Air transport infrastructure, ground transport infrastructure, tourism infrastructure, Information Communication and Technology (ICT) infrastructure, and price competitiveness in the T&T industry are the five pillars in the T&T business environment and infrastructure sub-index. Lastly, the pillars of the T&T human, cultural, and natural resources are human resources, affinity for Travel & Tourism, natural resources, cultural resources, and climate change. While the TTCI has been reorganised into four sub-indexes with 14 pillars and the constituent variables revised too, the purpose of the model still remains unchanged (see e.g. WEF, 2013b, 2015b). The 2013 TTCI, with 79 indicators, as opposed to the 2015 edition is applied in this study because it informed the questionnaire.

Each of the TTCI sub-indices has pillars that are relevant to the FDI sub-brand. For example, in the T&T regulatory framework sub-index, there are three pillars of particular interest to branding a country for FDI competitiveness that is, policy rules and regulations, safety and

security, and health and hygiene. In the policy rules and regulations, the WEF considers the degree to which foreign ownership and FDI are welcomed and facilitated in the country, how well property rights are protected, the time and cost needed to set up a business, and the extent to which visa requirements complicate visitors' intent to enter the country (WEF, 2013b:5). Thus the policy and regulations sub-index basically agrees with the World Bank's doing business index (e.g. World Bank, 2015).

Tourists prefer destinations with guaranteed safety and security and health and hygiene (WEF, 2013b; Bloom Consulting, 2014b) and so do foreign investors (Abala, 2014; AT Kearney, 2015; Lederman, Mengistae & Xu, 2012; Viosca, Bergiel & Balsmeier, 2004). Virtually all pillars in the T&T business environment sub-index but especially air transport infrastructure, ground transport infrastructure, and ICT infrastructure are relevant bases from which to consider the strength of a nation's FDI brand. This is consistent with Sun's (2009) findings. In the T&T human, cultural, and natural resources sub-index, the human resources and natural resources pillars are relevant to the FDI sub-branding. A country with abundant unskilled labour can attract investors in labour-intensive industries (Chellaraj & Mattoo, 2015) while one with highly skilled people can attract investors in innovative industries (Anyanwu, 2012; Chellaraj, Maskus & Mattoo, 2009; Chellaraj & Mattoo, 2015; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013). However, the natural resources in the context of this sub-index exclude those considered relevant to FDI attraction such as minerals and forest resources. Countries with natural resources attract resource-seeking FDI (e.g. Andrés, Nunnenkamp & Busse, 2013; Nayak & Choudhury, 2014; Hornberger, Battat & Kusek, 2011; Mohamed & Sidiropoulos, 2010; Rojas-Me´ndez, 2013; Sun, 2009).

As already highlighted, the TTCI is a CUCOBBE country branding operational tool. Hence it is not sufficiently stakeholder-oriented as it is essentially CUBBE- (i.e. tourist) and COBBE- (shareholder) driven. The index is also limited in that its natural resources pillar does not include mineral resources which resource-seeking FDI prefers. The strength of the TTCI is that it enables more detailed exploration of the tourism dimension than is possible with frameworks such as the NBI^{SM} (Anholt-GfK Roper, 2016a), CBI (FutureBrand, 2014), CBSI (Fetscherin, 2010), Nation Brand Molecule (Rojas-Me´ndez, 2013), and NBFI^{TM} (Brand Finance, 2013). It is also reassuring that a recent year-long review process of the TTCI methodology undertaken by the WEF and its partners, experts, policymakers and users of the

index has adopted statistical tools such as principal component analysis (Crotti & Misrahi, 2015:6) to validate the index. The overall TTCI score is calculated through successive additions of scores, from the attribute level (i.e. the most disaggregated) to the pillar and subindex levels, employing a simple average or (i.e. arithmetic mean) to aggregate the components (Crotti & Misrahi, 2015:8) like its sister index, the GCI. It is an unweighted index.

5.2.3.6 Corruption Perception Index (CPI)

The CPI, one of the globally-recognised indices for measuring corruption in the public sector, was designed in 1995 by Transparency International, an international non-governmental organisation with its head office in Berlin, Germany. The CPI is a composite index relying on a combination of surveys and assessments of corruption collected by a variety of reputable institutions (Transparency International, 2014, 2015). A country's score indicates the perceived level of public sector corruption on a scale ranging from 0 to 100, where 0 means the country is perceived as *Highly Corrupt* and 100 means it is perceived as *Very Clean*.

Corruption is a widespread problem from the local to the global level. Transparency International (2010:4) defines "corruption as the abuse of entrusted power for private gain". Although the multinational non-governmental organisation measures corruption in the public sector only, its definition of corrupt practices covers both the private and public sectors. Corruption affects the flow of FDI into countries (Al-Sadig, 2009; Anyanwu, 2012; IMD, 2014; Kalamova & Konrad, 2010; Ledyaeva, Karhune & Whalley, 2013; Tosun, Yurdakul & İyidoğan, 2014).

Unlike most proprietary default country reputation indexes critiqued in this chapter that describe their components and/or sub-components and variables in full, Transparency International does not give such detail for its CPI. The closest that it gets to in shading light on the components and attributes of the CPI (emphasis added) is: "A poor score is likely a sign of widespread *bribery, lack of punishment for corruption* and *public institutions that don't respond to citizens' needs*" (Transparency International, 2014:3) and "*kickbacks* in public procurement, *embezzlement* of public funds, and questions that probe the *strength and effectiveness of public sector anti-corruption efforts*" (Transparency International, 2010:4). The 2016 CPI full data source edition shades a little more light on the variables of the index

than did previous editions but is still not sufficiently clear if compared to other privately-owned indices like the GCI, IIAG, GII, and WCS/Y reviewed in this thesis (see Transparency International, 2016b:4). These other indices describe their factors and variables in full showing the relationships.

To gain insight on the sort of elements the CPI uses to assess perceptions of corruption, it is fundamental to comb the indices from which it gathers data. Some of the sources of secondary data it uses are the Asian Development Bank (Country Performance Assessment Ratings), African Development Bank (Country Policy and Institutional Assessments), Bertelsmann Foundation (Bertelsmann Transformation Index), World Bank (Country Policy and Institutional Assessments), Economist Intelligence Unit (Country Risk Service and Country Forecast), Freedom House (Nations in Transit), WEF (GCI), and WCS/Y (IMD). While a scrutiny of these sources could help to illuminate the measures of corruption the CPI includes, the challenge is that some of the source indices are themselves composite, e.g. IMD's WCS/Y and WEF's GCI hence one still need to review them to infer the specific dimensions and variables Transparency International might be using. Given this shortcoming, it may be prudent for Transparency International to follow the route of fellow indices like the Mo Ibrahim Foundation's IIAG, WEF's GCI, and Fund for Peace's FSI, which describe their factors and variables in full. Such a full description may strengthen the credibility of the CPI.

The CPI appears to be consistent with both the CUBBE and COBBE approaches to nation branding as it measures corruption in the public sectors of sample countries using both secondary and primary data. However, some of the secondary data it draws on is a perception rather than objective nature hence one has to classify the index as a COBBE-motivated micro model uncomfortably. Also, Transparency International mentions that it conducts expert opinion surveys of business leaders in domestic and international companies. This qualifies the CPI to be categorised under the CUBBE school of thought. Considering that the CPI has characteristics of both the COBBE and CUBBE perspectives, it is classified in this thesis as a CUCOBBE model. Information on the nature and number of survey questions in the CPI is not within the public domain.

5.2.3.7 World Competitiveness Scoreboard or Yearbook (WCS/Y)

Of all the 45-plus nation brand indexes reviewed in this chapter, the WCS/Y is the most comprehensive regarding constructs and variables. Created and published since 1989 by the IMD, an independent Swiss management school, the WCS/Y is a multilevel index comprising four pillars of competitiveness (i.e. economic performance, government efficiency, business efficiency, and infrastructure) organised into 20 sub-factors with 338 criteria or variables (see Table 5.7 below). The WCS/Y is classified in this thesis as a default CUCOBBE model because it uses both primary and secondary data. The WCS/Y covers 60 countries every year, mainly developed and emerging economies in Europe, North America, Asia, South America, and the Middle East. Only one African economy, South Africa, is included in the WCS/Y.

The key distinctions between the WCS/Y (IMD) and the GCI (WEF) is that, first, the WCS/Y comprises 338 criteria compared to under 120 for the GCI, and second, the latter focuses on survey data (70 percent) whereas the WCS/Y emphasises hard statistics from international, national and regional organisations (IMD, 2014:487). This is why the WEF covers "so many more economies (148) than we can (60) because it is nearly impossible to find any hard data for many of these economies" (IMD, 2014:487). Nonetheless, many of the WCS/Y criteria correspond to those of the GCI. Quantitative data represents two-thirds of the overall weight in the IMD final rankings and soft data, compiled from their annual executive opinion survey, represents one-third of the overall weight. Only 253 of the 338 criteria or indicators in the WCS/Y (i.e. 135 based on hard data and 118 drawn from survey data) are used to compute the overall rankings (IMD, 2014:481). The remaining 85 criteria are used as background information only.

Table 5.7: IMD's WCS/Y pillars of competitiveness and factors

Pillars of Competitiveness	Factors	Criteria
Economic Performance	Domestic Economy, International Trade, International Investment, Employment, and Prices	83
Government efficiency	Public Finance, Fiscal Policy, Institutional Framework, Business Legislation, and Societal Framework	70
Business Efficiency	Productivity and Efficiency, Labour Market, Finance, Management Practices and Attitudes and Values	71
Infrastructure	Basic Infrastructure, Technological Infrastructure, Scientific Infrastructure, Health and Environment and Education	114

Total		**338**

Source: IMD (2014:480)

The IMD collects objective secondary data (for the 135 criteria) from the OECD, World Bank, United Nations, World Trade Organisation, United Nations Education and Scientific and Cultural Organisation, and IMD partner institutes worldwide. Qualitative data is collected through a survey that is designed to complement the hard data to quantify competitiveness issues that are not easily measured, such as, management practices, labour relations, corruption, environmental concerns or quality of life (IMD, 2014:486). Survey data is more recent and closer to reality since there is no time lag, which is usually a challenge with hard data that show a "picture of the past" (IMD, 2014:486). More than 4 300 executives constituting a representative sample of the cross-section of the business community in each country (about 70 per country) are surveyed annually. To be statistically representative, the sample size selected is proportional to the GDP of each country (IMD, 2014:486).

In the survey, respondents evaluate competitiveness issues by answering questions on a scale of 1-6, with 1 indicating negative perception and 6 representing the most positive perception. The WCS/Y calculates the average value for each economy; then the data are converted from the 1-6 scale to a 0-10 scale, using a formula based on standard deviation disclosed in the 2014 report. The survey responses are then converted into standard deviation values, from which the rankings are computed (IMD, 2014:484). Rankings are calculated overall, per factor (x4), sub-factor (x20) as described above, and lastly per variable within each sub-factor. Each of the WCS/Y is finally converted into a 0-100 percentile scale for the combined survey and hard data values which are the basis for the rankings. Each sub-factor, regardless of the number of indicators it comprises, has an equal weight in the overall aggregation of the results, i.e. 5 percent (20 x 5 = 100) (IMD, 2014:481). This is done to "lock" the weight of the sub-factor regardless of the number of indicators they contain and "improves the reliability of the results and helps ensure a high degree of compatibility with past results" (IMD, 2014:481). The weighting method may have the same weaknesses as those of the equal weighting method **(see section 7.8.1 in Chapter 7)**.

As a proprietary index distinct from those of multilateral organisations like the World Bank, and UNDP and non-governmental organisations like WEF, Social Progress Imperative, and Fund for Peace, the full reports of the WCS/Y are rarely in the public domain. However, one

edition available on the internet, the 2014 yearbook, has full details about the index including the formulae used to calculate the values or scores on which the rankings are based. The IMD uses the standard deviation method to calculate the values overall, by pillar (factor) (the four factors) and sub-factor (the 20) as explained above.

Companies can use the WCS/Y to assess alternative investment locations and governments can benchmark their policies against those of countries in their competitive frame of reference. In applying the WCS/Y, every company should obviously consider the soundness of its own economic sector, economic predictions, and its culture and governments the national identity and value system of their economy (IMD, 2014:472). However, like all other CUCOBBE operational models reviewed in this section, the WCS/Y is not stakeholder inclusive.

5.2.4 Critique of resource-based view of brand equity (RBVBE) micro models of nation branding

Building on the RBVBE approach reviewed in Chapter 4, five operational models for measuring country brand equity from an RBVBE school of thought are reviewed below. Two of them are bona fide nation branding models i.e. the asset-based nation brand equity (Dinnie, 2008) and complex interdependences of country branding construct (FutureBrand, 2006) and three i.e. the Human Development Index (United Nations Development Programme, 2014), diamond of national advantage framework (Porter, 1990a&b), competitiveness cube (Garelli, 2014) are default models. Furthermore, the first two models (i.e. FutureBrand, 2006; United Nations Development Programme, 2014) are proprietary-owned, and the remaining three are academic models. All five models assume that the assets or resources of a country are a source of national competitive advantage. Thus every country has to audit its assets to understand its sources of competitive advantage. Combined, the models offer a variety of dimensions and sub-dimensions with which a country can measure its brand equity. However, each of the models has some limitations the common one being their association with the resource-based view (RBV) of strategic management, which emphasises country resources hence is supply-side driven. At the same time, the strength of the four models is that they point countries towards their sources of competitive advantage in line with the RBV theory of country strategic development management. Louro and Cunha (2001:851) argue that the emergence of the RBV provides the theoretical underpinning "for linking brands and brand management to the

development of sustained competitive advantage". Brands are one of the rare strategic assets that can give a company a long-lasting competitive advantage (Kapferer, 2008:1).

Within Table 5.1 above also, Bond, McCrone and Brown's national identity and economic development model and its association with the concept of nationalism is conceptually meta-analysed. "Nationalism has an important economic dimension" (Bond, McCrone & Brown, 2003:374) that reveals itself in the way national political leaders view businesses in general and foreign investment in particular. The effects of nationalism on foreign capital reveal themselves in how "property rights" (Anyanwu, 2012; AT Kearney, 2016; Delgado *et al*., 2012; Kalamova & Konrad, 2010; Mo Ibrahim Foundation, 2016; WEF, 2015a) and "rules governing FDI" (Ghauri & Cateora, 2014; Cateora, Gilly & Graham, 2011; Kalfadellis & Gray, 2004; Zhang, 2014) are defined and enforced. As a result, countries following a strictly RBVBE approach in their national development policies may not be attractive to foreign investors.

5.2.4.1 Asset-based nation brand equity (ABNBE) model

The model of ABNBE is a conceptual model developed by Dinnie in 2008, which attempts to identify the key sources of nation brand equity underpinning the crafting of a strategic nation branding strategy. Nation brand equity is "the intangible and tangible, internal and external assets (or liabilities) of the nation" (Dinnie, 2008:67). The ABNBE model tackles nation branding from the perspective of a nation's internal and external assets hence its classification in this thesis as an RBVBE-inspired operational framework. A country's *internal assets* are divided into *innate assets*, i.e. iconography, landscape and culture and *nurtured assets,* i.e. internal buy-in, support for the arts, and loyalty levels. The model also divides *external assets* into *vicarious assets,* i.e. country image perceptions and external portrayal in popular culture and *disseminated assets,* i.e. brand ambassadors, the diaspora and branded exports. Combined, these assets provide a source of nation brand equity.

Despite the fundamental role internal stakeholders play in nation brand equity, one source of nation brand equity often forgotten by nations and researchers concerns internal buy-in to the nation brand (Dinnie, 2008:70). Internal buy-in suggests the involvement of internal stakeholders in brand management. Internal stakeholders within the country branding context are all the domestic stakeholders. If these domestic stakeholders are not aware of the images

and reputations that are being projected of their own country, they cannot be expected to "live the brand" (Dinnie, 2008:69). The result can be a gap between the projected image and reality, which creates cognitive dissonance when tourists, foreign investors and other target audience learn that the nation's projected image is not rooted in reality (Dinnie, 2008:70).

Loyalty is a fundamental element of brand equity (Aaker, 1996a, 1996b; Dinne, 2008; Keller, 2013; Laforet, 2010; Rashid, 2014). In the context of nation brands, strategies that strengthen loyalty levels of a variety of stakeholders such as foreign consumers of a nation's products, political allies, foreign investors, trading partners, and tourists need to be pursued (Dinnie, 2008:70). Dinnie also acknowledges that a country's vicarious assets such as country image perceptions may be at variance with reality.

Like other models reviewed in this chapter, the model of ABNBE has a number of limitations. One, like FutureBrand's (2006) complex interdependencies of country brands reviewed below, the ABNBE is a conceptual framework and has so far hardly been interrogated in the literature let alone empirically. Two, its internal buy-in attribute cannot be implied to include "external buy-in" as Dinnie has not explicitly stated it in the model. External buy-in hence inclusion of external stakeholders, in the case of this thesis foreign investors and all other external stakeholders with roles in making the FDI destination selection decisions, is equally critical. So the deficiency of Dinnie's model of ABNBE lies in its restriction of the idea of buy-in to internal stakeholders only. The other shortcoming of the ABNBE model is that in its list of innate assets (i.e. iconography, landscape and culture) it does not include natural resource-endowment like arable land, forestry, and minerals. Countries richly endowed in natural resources can attract resource-seeking FDI (Adam & Filippaios, 2007; Böckem & Tuschke, 2010; Rojas-Me´ndez, 2013; Sun, 2009).

5.2.4.2 Complex interdependencies of country brands (CICB) model

The CICB is a simple theoretical model designed and presented by global branding consultancy firm, FutureBrand, in its 2006 CBI edition. The CICB is an RBVBE-inspired operational model of country branding with some traits of stakeholder-based nation brand equity. Few brands are as complex as countries, with countless audiences, segments, environmental drivers, market drivers, and agencies (FutureBrand, 2006:40-41). These complex interdependences

are, in fact, resources or assets of sorts for countries. For instance, *segments* constitute states, provinces, capitals, government departments, cities, economic councils, government agencies, trade commissions, regions, cultural foundations; *audiences* include foreign governments, convention and meeting planners, press, citizens, tour operators, corporate, business travellers. *Market drivers* include tourism, population growth, employment, real estate, conventions, and investment dollars. *Environmental drivers* consist of events, architecture, monuments, culture, safety, entertainment and safety. FutureBrand (2006:40) admits that there are enormous challenges associated with steering these disparate government divisions, private organisations and political agendas.

While the CICB model is largely RBV-inspired, its audiences' component inclines the stakeholder-based model of nation brand equity. This is because FutureBrand (2006:40) states that, "Aligning the parts [including audiences] to create a cohesive whole is a challenge that must be supported at the highest levels of government." Besides that, the CICB has a limitation related to its association with RBV, i.e. that it simply focuses on the resources of the country as a basis for country competitiveness; it has barely been interrogated in the literature. However, considering its various complex interdependences, the CICB framework appears to agree with Rojas-Me´ndez's (2013:464) argument that "stakeholders do not consider a nation brand in isolation but rather as a multidimensional construct".

5.2.4.3 Human Development Index (HDI)

The HDI, designed by the United Nations Development Programme (UNDP) in 1990, is a composite index that measures country average achievement in three primary dimensions of human development—a long and healthy life, knowledge (education) and a decent standard of living (Klugman, Rodríguez & Choi, 2011; Mishra & Nathan, 2014; Giray & Ergut, 2014; UNDP, 2016). It principally measures the opportunities that people have during their lifetime, i.e. life expectancy at birth (measured in years), mean years of schooling and expected years of schooling, and gross national income (GNI) per capita, which are aggregated into an HDI value (UNPD, 2014:34). Each of the three dimensions is constructed into a sub-index, i.e. life expectancy index, education index, and GNI per capita index with a value ranging from 0 to 1. As from 2010, the HDI has a feature that enables users to build an alternative HDI using any of nine potential dimensions, that is, on top of the three core dimensions—users can select

indicators in the areas of inequality, poverty, gender, sustainability, human security and empowerment (Klugman, Rodríguez & Choi, 2011:285). The trio's view is supported by Al-Hilani (2012) and Giray and Ergut (2014). Policymakers should fully consider indices such as the gender discrimination and inequality before making general policy recommendations basing on the HDI (Al-Hilani, 2012:28).

Since the inception of the UNDP's Human Development Report in 1990, HDI country rankings have been published every year to date. The HDI measures and categorises countries into four clusters i.e. 0–0.550 representing Low Human Development, 0.550–0.699 representing medium Human Development, 0.700–0.799 representing High Human Development and 0.800–1.0 representing Very High Human Development (UNDP, 2016:198–200, 2014:156, 2015:204). For the purposes of this thesis any values below 0.500 represents a negative HDI.

Considering its dimensions, the HDI has clear implications for public policy formulation, implementation and evaluation. Notwithstanding that it was not conceived with country branding in mind, the HDI is a default nation branding index defined from a quality of life and knowledge capital standpoint, so it is classified in this thesis as an RBVBE model. Investors consider the availability of critical skills (see, e.g. Anyanwu, 2012; Hornberger, Battat & Kusek, 2011) and GNI or GDP (Anyanwu, 2012; Bellak, Leibrecht & Stehrer, 2008, FfP, 2014) in selecting a foreign investment destination. The limitations of the HDI are that it only evaluates countries from a human development perspective and measures what it measures using secondary data. Klugman, Rodríguez and Choi (2011:251) argue that the HDI's simplicity, combined with the transparency assured by the utilisation of data published by international organisations, has been one of the main drivers behind the success of the HDI since its inception. The model's reliance on secondary data means that it also has traits of the COBBE approach. This means that in the country branding context, the needs of the policymaker (and to some extent researchers) are prioritised at the expense of those of the other key stakeholders, particularly those attaining low human development outcomes. The other limitation is that, while as of 2014 the Human Development Report Office (HDRO) website (http://hdr.undp.org/en) provides access to the proprietary software programmes used to calculate the HDI, the website does not have a link to the equations that the HDRO uses to calculate the index.

5.2.4.4 Porter's diamond of national advantage framework

The theories of nation brand equity (see, e.g. Lee, 2009; Sun, 2009) and nation competitiveness (see Delgado *et al*., 2012; Garelli, 2014; Sala-i-Martín *et al*., 2015b) are related because they all seek to examine strategies to enhance national prosperity. As a result, Porter's diamond of national advantage framework may be used to examine how countries can manage themselves as brands to attract FDI. A nation's competitiveness hinges on the capacity of its companies to innovate and improve (Porter, 1990a:73). While it is companies, not nations, which face international competition, the characteristics of the home country play a pivotal role in company's international success (Porter, 1990a, 1990b). However, Garelli (2014:491) intimates that the credible support for the claim that there is competition among nations may be evident in education and know-how. In a modern economy, nations do not just depend on products and services but also compete with brains (Garelli, 2014:491). The capacity of a nation to nurture an excellent education system and to enhance knowledge in its workforce through training is essential to competitiveness (Garelli, 2014:491).

Nations also compete for tourists, FDI and political influence. In view of the benefits of FDI like capital development, technology transfer, and poverty reduction, nearly all countries compete for this finite resource. Country differences in government policies and economic conditions influence opportunities that are available to foreign firms and the risks of operating within that country (Thompson *et al*., 2014:184). According to the diamond of national advantage model, firms build competitive advantages drawing on the environment obtaining in the home country. This implies that countries should create operating environments where businesses can thrive, hence Porter's diamond model can be applied in designing nation brand strategies.

According to the model, there are four principal determinants that facilitate firm competitiveness in a nation—factor conditions, related and support industries, demand conditions, and firm strategy, structure and rivalry (Porter, 1990a, 1990b; Smit, 2010; Thompson *et al*., 2014). The model also suggests two additional components—government

policy and chance (exogenous shocks) (Porter, 1990b:775), which support and supplement the system of national competitiveness but do not create lasting competitive advantages (Smit, 2010:115). These determinants provide the national environment wherein firms are created and study how to compete (Porter, 1990a:78). The fact that the determinants of national competitive advantage are crucial to stimulating domestic and foreign investment in a country makes the national diamond framework a truly RBVBE-inspired model. Brand Finance®'s (2013:4) NBIF™ reviewed above acknowledges that each of the four segments of a nation brand i.e. investment, tourism, products and services, and people and talent have internal and external audiences (Table 5.4 above).

In explaining the role of factor conditions in creating national competitiveness, Porter (1990a:79) argues that factors of production – i.e. labour, land, natural resources, capital and infrastructure – are at best incomplete and at worst incorrect, contrary to the hypothesis of classical economics. He claims that in advanced industries that form the backborne of developed economies, nations do not inherit the most fundamental factors of production – such as human resources or a scientific base – but create them (Porter, 1990a:79). Thus it can be inferred from the diamond model that basic factors of production stimulate production but do not yield sustainable national competitive advantages for firms. Smit (2010:115-116) claims that the fact that Porter employs an informal style based on common sense instead of mathematical models to describe factor conditions, which is easier to understand, does not discredit the standard theory of comparative advantage. However, Garelli seems to echo Porter's opinion while disputing Smit's. Countries have limited possibility to compensate for an absence of natural resources or [market] size (Garelli, 2014:490). He further argues that, in contrast, policies are completely reliant upon the resolve of people because they can be designed and amended at will. Facts and policies combined define the strategy and the freedom of action of a nation to create a suitable competitive framework for itself (Garelli, 2014:490).

Demand conditions deal with the size of the home market, its growth potential, and the level of sophistication of the nation's buyers (Porter, 1990a; Smith, 2010). Varying population sizes, income distribution, and other demographic variables help to explain differences in market size and growth rates from one country to another (Thompson *et al*., 2014:181). Porter concentrates on demand differences rather than similarities between countries to describe international country competitiveness (Smit, 2010:116).

The third general component of national competitiveness is the presence of related and support industries (Porter, 1990a:82). Robust industries usually emerge as a part of a cluster of related industries, including suppliers of components and capital equipment, end users, and manufacturers of complementary products (Thompson *et al*., 2014:182). Also, national environments uniquely shape firm strategy, structure, and rivalry in respect of how companies are established, managed, and how they compete. The national diamond model recognises that the presence of stiff competition in the home market, i.e. domestic rivalry, is important to the creation of competitive advantages in firms operating in an economy (Hollensen, 2010; Porter, 1990a). Competition forces companies to innovate hence reduce their operating costs. The intensity of local competition is also acknowledged as a basis of country competitiveness in the GCI (WEF, 2016:40) which was reviewed above.

As already highlighted above, chance and government are two additional factors in Porter's national diamond. Chance concerns random or unplanned events that may support the establishment and growth of an industry (Hollensen, 2010:70) like the emergence of an entrepreneur, new technology, needs or opportunity. Government is the regulator hence should create an environment conducive to business operations. Government can impact and is impacted by each of the other factors of the diamond. The government or institutions aspect is also a key component of proprietary indices reviewed above, such as the GII, IIAG and GCI. Porter's diamond model is important in that "it is useful in analysing locations as a source of international competitive advantage for firms" (Smit, 2010:123-124). Although the model is empirical, Porter does not reveal how he gathered and analysed data to validate his framework.

5.2.5 Critique of stakeholder-oriented brand equity (SOBE) micro models of nation branding

Inspired by the stakeholder theory of management (Freeman, 1984), there have been many vocal calls to involve stakeholders in place (including nation) branding (e.g. Antonsen, 2010; Aronczyk, 2008; Dinnie *et al*., 2010; Dinnie & Fola, 2009; Kavaratzis, 2012; Kasabov & Sundaram, 2011; Temporal, 2014; Tiberghien, Garkavenko & Ashirbekova, 2013; Yee, 2009). Nonetheless, these calls remain void given the scarcity of operational-level models of measuring brand equity of country FDI from a stakeholder perspective. The broad argument

of the SOBE approach is that stakeholders must be involved in strategic brand management because brand equity or reputation is co-created with, and determined by, a variety of key stakeholders in the brand value chain (Jones, 2005; Hollensen, 2010; Kapferer, 2008). As a result, this section critiques seven definitive frameworks that attempt to assess brand equity from a stakeholder perspective (e.g. Jones, 2005; Sartori, Mottironi & Corigliano, 2012; Dinnie, 2008; Rojas-Me´ndez, 2013) of which four of them are empirical, and two are conceptual. Six of them are academic, and one is proprietary-owned. Like all other models reviewed elsewhere in this chapter, all seven frameworks have their own conceptual and practical gaps. A common limitation of them all is their measuring of brand equity focusing on stakeholder perceptions gathered through surveys, which is consistent with the SOBE theory reviewed in Chapter 4.

5.2.5.1 Stakeholder model of brand equity

Jones' (2005) stakeholder model of brand equity (for the corporate sector) is, perhaps, the groundbreaking operational framework of measuring brand equity from a stakeholder perspective. While its underlying assumption for assessing brand equity from a stakeholder standpoint can readily be extended to countries, the fact that the model was specifically designed for the corporate sector does not lend many of its attributes relevance to country brands. The model's sub-dimensions, which are underpinned on the construct of brand value, are: identify relevant stakeholders (primary & secondary), identify value of the relationship (prioritisation - dependency, strategic, salience, actuality), identify nature of the exchange (functional, symbolic, hedonic), total communication (leadership & performance, controlled communication, third party communication), relationship performance (outcomes: profitability, reputation, loyalty, synergy, political influence), environmental factors (salient issues, macro-economic factors, political climate, legislation).

Jones goes to great lengths in his attempt to explain brand value and brand equity, two concepts that are at the core of brand management. To Jones, brand value weighs the role of relationships in value creation and brand equity takes into account the evaluation of the value that is created through those relationships. The difficulty of the stakeholder model of brand equity is that it makes the measurement of brand equity uncertain because it removes the bottom line, which is the clearly defined success criterion (Jones, 2005:13). In fact, Jones

argues that brand valuation should move away from concentrating on the here-and-now brand value, which overemphasises financial performance. Therefore, Jones is a critic of the financial brand equity approach reviewed above as the COBBE perspective in the previous chapter that he accuses of short-termism. Instead, Jones argues that long-run and sustainable brand value is created in value relationships that go beyond the relationships with customers alone but a whole range of stakeholders. The development and survival of the brand (and the creation of shareholder value) is, nonetheless, reliant on an appreciation of the (usually unstable) environment in which the brand exists and the value the brand generates for its stakeholders (Jones, 2005:13). Therefore, brand value must bother itself with considering the sources of the creation and co-creation of value for both the firm and its stakeholders, Jones adds. From these arguments it is clear that Jones' stakeholder model of brand equity agrees with the relationship marketing hypothesis (see e.g. Payne, 1995 cited in Hollensen, 2010; Kotler & Keller, 2016) and Hollensen's (2010:34) value chain based view of value creation, which are extensions of Porter's (1998:33-61) value chain model, discussed under the stakeholder-based brand equity approach in Chapter 4. These models are all premised on the role of stakeholder participation in the co-creation of brand value and equity.

The stakeholder model of brand equity has some weaknesses. First, it was designed for the corporate sector and needs to be adapted to country brands if it is to be useful. Second, it does not have suitable variables for assessing country brands. Three, as a behavioural-based approach, it assesses brand equity using survey data only. Nevertheless, the relevance of the model is enhanced by its accompanying sub-framework, the daisy-wheel model of stakeholder brand equities and expectations (Jones, 2005) reviewed below as an independent framework.

5.2.5.2 Daisy-wheel of stakeholder brand equities and expectations

As implied by its name, the daisy-wheel of stakeholder brand equities and expectations resembles the wheel with its hub, spokes and spoke nodes. The hub of the wheel is the brand itself, which represents the collective stakeholder-mediated brand equity—the dependent variable. The spokes of the wheel are the many stakeholders of the brand, in this case, 10, which represent the dimensions of the model—the independent variables. The stakeholders are the consumers, public opinion, governments, NGOs, competitors, media, distribution partners, suppliers, employees, and managers (Jones, 2005:18). The nodes of spokes of the

wheel are the expectations, interests or individual brand equities of each of the stakeholder groups, representing the sub-dimensions of the model, which may be conflicting hence presenting a challenge for the custodians and managers of the brand. Stakeholders have many and often competing interests (Ackermann & Eden, 2011; Argandona, 2011). Consumers expect product quality, high reputation, and high benefits; public opinion centres on socially responsible behaviour, good environmental track record; governments are interested in the legality of operations and job creation. NGOs are concerned with whether the brand has socially responsible behaviour and good environmental track record; competitors focus on brand strength, reputation, and market strength; and media is concerned with social, ethical, environmental and financial responsible behaviour. Distribution partners are preoccupied with brand strength and reputation; suppliers with brand strength, reputation, and market strength; employees with job security, and reputation; and managers with marketing position and reputation.

Although Jones' (2005) daisy-wheel model of stakeholder brand equities and expectations was designed for the corporate sector, given its dimension and sub-dimensions as stated immediately above, the model can be readily applied to countries. At the same time, however, both the daisy-wheel and its parent stakeholder model of brand equity were not designed specifically with the objective of measuring the brand equity of country FDI. Furthermore, both models are theoretical so they have not been tested empirically. This also means that Jones (2005) has neither empirically identified the most critical stakeholder groups from the 10 in the daisy-wheel nor the most important dimensions in the stakeholder model of brand equity.

5.2.5.3 Fully-inclusive stakeholder (FIST) approach

Applying the principle of inclusiveness to nation branding, Keith Dinnie designed the fully-inclusive stakeholder (FIST) approach to provide a basis for identifying the range of prospective stakeholders and their salience in designing and implementing a nation branding strategy. The FIST approach, so-named because of its resemblance of a fist, "is not exhaustive, as every individual fist nation will have its specific range of stakeholders" (Dinnie, 2008:188). In the model, the government is the forearm connecting the fist to the body and the fist itself (i.e. palm and fingers) constitutes public sector organisations (tourism board, inward

investment agency and economic development agency), private sector organisations (trade associations, chambers of commerce, private sector brands), and citizens (not-for-profit organisations, diaspora). Citizens as a stakeholder group in nation brand management should include ordinary citizens, the general public (Brand Finance®, 2013:4; Dinnie & Fola, 2009:5; Fullerton & Holtzhausen, 2012:273; Zouganeli *et al*., 2012:753). "Every citizen can be regarded as a stakeholder, as well as every organization operating within any given country" (Dinnie & Fola, 2009:5). Hence, the FIST model is a demonstration of an umbrella nation brand.

The benefits of the FIST approach to the strategy may be considered regarding motivating employees, generating buy-in and commitment, stimulating creativity, and aligning stakeholders behind the corporate vision (Dinnie, 2008:187). Only the government has the authority to establish the parameters of the nation branding strategy (Dinnie & Fola, 2009:5). Oliva and Stringari (2014:5) echo the duo as they acknowledge that the demands of the globalised world necessitate national leaders to manage the nation brand. Nonetheless, there also needs to be a strong level of public-private sector collaboration to maximise the chances of a successful strategy formulation and implementation, Oliva and Stringari state. Dinnie and Fola (2009:5) suggest that the country's diplomatic service must also be actively involved in a country's nation branding strategy because any country's embassy network represents a potentially powerful network for positive representation of the country abroad.

The strengths of the FIST approach are that it is specifically designed for country branding projects and has been tested empirically, albeit through a qualitative study carried out in Cyprus (e.g. Dinnie & Fola, 2009). The range of stakeholders involved in Cyprus' nation branding needs to be extended beyond tourism and shipping to include other stakeholders such as chambers of commerce, academia, cultural heritage foundations, country analysts, and existing investors (Dinnie & Fola, 2009:8). One of the eight key informant respondents from the private sector in Dinnie and Fola's study gave a diverse list of stakeholders including Ministry of Health. This shows that the health sector should be involved in nation branding. Nonetheless, the qualitative nature of the study and the small sample size limits the generalisability of the findings beyond the context in which the research took place. Stakeholder identification and salience is context-specific phenomena hence future research is needed in this domain in order to investigate the nature of stakeholder identification and salience across different international

settings (Dinnie & Fola, 2009:12). The approach may be seen as a representation of the ideal state, rather than the actual state, concerning levels of stakeholder inclusiveness in the crafting of nation branding strategy (Dinnie, 2008:188). Nations sincerely come together only as a defensive impulse in response to an external threat such as imminent invasion or attack (Dinnie, 2008:188), increased globalisation, geopolitical rivalries, and economic competition (Simonin, 2008:23).

5.2.5.4 Empirical internal stakeholder-based brand equity (EISBE) model for tourism destinations

Sartori, Mottironi and Corigliano's EISBE model for tourism destinations is a useful guide to assessing internal stakeholder brand equity. The central hypothesis of the IESBE model is that successful destination branding strategies need the mobilisation and commitment of internal stakeholders to strengthen communication of the brand message to the tourist market. To this end "the literature suggests that adopting an inclusive and participative approach to the branding process can increase and maintain the stakeholders' willingness to share the brand mission" (Sartori, Mottironi & Corigliano, 2012:327).

To test the hypothesis, the trio developed a theoretical model of internal stakeholder-based brand equity for tourism destinations with four dimensions: internal brand awareness, internal brand image, internal brand commitment, and internal brand satisfaction. Each of the four theoretical constructs had a number of attributes that added to the total of 25 items in the study's questionnaire. The questionnaire was then administered to a sample of 296 internal brand users of South Tyrol's (Italy) regional branding strategy. The findings of the empirical study support the importance of a participative approach to the branding process in order to boost overall internal equity (Sartori, Mottironi and Corigliano, 2012:337). The findings also display a suitable information gap concerning brand performance that affects the stakeholders' commitment.

The major weakness of Sartori, Mottironi and Corigliano's empirical model is that it is focused on a tourist destination hence it is not entirely relevant to FDI destination branding. As a result, except for model's empirical dimensions, the attributes for each component would not be suitable for measuring the brand equity of FDI destinations. In addition, the model only

considered internal stakeholder brand equity, the same limitation that this thesis raises for Dinnie's (2008) asset-based nation brand equity model reviewed above. Organisations, countries included, have a broad range of internal and external stakeholders (Jones, 2005; Kasabov & Sundaram, 2011; Kavaratzis, 2012; Tiberghien, Garkavenko & Ashirbekova, 2013). The model's value is also reduced considering the fact that its empirical evidence is based on a study carried out in one region of Italy, South Tyrol, instead of the whole country. So, the results of the study may be taken as exploratory.

Nonetheless, the impact of the above-stated limitation is lessened by the fact that Sartori, Mottironi and Corigliano's model shows how to measure brand equity from an internal stakeholder perspective in a tourist destination marketing context. While their measures of brand equity may not be readily suitable to an FDI destination, at least its four empirical components offer a useful starting point for assessing an FDI location. There is a substantial body of existing empirical literature confirming the relationship between tourism and FDI (Selvanathan, Selvanathan & Viswanathan, 2009; Mustafa & Santhirasegaram, 2014). Moreover, frameworks such as the nation brand architecture model (Dinnie, 2008), CBR-Trade (Bloom Consulting, 2013), CBSI (Fetscherin, 2010), NBI^{SM} (Anholt-GfK Roper, 2013), CBI (FutureBrand, 2014), Nation Brand Molecule (Rojas-Me´ndez, 2013), and NBIF^{TM} (Brand Finance®, 2015) include both tourism and FDI in the elements of an umbrella nation brand.

5.2.5.5 Global investment prospects assessment (GIPA)

The GIPA model was designed by the United Nations Conference on Trade and Development (UNCTAD) in 2004 to assess the short-term and medium-term prospects for FDI. It analyses projected future patterns of FDI flows at the industry, national, regional, and global industry levels from the standpoint of global investors, investment professional or experts, and investment promotion agencies elicited through surveys (Bandura, 2005; UNCTAD, 2016b). UNCTAD also monitors cross-border investment policies separating liberalisation from promotion measures, and restrictions and regulations, which shades light on trends in investment attractiveness and government intentions concerning the role of foreign investment in individual countries and regions.

The target populations of the three constituent surveys – multinational corporations, FDI experts, and national investment promotion agencies – qualify the GIPA model as an empirical stakeholder model of nation FDI brand equity. However, given the broad range of stakeholders who, ideally, should be involved in a nation branding exercise (see e.g. Aronczyk, 2008; Dinnie, 2008; Dinnie *et al*., 2010; Dinnie & Fola, 2009; Kasabov & Sundaram, 2011; Kavaratzis, 2012; Temporal, 2014; Tiberghien, Garkavenko & Ashirbekova, 2013; Yee, 2009), GIPA turns out to be insufficiently inclusive. Transnational corporations are customers. In countries with strong nationalism transnational firms may be seen as overburdening hence policymakers may pass stringent laws and regulations to control their influence (Cateora, Gilly & Graham, 2011; Kalfadellis, 2005; Zhang, 2014). Furthermore, at the strategic level, it is the political leadership of a country not the national investment promotion agency that decides the country's national investment policy. While the idea of surveying FDI experts, which is put into practice by GIPA is welcome, a government can choose to listen to experts who echo its own views rather than public opinion. Therefore, it is critical that the national political leadership and other key stakeholders, where feasible, are also surveyed for their views on FDI. The media, students, NGOs, and the general public are critical stakeholders in nation branding (Jones, 2005; Rojas-Me´ndez, 2013) but the GIPA model does not include them. As a result, the need for a broad-based empirical stakeholder-oriented model to measure the brand equity of nation FDI cannot be overemphasised.

5.2.5.6 Nation brand molecule (NBM)

Rojas-Me´ndez (2013:465) acknowledges that a good understanding of the country brand from potential stakeholders' standpoint is essential for successful brand management hence he designed his NBM from a stakeholder-based brand equity perspective. The model is also founded in the RBVBE because Rojas-Me´ndez (2013:463) acknowledges the resource-advantage theory in his paper. Rojas-Me´ndez constructed the model through an inductive approach by gathering views of 532 university master's students from 20 countries in respect of the 26 countries in his sample half of which were developing. Only two of the countries in the sample were African – South Africa and Nigeria – and their samples of 19 and 27 respondents respectively were rather too small. Therefore, the assumptions of the NBM need to be tested in the African context.

The NBM has seven dimensions – economy, tourism, geography and nature, culture and heritage, society, science and technology, and government – all of which have some corresponding facets (Rojas-Me´ndez, 2013:465) as shown in Table 5.1 above. It is an umbrella branding model because it covers most of, if not all, the outcome areas of country branding. The NBM shares five dimensions with Anholt's NBI^{TM}: tourism, government, culture, society, and economy (Rojas-Me´ndez, 2013:470). Anholt uses separate dimensions for exports, and investment and immigration, while Rojas-Me´ndez's molecule classifies investment and immigration under the economic dimension. Similarly, FutureBrand's CBI shares four dimensions with both the Anholt's NBI^{TM} Index and the NBM i.e. government, culture and heritage, society, and tourism (Rojas-Me´ndez, 2013:470). Rojas-Me´ndez also highlights that the NBM has two dimensions, geography and nature and science and technology, that are not present in either of the practitioner-led sources—i.e. FutureBrand's CBI and Anholt-GfK Roper's NBI^{SM}. "This may demonstrate that what should be measured is not exactly what has been measured, and therefore signposts a potential content validity problem of the practitioner-led measures currently in use" (Rojas-Me´ndez, 2013:470). However, the NBM's science and technology facet is shared with WEF's GCI, IMD's WCS/Y, and Cornell University, INSEAD and WIPO's GII while the geography and nature construct is shared with WEF's TTCI, all of which were reviewed above.

As an academic model, the strength of the nation brand molecule is that its architect highlights its limitations. Rojas-Me´ndez (2013:470) admits that his sample was biased towards graduate students so future studies can include individuals from the general population who might better represent all nation brand stakeholders. Second, he says that the free elicitation process focused mainly on nation brand personality, so there could still be some country facets that were omitted from the molecule. Third, because respondents were not asked to rank the level of significance of each expression provided, there are no relative weights of each of the molecule dimensions (Rojas-Me´ndez, 2013:470). Finally, despite that Rojas-Me´ndez admits the need to solicit views of the general population in order to suit the criteria of stakeholder theory, he has not categorically conceded that the NBM cannot be fittingly classified as a stakeholder model of nation branding since he only considered the views of only one stakeholder group—postgraduate students. Of course, his argument that postgraduate students represent various stakeholder groups which should participate in country branding cannot be underestimated. Many such students are mature and

may either be running their own businesses or may be mid-career professionals in their respective fields. However, the fact remains that they are students.

Students can be objective in their views about the world around them. But the views of someone who is taking or has taken a postgraduate qualification may not necessarily be shared by counterparts in the workplace who have not had that opportunity. Also, students can be tempted to please their professors (Outhavong, 2007:30) hence could say anything. Students are also a more similar group, which makes their sample present small variance in answers (de Queiroz & Giraldi, 2015:1198). Rojas-Me´ndez's NBM needs to be viewed with these limitations in mind but without necessarily watering down its contributions.

5.2.5.7 Modified Fombrun-Reputation Institute Country Reputation Index (CRI)

The Modified Fombrun-Reputation Institute CRI is an academic index published by Passow, Fehlmann and Grahlow (2005) having been inititialy developed by Fehlmann *et al*. (2002) to help the Liechstenstein government to manage its reputation. So the CRI is a bona fide model of measuring country reputation. It is classified as a SOBE model because the researchers drew the sample from internal and external stakeholders of the study country, Liechtenstein. The internal stakeholders were a convenience sample drawn from Lietchtenstein's population, and external stakeholders were respondents drawn from Austria, France, Germany, Switzerland, United Kingdom, and the USA giving a net sample of 6 739.

Since the sample included both internal and external stakeholders, the researchers also used gap analysis to analyse the data to determine perception variances between the two groups. The CRI is the ground-breaking ready-to-go instrument that enables any government to directly measure the reputation of its country (Passow, Fehlmann & Grahlow, 2005:313) adapted from Harris-Fombrun Reputation Quotient (RQ) for measuring corporate reputation. In principle, this implies that country reputation is related to corporate reputation hence an instrument developed to measure reputation in the corporate sector can be adapted to countries and vice versa. Of the six dimensions in the RQ for corporations, only two were materially adapted in the CRI in respect of dimension names, i.e. from "Products & Services" (RQ) to Physical Appeal (CRI) and from Workplace Environment (RQ) to Cultural Appeal (CRI). A third RQ dimension that was adapted to a small extent is "Vision & Leadership" (RQ), which was

changed to “Leadership Appeal” (CRI). The names of three RQ dimensions – “Emotional Appeal”, “Financial Performance”, and “Social Responsibility” – were adopted by the CRI without changes. At item level, changes of varying degrees were effected on all 20 items constituting the RQ to make them relevant to countries.

The CRI is a 10-point scale ranging from 1 = No Reputation to 10 = Total Reputation (Fehlmann *et al*., 2002:29). Mean scores and linear regression analysis were used to analyse the data although the paper is silent on whether or not the data were normally distributed. The 20 variables were collapsed into 17 items because three of them were highly correlated thus collapsed into one item. The 17 items were subjected to regression analysis to identify those of them which are reputation drivers. Ten of them had regression coefficients (beta) ranging from 0.052 (Has a well-developed industrial sector) to 0.228 (Is a beautiful place) (Passow, Fehlmann & Grahlow, 2005:316). The most important reputation drivers in Liechtenstein were “Has well-developed industrial sector” (beta coefficient as already reported), “Upholds international laws” (0.216), “Is well-managed” (0.148). These reputation drivers are suitable for nation brands. Because of its foundation in the concept of managing “country reputation”, the CRI has a better chance of being accepted than alternative models grounded in the idea of managing “country brands”. Dinnie (2008:173) notes that to some extent, the hostility towards the notion of branding a nation may be driven by dislike of the word “brand”, hence if alternative terminology like building a nation’s “reputation” rather than ‘brand’ is used, there might not be the same degree of scepticism towards the idea of nation branding.

5.2.6 Critique of unclassified micro models of nation branding

Two of the over 46 operational models of nation brand equity deconstructed in Table 5.1 above do not fit neatly into the five approaches to nation brand equity used as one of the categories for analysing the frameworks. The two models are categorised as “unclassified”. Despite this setback, the models are relevant to nation branding inclusive of the outcome area of FDI sub-branding hence they are reviewed in this chapter. The fact that none of the five theories of nation branding – CUBBE, COBBE, CUCOBBE, RBVBE and SOBE – could not accommodate the two frameworks is evidence of their limitations. So, there is room for new theories of measuring country brand equity.

5.2.6.1 PESTEL framework

The PESTEL framework could not fit neatly in any precise macro theory of country branding because its methodology is not described in full. In particular, its architects (i.e. Bivolaru, Andrei & Purcăroiu, 2009) did not explain the nature of the data they collected and from whom they gathered it. As a result, it has proven impossible to identify the approach in which their model fits.

Bivolaru, Andrei and Purcăroiu's PESTEL framework recognises that country branding is shaped by economic, social, political and communicational conditions. The market characteristics that are analysed – i.e. political, economic, social, technological, environmental and legislative dimensions – affect the product (country) image itself hence they represent the external elements of SWOT those are opportunities and threats (Bivolaru, Andrei & Purcăroiu, 2009:105). Consequently, the trio concluded that they found the PESTEL analysis to better fit the country or destination branding processes. In fact, their PESTEL framework resonates with Fetscherin's (2010:467-8) definition of a nation brand: it "concerns a country's whole image, covering political, economic, social, environmental, historical, and cultural aspects."

Bivolaru, Andrei and Purcăroiu (2009:105) suggest that, to a large extent, the PESTEL framework denote the supply side of brands since its elements represent the characteristics of the country itself. They argue that by "linking the demand side of brands (i.e. the NBI and CBI measurements reviewed earlier on above) to the country components (i.e. political, economic, social, technological, environmental and legislative), one will be able to identify the equilibrium point of the demand and supply side of brands, or the core branding characteristics" (Bivolaru, Andrei & Purcăroiu, 2009:105). So they coded the CBI's and NBI's conceptual categories into the six PESTEL dimensions (see Table 5.8 below). To attain the goal of their study, the three Romanian researchers regarded the six components as collectively exhaustive despite that, at the same time, they agreed the six categories were not mutually exclusive. They assigned each NBI and CBI category to one most conceptually suitable PESTEL component. The inter-coder reliability Cohen test indicated that there were no considerable differences between the two coding results, $p<0.005$, $k = 0.678$ (Bivolaru, Andrei & Purcăroiu, 2009:105).

The trio adds that the high-value Cohen's kappa yields (>0.610) confirmed significant agreement between the two coders.

Table 5. 8: PESTEL framework dimensions, significance and indicators

PESTEL dimensions	Dimension significance (Mean scores)	Quantitative indicators of measuring performance in the field
Political	5.5	- Freedom House score (civil liberties/ political rights) - Press Freedom score, Freedom House
Economic	9	- Gross Domestic Product (GDP)/Gross Nation Income (GNI) Purchasing Power Parity (PPP), per capita GDP (PPP) - GDP growth rate - Exports output - Balance of payments - Current account deficit - Foreign Direct Investment (FDI) - Per capita tourism turnover
Social	12.5	- GINI coefficient - Literacy rate - Primary, secondary and tertiary education enrolment - Human Development Index (HDI) score – United Nations Development Programme (UNDP) - Level of generalised trust (World Values Survey, European Social Survey, General Social Survey)
Technological	2	- World Economic Forum: Global Competitiveness Reports
Environmental	4.5	- UNDP, Human Development Reports - United Nations Environmental Programme - United Nations Framework Convention on Climate Change
Legal	2.5	- Corruption Perception Index, Transparency International - Global Corruption Report, Transparency International

Source: Adapted from Bivolaru, Andrei and Purcăroiu (2009:109-110).

As evident in Table 5.8 above, the PESTEL framework's empirical test in Romania proved that only three elements, i.e. political, economic and social were statistically important in mean score terms hence Bivolaru, Andrei and Purcăroiu (2009:106) performed a "PES" analysis of Romania although they still highlight the "TEL" elements in passing. As a result, the trio suggests that the external SWOT analysis of Romania need be based on the PES framework although the full PESTEL analysis is worthwhile. The PESTEL model is largely consistent with the AT Kearney FDI Confidence® Index which, as already stated in this chapter, measures the behaviour of FDI on political, economic and regulatory systems and trends.

Although that Bivolaru, Andrei and Purcăroiu's PESTEL model is strengthened by its integration with widely used country brand tracking indexes, the NBI and CBI, the tool remains weakened by its focus on elements of the macro environment. The framework is silent on the influence of the micro environment (e.g. customers, suppliers, media, labour, government,

general public, and intermediaries) and internal environment (e.g. vision, mission, objectives, strategy, and the marketing mix on the country brand. Marketing experts, for instance, Kotler and Keller (2016) and Hollensen (2010) agree that the microenvironment and internal environment should be considered in a marketing audit. In addition, Bivolaru, Andrei and Purcăroiu's PESTEL framework was developed and tested in Romania so its relevance to other nations is yet to be established.

5.2.6.2 Framework of success factors of place marketing and branding

This model has proven not easy to decide which among the five macro theories of branding it best fits. This is because Rainisto's (2003) gathered primary data from the supply side of place marketing i.e. people involved in designing and implementing place marketing strategies. So the model may be interpreted as related to the COBBE approach. However, given that the COBBE approach is reliant on objective secondary data (Fetscherin, 2010; Laforet, 2010) the framework of success factors for place marketing and branding do not entirely fit into this macro theory. This is because Rainisto gathered primary data through depth interviews, which is consistent with the behavioural school i.e. CUBBE and SOBE perspectives. At the same time, the model does not fit the SOBE school of thought because it only gathered data from one stakeholder group – place marketing managers – yet places (cities in this case) have various stakeholders. The framework also does not fit into the CUBBE paradigm because no data was gathered from external customers on their perceptions of the five cities investigated by Rainisto—Helsinki, Stockholm, Copenhagen and Chicago. Rainisto's model also has traits of a CUCOBBE approach although it falls short on account of its CUBBE and COBBE weaknesses highlighted above which a CUCOBBE-inspired operational framework should not have. It does not quite fit into the RBVBE approach because it does not have an emphasis on tangible and intangible assets.

Finish academic Sepo Rainisto developed and presented the framework of success factors of place marketing as part of findings for his case study-based ground breaking place marketing doctoral thesis in 2003 (Rainisto, 2003:227) that was then adapted into the framework of success factors of place brands by Moilanen and Rainisto (2009:22). The empirical framework has three determinant factors of success, i.e. the inner part of the "prism", the sides of the "prism", and the "how and ability" factors (Rainisto, 2003:227; Moilanen & Rainisto,

2009:23). The five success factors in the inner part of the model 'prism' (i.e. planning group, vision and strategic analysis, place identity and place image, public-private partnerships, and leadership) make up the vital structures in the place marketing process. The four success elements on the sides of the framework 'prism' (i.e. political unity, global marketplace, local development and process coincidences) help to address the strategic issues in the network or microenvironment and the macro environment of the place brand. Lastly, the "how and ability" factors – those are strategic exploitation, organising capacity, the presence of the substance, measurement and follow up – should always be considered as they bring further difficulties in place marketing operations. In fact, all the success factors of the framework are connected and interacting with each other supporting the process of successful place marketing practices. All the success factors of place branding are interlinked to support the establishment of successful place marketing analysis, planning, implementation, and evaluation.

Rainisto's framework of success factors of place marketing and branding's public-private partnerships variable in the inner "prism" is evidence that the model considers stakeholders an integral element of place marketing and branding. Comments have been made that 80 percent of the place's identity comes from existing stakeholders (Rainisto, 2003:222). However, the model is weak because it does not acknowledge the importance of natural resources in place marketing and branding.

5.3 SUMMARY

This chapter has deconstructed and categorised 46 micro models of nation branding, 21 of them proprietary-owned, into their respective theories of nation brand equity and foundation and coverage descriptors with 18 sub-descriptors in all. All but two of the frameworks fit neatly into one of the five approaches to nation branding—i.e. CUBBE, COBBE, CUCOBBE, RBVBE, and SOBE. The two models which did not fit into any one of the five theories were then fitted into the "unclassified" approach. This is evidence that there is still room for new theories of nation brand equity at the macro level. The chapter analysed each of the 46 models regarding its dimensions, sub-dimensions, strengths, and weaknesses. Despite the many calls by theorists to involve stakeholders in nation brand management, only seven of all the frameworks analysed in this chapter were underpinned by the SOBE approach. The chapter has made a fundamental theoretical contribution to the literature by building a conceptual

foundation for identifying nation brand components and attributes for assessing FDI destination brand equity. It has also made an original and substantial conceptual contribution to the body of knowledge by developing a typology of models of measuring nation brand equity. As far as this researcher knows, no such categorisation system of nation brand equity frameworks existed in the literature before. Moreover, most of the proprietary models have hardly been interrogated in the academic literature before. This chapter has laid the foundation for the next chapter—conceptual framework. In that chapter, a conceptual framework for measuring brand equity of nation FDI from a stakeholder perspective will be explored and presented.

CHAPTER 6

STAKEHOLDER-ORIENTED CONCEPTUAL FRAMEWORK OF NATION FOREIGN DIRECT INVESTMENT BRAND EQUITY

6. STAKEHOLDER-ORIENTED CONCEPTUAL FRAMEWORK OF NATION FOREIGN DIRECT INVESTMENT BRAND EQUITY

6.1 INTRODUCTION

Secondary Objective 2 of this study was "to develop a stakeholder-oriented conceptual framework to measure brand equity of nation foreign direct investment (FDI)". This chapter fulfills this theoretical objective by designing and presenting the stakeholder-oriented nation FDI brand equity (SON-FDIBE) hypothesised model hence makes an original and fundamental contribution to knowledge on FDI destination branding. Any *a priori* framework is used to guide the empirical study, and is, at the same time, left open for modifications emerging from the empirical data (Rainisto, 2003:65). A conceptual framework is a prototype developed to help explain reality in a meaningful way whether it is a product, process, or concept. It may be a diagram, table, set of words, an equation, or a combination of all these (this thesis employs all four), which assists to clarify the object under examination, in this case SON-FDIBE.

Lee (2009:67) suggests that when designing a conceptual model, a researcher must be clear whether she is designing a factor model or process model. A process model shows the knowledge of the process in a pictorial and simple to understand structure that would be complex in other formats (Karimi, 2013:160). Process-based models describe how and why the predictors and outcomes are related, presenting sequential events based on a temporal scope (Lee, 2009:68). Decision-making process models are shown as sequential activities comparable to workflows (Karimi, 2013:42). Several diffusion of innovation theories are implicitly process theories (Markus & Robey, 1988:590) and so are the consumer decision making model (reviewed in the previous chapter) and the strategic planning model. Factor-based models explain the causal relationship between independent and dependent variables, or the interaction between variables (Lee, 2009:68). The difference in the structure of variance [or factor] and process theories is to some extent similar to the difference between cross-sectional and longitudinal research methodologies (Markus & Robey, 1988:589). Markus and

Robey further argue that variance theories predict levels of outcomes from levels of coexisting predictor variables. They believe variance theories are concerned with explaining how outcomes develop over time. In his selection of nation brand equity operational models deconstructed in the previous Chapter 5, this researcher deliberately targeted factor models because he wanted to identify the predictors of nation FDI brand equity. Consequently, the SON-FDIBE conceptual framework is a factor model.

Furthermore, Sevin (2014:55) argue that a model should be capable of summarising and reporting its findings in accordance with its conceptualisation. The chapter begins by presenting an overview of the theoretical model. Next, it discusses the relationship between the independent variables, i.e. the framework's eight constructs and attributes, and the dependent variable, i.e. SON-FDIBE (see e.g. Blumberg, Cooper & Schindler, 2011; Bryman & Bell, 2015; Gray, 2014; Hair, Black, Babin & Anderson, 2010; Lee, 2009; Malhotra & Dash, 2011; Markus & Robey, 1988; Saunders, Lewis & Thornhill, 2012; Sekeran & Bougie, 2013). The discussion illuminates the gap in the literature and how the theoretical model closes it hence contributes to the body of existing knowledge. This chapter underpins all the remaining chapters of the thesis, namely, research methodology (Chapter 7), findings (Chapters 8 through 10), discussion (Chapter 11), and conclusions and recommendations (Chapter 12).

6.2 OVERVIEW OF SON-FDIBE CONCEPTUAL FRAMEWORK: WHY STAKEHOLDERS MUST PARTICIPATE IN NATION BRAND MANAGEMENT

A comprehensive review of literature done in Chapters 4 and 5 above has revealed that there are many calls to involve stakeholders in building country brands (e.g. Antonsen, 2010; Aronczyk, 2008; Dinnie *et al*., 2010; Dinnie & Fola, 2009; Donner, Fort & Vellema, 2014; Kasabov & Sundaram, 2011; Kavaratzis, 2012; Lee, 2016; Yee, 2009; Mbaiwa, 2016; Rojas-Me´ndez; 2013; Sartori, Mottironi & Corigliano, 2012; Tatevossian, 2008; Temporal, 2014; Tiberghien, Garkavenko & Ashirbekova, 2013; Zouganeli *et al*., 2012). Nonetheless, there are very few operational models of nation branding inspired by the stakeholder-oriented brand equity (SOBE) approach (Dinnie, 2008; Dinnie & Fola, 2009; Fehlmann *et al*., 2002; Passow, Fehlmann & Grahlow, 2005; Rojas-Me´ndez, 2013; Sartori, Mottironi & Corigliano, 2012; United Nations Conference on Trade and Development, 2016b). Among these few models the Global Investment Prospects Assessment (GIPA) model of the United Nations Conference on

Trade and Development (UNCTAD) is the only one that focuses on FDI destination competitiveness although, unlike the other models in the list, it is not a bona fide country brand equity model. In fact, extant proprietary-owned and academic branding models – whether bona fide or default, conceptual or empirical – including GIPA are predominantly informed by the customer-based brand equity (CUBBE), company-based brand equity (COBBE), and customer- and company-based brand equity (CUCOBBE) approaches **(see Table 5.1, Chapter 5)**. Few models are guided by the resource-based view of brand equity (RBVBE), which itself may be informed by any of the four prior theories. In itself, the gap is reinforced by existing literature that suggests that there are only two major approaches to measuring brand equity, i.e. CUBBE and COBBE (e.g. Atilgan, Aksoy & Akinci, 2005; Fetscherin, 2010; Dinnie, 2016; Ebrahimi, Kashani & Shojaei, 2012) yet there are at least five. The three additional macro theories are the CUCOBBE (Hampf & Lindberg-Repo, 2011:6; Kim, Kim & An, 2003:338), RBVBE (e.g. Grant, 1991; Dinnie, 2016; Louro & Cunha, 2001; Sun, 2009), and SOBE or behavioural school (Donner, Fort & Vellema, 2014; Jones, 2005; Laforet, 2010; Rojas-Me´ndez, 2013). There is hardly any scholarly paper or textbook that captures all five approaches. UNCTAD (2017:xi) argue that investment policymaking is getting more complex, challenging, divergent, uncertain, and multifaceted because of globalisation and sustainable development considerations that demand investment policies that reflect the many approaches with which societies and governments must respond.

Dinnie (2016:64) argues that within both the consumer (CUBBE) and financial (COBBE) perspectives, there are many different standpoints on what brand equity means. This viewpoint is also echoed by Keller (2013:57) who admits that no shared viewpoint has emerged about how to conceptualise and assess brand equity. As a result, this thesis argues that all five approaches offer unique viewpoints on brand equity and how to conceptualise and measure it. While a few models informed by the SOBE approach exist, those focusing on FDI destination brand equity are scarce let alone those designed within the context of developing countries, especially those in Africa with abundant natural endowments, inadequate and/or poor infrastructure, and weak institutions. Compared to other areas of nation branding like tourism and public diplomacy, FDI is barely researched (Dinnie, 2009; Szondi, 2007; van den Akker, 2011; Wilson, Baack & Baack, 2014). This is despite that FDI has several benefits for countries, and there is increased FDI real-world activity as countries battle to attract their shares of this finite global resource. Moreover, the fact that some models reviewed in Chapter 5 could

not neatly fit within any one of the five theories indicates that there is room for new theories in this area **(see Tables 5.1 & 5.2)**.

The development and presentation of the SON-FDIBE conceptual framework is a direct response to calls to involve stakeholders in nation branding and the scarcity of such models. While all five brand equity theories have weaknesses, the application of the SOBE approach to FDI destination branding seems to offer policymakers and destination managers a viable strategy for aligning their countries with the new global realities of social responsibility, citizen participation, and place marketing ethics. Even in the domain of country competitiveness, with its origins in classical economics, the need to adopt a participatory style in developing national economic development policies is now acknowledged. For instance, head of the Centre for the Global Agenda and member of the Managing Board of the World Economic Forum (WEF) Richard Samans argues that "policymakers, businesses, and civil society leaders must work together to ensure continued growth and more inclusive outcomes of economic development" (Samans, 2015:xiii). Nation brand management must never be regarded as a campaign divorced from planning, governance or economic development but as a vital element of national policy (Anholt, 2008:23). Developing a nation brand strategy involves identifying the bases of the overall national strategy or national development strategy on competitiveness and guiding future initiatives for national strategic directions (Lee, 2009:80). Investment promotion can neither be a substitute for policy and reforms nor a camouflage for deep-seated economic shortcomings (Matiza & Oni, 2013:478). Therefore, providing for the participation of stakeholders in nation FDI brand management may assist a country to design and execute a sustainable FDI mobilisation strategy as part of a national development plan to address a country's economic problems.

While the CUBBE approach relies on primary data to measure country brand equity, it only considers the interests of customers and is not stakeholder inclusive. As a demand-side model, it is consistent with the marketing concept. Customers in the FDI destination branding setting are foreign direct investors, current and perspective. Foreign investors are often accused of exploiting a country's wealth at the expense of national citizens and for the benefit of the foreign investor only (Ghauri & Cateora, 2014:98). So the CUBBE is not a politically acceptable and sustainable theory from which to begin thinking about how countries can re-brand themselves as FDI destinations. The COBBE macro theory focuses on the interests of

internal stakeholders, in particular political leadership, and relies on hard (secondary) data to measure brand equity. It is elitist and exclusionary in nature, like the shareholder theory of management and elite theory of public policy making. Under elite theory, public policy is not influenced by the needs and actions of "ordinary citizens" but the ruling elites whose preferences are put into effect by public officials and agencies (Anderson, 2015; Birkland, 2007; Cochran & Malone, 2005; Dye, 2014; Kotzé & Steenekamp, 2008; Levy & Mitschow, 2009; Marat, 2009; Vergara, 2013). This is exactly what shareholder theory does in the context of corporate management. COBBE is a supply-side theory thus is not stakeholder inclusive. Experience from Eastern Europe indicates that country branding campaigns implemented by politicians alone often fail (Moilanen & Rainisto, 2009:75; Marat, 2009:1127).

As implied by its name, the CUCOBBE approach on one hand blends primary data and objective secondary data and, on the other hand, the interests of customers and shareholders. The theory does not provide for the inclusion of other stakeholders apart from the two named groups. It is typically a mixed demand- and supply-side approach but does not consider the role of stakeholders other than customers and shareholders in the brand value chain. The RBVBE theory measures brands from the perspective of the firm's (in this case country's) resources, thus it is inward looking or supply-side driven too. Furthermore, the approach can be, to some extent, blended with one or more of the other four brand equity theories as hypothesised in the researcher's conceptual interlinking matrix of country brand equity approaches **(see Figure 4.3, Chapter 4)**.

Of all the five theories of measuring brand reputation, the SOBE approach is the only one that shares the fundamental principles of Freeman's (1984) stakeholder theory. As a result, the SOBE theory offers the highest probability of moderating overbearing nation brand equity, caused by any of the other four approaches, for the benefit of all key stakeholders. The SOBE approach relies on primary data but is different from the CUBBE theory unless the term "customer" is broadly defined to mean all stakeholders of a brand. Consequently, this thesis disagrees with any theorist who suggests that CUBBE and SOBE are all one behavioural approach (e.g. Dinnie, 2008, 2016) unless "the customers" are defined broadly in the manner suggested by Laforet (2010:41) "to include other target audiences as well". Brand value is co-created with, or determined by, a range of key stakeholders in the brand value chain (Jones, 2005; Hollensen, 2010; Kapferer, 2008; Knott, 2014). The FDI destination brand value chain

has various upstream or external stakeholders (e.g. foreign direct investors including international non-governmental organisations, foreign trade associations, foreign students and talent, governments of source markets including their embassies, foreign media, et cetera) and downstream or internal stakeholders (e.g. local investors or businesses, trade associations, economic development agencies or destination marketing organisations, media, academia, students, host government including its embassies, nationals, diaspora, et cetera). The interests of these various and otherwise competing stakeholders must be balanced if a country is to attract meaningful FDI inflows. Stakeholders are those individuals or groups who rely on an organisation to attain their own goals, and on whom the organisation also relies (Henry, 2011; Johnson, Scholes & Whittington, 2008). Therefore, stakeholders must be involved in managing nation brands if they are to moderate the risk of overburdening CUBBE, COBBE, CUCOBBE, or RBVBE in host countries i.e. those seeking to attract FDI. This is the fundamental argument on which the SON-FDIBE conceptual framework and this whole study is founded. Whether (and the extent to which) this argument holds true in practice will be revealed by testing the following hypothesis:

> ***H_1:*** *There are statistically significant differences in stakeholder perceptions on determinants of SON-FDIBE in South Africa and Zimbabwe.*

The conceptual framework seeks to measure country brand equity from an intangibles perspective because previous studies in general management and international marketing (e.g. Kadasah, 2006; Sahgal, 2011; Salem, 2015), brand management (e.g. Fetscherin, 2010; Kalamova & Konrad, 2010; Sun, 2009), and development economics (e.g. Bitzenis, Tsitouras & Vlachos, 2009; Njoroge & Okech, 2011; van de Laar & de Neubourg, 2002) have found that attitudes, stereotypes, perceptions, and emotions matter in deciding where FDI goes. This position is also supported by existing proprietary country FDI competitiveness indexes, which seem to be informed by the development economics approach (e.g. AT Kearney, 2016; United Nations Conference on Trade and Development, 2016a). Many existing FDI behaviour studies have been undertaken from a classical economics approach where fundamentals and objective secondary data, i.e. the COBBE theory, are used (see e.g. Anyanwu, 2012; Hornberger, Battat & Kusek, 2011; Mohamed & Sidiropoulos, 2010; Ledyaeva, Karhune & Whalley, 2013; Al-Sadig, 2009; Bellak & Leibrecht, 2011; Satyanand, 2011). However, foreign investors do not necessarily differentiate among emotions, stereotypes, and economic fundamentals when evaluating alternative FDI locations (e.g. Bitzenis, Tsitouras & Vlachos, 2009; Dinnie, 2008; Fetscherin, 2010; Kalamova & Konrad, 2010; Njoroge and Okech, 2011; Simons, 2013;

Viosca, Bergiel & Balsmeier, 2004; van de Laar & de Neubourg, 2002). Stereotyped images are simpler to perceive and recall as they are simplifications of a more complex reality (Same & Solarte-Vasquez, 2014:141). Consequently, the SON-FDIBE conceptual framework proposes to measure FDI brand equity drawing on stakeholder perceptions on emotional and factual country brand attributes. In the buying decision-making process, consumers use brand attributes to evaluate alternative brands. The SON-FDIBE theoretical model argues that if policymakers and destination managers are aware of stakeholder-preferred country brand attributes they are more likely to design responsive and sustainable FDI mobilisation policies.

6.3 DIMENSIONS, ATTRIBUTES AND HYPOTHESES OF SON-FDIBE CONCEPTUAL FRAMEWORK

The SON-FDIBE is a multidimensional conceptual framework comprising society (SOC), technology (TECH), ecology (ECOL), economy (ECON), markets (MARK), infrastructure (INFRA), organisation (ORG), and government (GOVT) with 105 variables in all if some of the composite items in Table 6.1 below are unbundled (also see Figure 6.1 below; **equations in Chapter 7**). While not exhaustive in its dimensions, it is synthesised from a comprehensive set of proprietary and academic bona fide and default country branding models (>40) in an attempt to cater for the complex nature of nation brands in general and the FDI sub-brand in particular. Considered from an RBVBE perspective, the theoretical model's eight dimensions and their attributes are country resources since they can all be linked to defined national development policy outcomes. Moreover, to enhance nation brand value creation and brand equity, a country must be evaluated with the dimensions as an integrated system from a SOBE approach. Executives in multinational companies consider a variety of factors to select an FDI destination. As discussed below, the SON-FDIBE constructs and attributes are informed and enriched by theories of FDI drawn from classical economics, such as neoclassical theories of FDI, economic perspective on FDI, institutional perspective of FDI, FDI theory based on strength of currency, knowledge capital model, and the eclectic paradigm or Ownership, Location, and Internalisation (OLI) model **(see Table 4.3, Chapter 4)**. As a result, the SON-FDIBE theoretical model adds to the body of existing knowledge on nation branding and FDI by showing how its multi-dimensions relate to the above-stated theories of FDI. Few researchers of nation branding and FDI have acknowledged this association before (e.g. Kalamova & Konrad, 2010:405-406). The framework is also a theory of nation branding and

FDI in its own right. The theoretical dimensions and their variables are also indicators of market potential for business seeking to penetrate international markets (see Cateora, Gilly & Graham, 2011; Kotler, Armstrong, Agnihotri & ul Haque, 2010; Kotler & Keller, 2016) hence the SON-FDIBE conceptual framework is important to business people as well.

Because places are more complex brands than firms or products (Dinnie; 2008; Fetscherin & Marmier, 2010; Rainisto, 2003; Rojas-Me´ndez, 2013; Sevin, 2014), a comprehensive set of attributes are needed to measure brand equity of country FDI. That is precisely why the SON-FDIBE theoretical framework is built on a synthesis of existing proprietary and academic nation branding literature, and FDI studies done in economics and business administration or international marketing. Regarding the number of brand attributes, the SON-FDIBE is likely to be a pioneering comprehensive academic conceptual model so far designed from a SOBE perspective. Many proprietary indices are popular with policymakers and place brand managers partly because they are comprehensive. For instance, the Global Competitiveness Index (GCI) of WEF has 114 items, and the World Competitiveness Scoreboard/Yearbook (WCS/Y) of the Institute of Management Development (IMD) has 253 indicators (WEF, 2015:373-381; IMD, 2014:471). In the literature review done in previous chapters, the researcher hardly came across academic country branding models with more than 50 attributes. Such a limited number of variables make the existing frameworks only a starting point rather than a definitive way for evaluating country brands. Currently, there are no empirical studies in the public domain that have determined how many and which dimensions must be included in a nation brand (Rojas-Me´ndez, 2013:464). Similarly, there are hardly any studies that suggest the optimal number of theoretical components and variables to measure FDI destination brand equity at country level.

As evident below, many of the constructs and items (independent variables) of the conceptual model theoretically correlate with each other as well as with SON-FDIBE (the dependent variable). In an empirical setting, this means that it is expected that a country's poor performance in one dimension or even variable will affect performance in other components. So, the individual dimensions of the SON-FDIBE theoretical model should always be seen as subsystems of a large unified system. Taking the first letter of each theoretical component from the "society" to the "government" constructs, the model can also be referred to with the acronym STEEMIOG. At the same time, deriving from its eight dimensions (supported by

literature as shown in Table 6.1), it is also referred to as the SON-FDIBE conceptual octagon hence the following hypothesis:

H_2: There are eight determinants of SON-FDIBE in South Africa and Zimbabwe.

This hypothesis resonates with the status of the SON-FDIBE as a factor-based theoretical model. Consequently, the causal association between the SON-FDIBE and its eight dependent variables should be ascertained as prescribed in the literature for factor models (see Lee, 2009; Markus & Robey, 1988). Apparently and interestingly too, the eight dimensions of the SON-FDIBE theoretical model seem to fit perfectly well into Delgado *et al*.'s (2012:41) determinants of national foundational competitiveness framework, which distinguish between macroeconomic and microeconomic influences on competitiveness. Macroeconomic determinants define general conditions that create opportunities for higher productivity but do not directly relate to company productivity and labour mobilisation (Delgado *et al*., 2012:3). The society, economy, infrastructure, ecology, and technology constructs of the SON-FDIBE conceptual model dovetail into the macroeconomic determinants of national competitiveness whereas the market, organisation, and government elements broadly fit into microeconomic influences. These theoretical constructs also generally fit into the United Nations (UN) General Assembly's 2030 Agenda for Sustainable Development, which guides global action to the year 2030. The agenda comprises 17 Sustainable Development Goals (SDGs) and 169 related targets that build on the achievements of the Millennium Development Goals (see United Nations Conference on Trade and Development, 2014; World Bank 2016b for a list of SDGs). "The SDGs focus on five themes: people, planet, prosperity, peace, and partnership" (World Bank 2016b:1), which also relate very well to the eight constructs of the SON-FDIBE and their constituent attributes. Recently, the theoretical association between country attractiveness or branding and sustainable development has been acknowledged in the literature (Lee, 2016:815-816). Country attractiveness is "the degree to which a country is preferred to others in the eyes of its relevant stakeholders on the basis of certain criteria including tangible and intangible elements" (Lee, 2016:815).

Table 6.1: Dimensions and attributes of stakeholder-oriented nation FDI brand equity

Construct(s) and Author(s) supporting	Attribute(s) and Author(s) supporting
Society (Bivolaru, Andrei & Purcăroiu, 2009; Lee, 2016; Passow, Fehlmann & Grahlow, 2005; Social Progress Imperative, 2016b; Rojas-Me´ndez, 2013)	i. **Population size** (Fund for Peace, 2014; FutureBrand, 2006; Kalamova & Konrad, 2010; Rojas-Me´ndez, 2013) ii. **Education system** (Anholt, 2013a&b; Buhmann & Ingenhoff, 2015; Deloitte Global & US Council on Competitiveness, 2016; Delgado *et al*., 2012; Dinnie, 2008; Fund for Peace, 2014; FutureBrand©, 2010; IMD, 2014; Passow, Fehlmann & Grahlow, 2005; United Nations Development Programme (UNDP), 2014; WEF, 2013b)—i.e. **primary education and secondary education** (WEF, 2014, 2013b) and **Higher education and training** (Anholt-GfK Roper, 2016a; Deloitte Global & US Council on Competitiveness, 2016; IMD, 2014; National Economic Consultative Forum (NECF), 2015; Social Progress Imperative, 2016a; WEF, 2016, 2013b) iii. **Country attractiveness to foreign students** (Anholt-GfK Roper, 2009; Brand Finance®, 2013; Dinnie, 2008; Fetscherin, 2010; FutureBrand, 2014; French Ministry for the Economy and Finance, French Interministerial Delegation for Regional Development & Economic Attractiveness, French Strategic Analysis Center & Invest in France Agency, 2012; WEF, 2016) or **tertiary inbound mobility** (Cornell University, Institut Européen d'Administration des Affaires (INSEAD) & World Intellectual Property Organiation (WIPO), 2016) iv. **Language skills** (Bénassy-Quéré, Coupet & Mayer, 2007; Bivolaru, Andrei & Purcăroiu, 2009; IMD, 2014; Hornberger, Battat & Kusek, 2011; Kalamova & Konrad, 2010; Rojas-Me´ndez, 2013; Somlev & Hoshino, 2005; Szondi, 2007) v. **Quality of life** (Anholt-GfK Roper, 2009; African Development Bank, 2011, Bloom Consulting, 2013; Brand Finance®, 2013; Colmar Brunton, 2016; FutureBrand, 2010; Hornberger, Battat & Kusek, 2011; IMD, 2014; Rojas-Me´ndez, 2013; UNDP, 2015) vi. **Poverty** (Anholt-GfK Roper, 2009; Fund for Peace, 2014; Klufio, 2011; Osei & Gbadamos, 2010; ZIMASSET, 2013; Acemoglu & Robinson, 2010; Robinson *et al*., 2012; World Bank, 2014b, 2016b) with symptoms such as slum population (Fund for Peace, 2014), famine and malnutrition (FutureBrand, 2011; Klufio, 2011; Osei & Gbadamosi, 2010) and diseases of poverty (see health below) vii. **Health delivery system** (Deloitte Global & US Council on Competitiveness, 2016; Fund for Peace, 2014; WEF, 2014; Outhavong, 2007; Passow, Fehlmann & Grahlow, 2005; Rojas-Me´ndez, 2013; WEF, 2013b; World Bank, 2016b) i.e. **public healthcare** viii. **Risk of Tuberculosis, Cholera and Malaria** (Mintz & Tauxe, 2013; Social Progress Imperative, 2016a; WHO, 2014a; WHO, 2014b; World Bank, 2014a; UNAIDS, 2014, 2013a; UNCTAD, 2016a) ix. **Prevalence of HIV/AIDS** (UNAIDS, 2013; World Bank, 2014a; UNCTAD, 2016a) x. **Violent Crime** (Mo Ibrahim Foundation, 2011; Social Progress Imperative, 2016a) xi. **Crime and personal security** (Abala, 2014; Adebola, Talabi & Lamidi, 2012; AT Kearney, 2015; Bloom Consulting, 2013; Fund for Peace, 2014; Ibrahim Index of African Governance, 2014; Lederman, Mengistae & Xu, 2012; Rojas-Me´ndez, 2013; Social Progress Imperative, 2016a; Viosca, Bergiel & Balsmeier, 2004; WEF, 2013b) xii. **Risk of xenophobic or political violence** (Bitzenis, Tsitouras & Vlachos, 2009; Fund for Peace, 2015; Social Progress Imperative, 2016a) or communal violence (Mo Ibrahim Foundation, 2011) xiii. **Prevalence of corruption** (Adebola, Talabi & Lamidi, 2012; Al-Sadig, 2009; AT Kearney, 2016; Bénassy-Quéré, Coupet & Mayer, 2007; Bitzenis, Tsitouras & Vlachos, 2009; Bloom Consulting, 2013; Fund for Peace, 2014; Hornberger, Battat & Kusek, 2011; Kalamova & Konrad, 2010; Klufio, 2011; Ledyaeva, Karhunen & Whalley, 2013; Lee, 2016; Mohamed & Sidiropoulos, 2010; Mo Ibrahim Foundation, 2013; Osei & Gbadamos, 2010; Rojas-Me´ndez, 2013; Social Progress Imperative, 2016a; Wanjiru, 2005) xiv. **Control of corruption** (Anyanwu, 2012; Lederman, Mengistae & Xu, 2012; Hornberger, Battat and Kusek, 2011; IMD, 2014; Kalamova & Konrad, 2010; Transparency International, 2014)
Technology (Buhmann & Ingenhoff, 2015;	i. **Quality of technology** (Bitzenis, Tsitouras & Vlachos, 2009; FutureBrand©, 2014) **available in local firms and government institutions** (WEF, 2015a, 2016)

Construct(s) and Author(s) supporting	Attribute(s) and Author(s) supporting
Hornberger, Battat & Kusek, 2011; Bivolaru, Andrei & Purcăroiu, 2009; IMD, 2014; Reputation Institute, 2016; Salem, 2015; UNCTAD, 2016a)	ii. **Business investment in research and development (R&D)** (IMD, 2014; WEF, 2016) iii. **Innovation or capacity to create new products** (Anholt-GfK Roper, 2009; Cornell University, INSEAD & WIPO, 2015; Deloitte Global & US Council on Competitiveness, 2016; IMD, 2014; WEF, 2016; World Bank, 2016b) iv. **Country spending on R&D and infrastructure** (Bellak, Leibrecht & Stehrer, 2008; Cornell University, INSEAD & WIPO, 2015; Hornberger, Battat & Kusek, 2011; IMD, 2014), **research and technology** (Buhmann & Ingenhoff, 2015) or **science and technology** (Rojas-Me´ndez, 2013) v. **Availability of quality R&D institutions including universities** (Social Progress Imperative, 2016a; WEF, 2015a) vi. **Availability of scientists and engineers** (Cornell University, INSEAD & WIPO, 2016; Deloitte Global & US Council on Competitiveness, 2016; IMD, 2014; WEF, 2016) vii. **University-industry collaboration in R&D** (Cornell University, INSEAD & WIPO, 2016; Confederation of Zimbabwe Industries, IMD, 2014; WEF, 2016)
Ecology (Adebola, Talabi & Lamidi, 2012; Bivolaru, Andrei & Purcăroiu, 2009; Garelli, 2014; World Bank, 2016b)	i. **Climate and weather** (IMD, 2014; Njoroge & Okech, 2011; UNCTAD, 2016a, World bank, 2016b) ii. **Natural resource endowment** (Adam & Filippaios, 2007; Adebola, Talabi & Lamidi, 2012; Andrés, Nunnenkamp & Busse, 2013; AT Kearney, 2015; Bloom Consulting, 2013; Böckem & Tuschke, 2010; Hornberger, Battat & Kusek, 2011; Demirhan & Masca, 2008; Garelli, 2014; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010; Rojas-Me´ndez, 2013; Salem, 2015; Sun, 2009; WEF, 2013b; Wilson, Baack & Baack, 2014; UNCTAD, 2016a) i.e. **availability of raw materials** (AT Kearney, 2015; Denisia, 2010; Dunning, 1993; Faeth, 2008; Nayak & Choudhury, 2014) iii. **Disasters** i.e. natural disasters (Noy, 2009; Rojas-Me´ndez, 2013; Sawada, Bhattacharyay & Kotera, 2011; UNCTAD, 2015, 2016a) and artificial or man-made (Noy, 2009; Rojas-Me´ndez, 2013; Garelli, 2014; Sawada, Bhattacharyay & Kotera, 2011) iv. **Disaster preparedness** (Escaleras & Register, 2011; Garelli, 2014; Oh & Oetzel, 2011; Pant & Sigdel, 2004; Thampanishvong, 2013)
Economy (Adebola, Talabi & Lamidi, 2012; AT Kearney, 2014; Bivolaru, Andrei & Purcăroiu, 2009; Bloom Consulting, 2013; Deloitte & US Council on Competitiveness, 2016 IMD, 2014; Buhmann & Ingenhoff, 2015; Lee, 2016; Reputation Institute, 2016; Rojas-Me´ndez, 2013; Wilson, Baack & Baack, 2014)	i. **Economic size or Gross Domestic Product (GDP)** (AT Kearney, 2016; Anyanwu, 2012; Lee, 2009; IMD, 2014; Kalamova & Konrad, 2010; Mohamed & Sidiropoulos, 2010; Fund for Peace, 2014, UNDP, 2014), **domestic market size and potential** (AT Kearney, 2016; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010; WEF, 2014; Salem, 2015), **market potential** (Ledyaeva, Karhunen & Whalley, 2013) or **market attractiveness** (Deloitte Global & US Council on Competitiveness, 2016) ii. **GDP growth rate** (Anyanwu, 2012; Lee, 2009; IMD, 2014; Kalamova & Konrad, 2010; Mohamed & Sidiropoulos, 2010; Fund for Peace, 2014, UNDP, 2014) or **market growth rate** (FutureBrand, 2013; Wilson, Baack & Baack, 2014) iii. **GDP per capita** (Anyanwu, 2012; Lee, 2009; IMD, 2014; Kalamova & Konrad, 2010; Mohamed & Sidiropoulos, 2010; Fund for Peace, 2014, UNDP, 2014) iv. **Government or country debt** (Fund for Peace, 2014; UNCTAD, 2016a) v. **Country creditworthiness** (IMD, 2014b; World Bank, 2015b) vi. **Inflation rate** (Anyanwu, 2012; Fund for Peace, 2014; IMD, 2014; Mohamed & Sidiropoulos, 2010) vii. **Interest rates** (Anyanwu, 2012; Faeth, 2008; Fund for Peace, 2015; IMD, 2014; Mohamed & Sidiropoulos, 2010; Tvaronavičienė, Kalašinskaitė & Šimelytė, 2009; WEF, 2015a) viii. **Exchange rate stability** (Anyanwu, 2012; IMD, 2014; Nayak & Choudhury, 2014; WEF, 2013b; UNCTAD, 2017) ix. **Reputable well-developed industries** (Passow, Fehlmann & Grahlow, 2005; Sun, 2009) x. **Reputable brands** (Buhmann & Ingenhoff, 2015; FutureBrand, 2014; Kalamova & Konrad, 2010; Laforet, 2010; Sun, 2009; Reputation Institute, 2016) xi. **Exports** (Anholt, 2005; Anholt-GfK Roper, 2014b; Bloom Consulting, 2013; Dinnie, 2008; Fetscherin, 2010; Jacobsen, 2009; Kemming, 2009; Simonin, 2008; Sun, 2009; Rojas-Me´ndez, 2013)

Construct(s) and Author(s) supporting	Attribute(s) and Author(s) supporting
	xii. **Tourism** (Anholt, 2005a; Anholt-GfK Roper, 2014a; Bloom Consulting, 2013; Brand Finance®, 2013; Dinnie, 2008; Fetscherin, 2010; FutureBrand, 2014; IMD, 2014; Rojas-Me´ndez, 2013; Kemming, 2009; Simonin, 2008; WEF, 2013b, 2015b) xiii. **Market sectors open to FDI** (Bloom Consulting, 2013; Kemming, 2009; Salem, 2015; UNCTAD, 2016a) xiv. **FDI inflows** (Anholt, 2005; Anholt-GfK Roper, 2016b; Anyanwu, 2012; Bloom Consulting, 2013; Brand Finance, 2013; Cornell University, INSEAD & WIPO, 2015; Fetscherin, 2010; FutureBrand, 2014; IMD, 2014; Kemming, 2009; Rojas-Me´ndez, 2013; Simonin, 2008) and **prospects for increasing FDI inflows—agglomeration** (Al-Sadig, 2009; Anyanwu, 2012; Campos & Kinoshita, 2003; Mukim & Nunnenkamp, 2010; Sichei & Kinyondo, 2012) xv. **FDI incentives** (AT Kearney, 2016; Bloom Consulting, 2013; IMD, 2014; Salem, 2015)
Markets (AT Kearney, 2015; Bellak *et al*., 2008; Deloitte Global & US Council on Competitiveness, 2016; Ledyaeva, Karhunen & Whalley, 2013)	i. **Intensity of domestic competition** (Cornell University, INSEAD & WIPO, 2015; Delgado *et al*., 2012; Porter, 1990a; Sala-i-Martín *et al*., 2015a; WEF, 2015a; Wilson, Baack & Baack, 2014) ii. **Tax rates, i.e. corporate, customs and personal** (AT Kearney, 2016; Deloitte Global & US Council on Competitiveness, 2016; UNCTAD, 2017) iii. **Effect of taxation on incentive to invest** (Delgado *et al*., 2012; Deloitte Global & US Council on Competitiveness, 2016; Porter, 1990a) iv. **Prevalence of foreign ownership** (Delgado *et al*., 2012; WEF, 2016; UNCTAD, 2016a) v. **Proximity to markets** (Hornberger, Battat & Kusek, 2011; Kalamova & Konrad, 2010; Salem, 2015) vi. **Availability of financial services** (Delgado *et al*., 2012) **or financial market development** (Bitzenis, Tsitouras & Vlachos, 2009; Mohamed & Sidiropoulos, 2010; WEF, 2014, 2016) including banking system vii. **Abundance of low-cost unskilled labour** (AT Kearney, 2016; Mbaiwa, 2016) viii. **Work ethic** (Garelli, 2014; WEF, 2015) and **workforce productivity** (Delgado *et al*., 2012; Deloitte Global & US Council on Competitiveness, 2016; Porter, 1990a) ix. **Capacity utilisation of local firms** (Confederation of Zimbabwe Industries, 2016; Deloitte Global & US Council on Competitiveness, 2016; Gadzikwa, 2013 Goriwondo, 2013; Mbaiwa, 2016; Wilson, Baack & Baack, 2014; ZIMASSET, 2013) x. **Cost of financial services** (Deloitte Global & US Council on Competitiveness, 2016; WEF, 2016), i.e. link with interest rates and bank charges xi. **Access to loans or credit facilities** (AT Kearney, 2016; Bénassy-Quéré, Coupet & Mayer, 2007; Cornell University, INSEAD & WIPO, 2015; World Bank, 2014a, 2016a) xii. **Effectiveness of financial sector supervision** (Delagado *et al*., 2012; WEF, 2016) xiii. **Soundness of banks** (Delagado *et al*., 2012; WEF, 2016) xiv. **Pool of qualified citizens** (AT Kearney, 2016; Brand Finance®, 2013; Carr, Markusen & Maskus, 1998; Chellaraj & Mattoo, 2015; Deloitte Global & US Council on Competitiveness, 2016; WEF, 2015; Kurtishi-Kastrati, 2013; Markusen 2002; Noorbakhsh, Paloni & Youssef, 2001; WEF, 2016; Wilson, Baack & Baack, 2014) xv. **Attractiveness to qualified foreign citizens** (Brand Finance®, 2013; Dinnie, 2008; Fetscherin, 2010; Poh, 2016; WEF, 2016) xvi. **Strength of trade unions** (Ham & Kleiner, 2007; Njoroge & Okech, 2011) xvii. **State of industrial relations** (Delgado *et al*., 2012; WEF, 2016)
Infrastructure (Adebola, Talabi & Lamidi, 2012; African Development Bank, 2011; AT Kearney, 2016; Bellak & Leibrecht, 2011; Bitzenis, Tsitouras & Vlachos, 2009; Cornell University, INSEAD & WIPO, 2015; Deloitte Global & US Council on	i. **Roads** (African Development Bank, 2011; AT Kearney, 2015; Deloitte Global & US Council on Competitiveness, 2016; Fund for Peace, 2014; Ledyaeva, Karhunen & Whalley, 2013; Njoroge & Okech, 2011; Passow, Fehlmann & Grahlow, 2005; WEF, 2013b; ZIMASSET, 2013) ii. **Railroads** (African Development Bank, 2011; AT Kearney, 2015; Deloitte Global & US Council on Competitiveness, 2016; WEF, 2013b; ZIMASSET, 2013) iii. **Ports** (Ledyaeva, Karhunen & Whalley, 2013; WEF, 2013b) i.e. quality and proximity iv. **Real estate** i.e. residential and commercial (AT Kearney, 2016; Bloom Consulting, 2013; FutureBrand©, 2014; IMD, 2014; Hornberger, Battat & Kusek, 2011)

Construct(s) and Author(s) supporting	Attribute(s) and Author(s) supporting
Competitiveness, 2016; Foster & Pushak, 2011; IMD, 2014; Hornberger, Battat & Kusek, 2011; Mohamed & Sidiropoulos, 2010; Sun, 2009; WEF, 2016; Wilson, Baack & Baack, 2014; World Bank, 2016b; ZIMASSET, 2013)	v. **Water and sanitation** (African Development Bank, 2011; Deloitte Global & US Council on Competitiveness, 2016; Mashego, 2013; Fund for Peace, 2014; Social Progress Imperative, 2016a; WEF, 2013b; World Bank, 2016b; ZIMASSET, 2013) vi. **Electricity** (African Development Bank, 2011; AT Kearney, 2015; Cornell University, INSEAD & WIPO, 2015; Deloitte Global & US Council on Competitiveness, 2016; IMD, 2014; Mo Ibrahim Foundation, 2014; World Bank, 2014a; Social Progress Imperative, 2016a; WEF, 2013; ZIMASSET, 2013) vii. **Airline departures a day** (WEF, 2013b, 2015b) viii. **Airports** (African Development Bank, 2011; AT Kearney, 2015; IMD, 2014; WEF, 2013b) ix. **Telecommunications infrastructure** (AT Kearney, 2016; IMD, 2014; Fund for Peace, 2014; Moilanen & Rainisto, 2009; Njoroge & Okech, 2011; Passow, Fehlmann & Grahlow, 2005; Sun, 2009) i.e. **landlines or fixed telephones** (IMD, 2014; Kok & Ersoy, 2009; WEF, 2013b) x. **Mobile phones** (IMD, 2014; WEF, 2013b) and tariffs of these xi. **Internet access** (African Development Bank, 2011; Fund for Peace, 2014; WEF, 2013b) xii. **Affordability of internet including broadband services** (African Development Bank, 2011; Nayyar & Gupta, 2011) xiii. **E-government effectiveness** (African Development Bank, 2011; Cornell University, INSEAD & WIPO, 2016; IMD, 2014; Kemming, 2009; WEF, 2015) xiv. **Public transport system** (African Development Bank, 2011; Colmar Brunton, 2016; Foster & Pushak)
Organisation (Rainisto, 2003; Moilanen & Rainisto, 2009)	i. **Clear shared national vision** (Akker, 2011; Balakrishnan, 2009; Brand Finance®, 2015; de Chernatony, 2008; Dinnie, 2008; Lee, 2009; Moilanen & Rainisto, 2009; Passow, Fehlmann & Grahlow, 2005; Rainisto, 2003; Wilkin-Armbrister, 2008) ii. **Clear shared national values** (Dinnie, 2008; Rainisto, 2003) iii. **Country planning** (Moilanen & Rainisto, 2009) i.e. effectiveness of development plan iv. **Stakeholder involvement** (Dinnie, 2008; Dinnie & Fola, 2009; Kavaratzis, 2012; Kemming, 2009; Jones, 2005; Temporal, 2014; Tiberghien, Garkavenko & Ashirbekova, 2013; Zouganeli *et al*., 2012) v. **Country brand trustworthiness** (Jacobsen, 2009; Kapferer, 2008; Kemming, 2009; Laforet, 2010; Passow, Fehlmann & Grahlow, 2005; ZAD Group, 2008) i.e. extent stakeholders trust country
Government (Anholt, 2005; Anholt-GfK Roper, 2016b; Bivolaru, Andrei & Purcăroiu, 2009; Cornell University, INSEAD & WIPO, 2015; Deloitte Global & US Council on Competitiveness, 2016; Dinnie, 2008; Fetscherin, 2010; FutureBrand©, 2014; Kalamova & Konrad, 2010; Reputation Institute, 2016; Kemming, 2009; Rojas-Me´ndez, 2013; Satyanand, 2011; Simonin, 2008; Sun, 2009)	i. **Political stability and unity** (Buhmann & Ingenhoff, 2015; Cornell University, INSEAD & WIPO, 2015; Dinnie, 2008; Fetscherin, 2010; Hornberger, Battat & Kusek, 2011; Kalamova & Konrad, 2010; Moilanen & Rainisto, 2009; Ong'ayo, 2008; Satyanand, 2011; Osei & Gbadamosi, 2010; UNCTAD, 2016a; World Bank, 2016b) ii. **Competency of public institutions** (Böckem & Tuschke, 2010; Dumludag, 2009; Bloom Consulting, 2013; IMD, 2013; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010; WEF 2014; World Bank, 2014a; Rojas-Me´ndez, 2013; Transparency International, 2014; Wilson, Baack & Baack, 2014) iii. **Efficiency of government bureaucracy** (AT Kearney, 2016; Cornell University, INSEAD & WIPO, 2015; Bitzenis, Tsitouras & Vlachos, 2009; IMD, 2014) iv. **Fairness of institutions** (Böckem & Tuschke, 2010; Bloom Consulting, 2013; IMD, 2014; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010; World Bank, 2014; Rojas-Me´ndez, 2013; Transparency International, 2014) v. **Transparency of government policymaking** (AT Kearney, 2016; Deloitte Global & US Council on Competitiveness, 2016; IMD, 2014; WEF, 2013b) vi. **Stability of legal system** (Bitzenis, Tsitouras & Vlachos, 2009; Garelli, 2015; Kadasah, 2006) vii. **Efficiency of legal system in challenging regulations** (WEF, 2015a, 2016; World Bank, 2016a) viii. **Resolving insolvency** (World Bank, 2014; Cornell University, INSEAD & WIPO, 2015) and **retrenchment** (Cornell University, INSEAD & WIPO, 2015)

Construct(s) and Author(s) supporting	Attribute(s) and Author(s) supporting
	ix. **Flexibility of FDI policy to allow foreign ownership** (AT Kearney, 2016; Bond, McCrone & Brown, 2003; Cateora, Gilly & Graham, 2011; Cywiński & Harasym, 2012; Kalfadellis & Gray, 2004; Kituyi, 2016; Kotler & Keller, 2016; UNCTAD, 2016a; WEF, 2016; Zhang, 2014;) x. **Environmental regulation quality and enforcement** (Anholt-GfK Roper, 2009; Dechezleprêtre & Sato, 2014; IMD, 2014; Iraldo, Testa, Melis & Frey, 2011; WEF, 2013b; UNCTAD, 2015) **and social responsibility** (Anholt, 2013a&b; Buhmann & Ingenhoff, 2015; Jones, 2005; Passow, Fehlmann & Grahlow, 2005; UNCTAD, 2015) i.e. ethics and care for environment xi. **Foreign currency regulations** (Anyanwu, 2012; AT Kearney, 2015; Lily, Kogid, Mulok, Sang & Asid, 2014) xii. **Taxation** (AT Kearney, 2016; Bellak & Leibrecht, 2011; Bitzenis, Tsitouras & Vlachos, 2009; Bloom Consulting, 2013; IMD, 2014; Passow, Fehlmann & Grahlow, 2005) **or taxation regulations** (Bitzenis, Tsitouras & Vlachos, 2009; Deloitte Global & US Council on Competitiveness, 2016; Garelli, 2014; WEF, 2015a; World Bank, 2015a; UNCTAD, 2017) xiii. **Reliability of police services** (Fund for Peace, 2016; Mo Ibrahim Foundation, 2015; WEF, 2016) xiv. **Property rights** (AT Kearney, 2016; Mo Ibrahim Foundation, 2014; WEF, 2013b) **and security** (AT Kearney, 2015; Passow, Fehlmann & Grahlow, 2005; Social Progress Imperative, 2016a) xv. **Human rights** (Anholt-GfK Roper, 2009; Adam & Filippaios, 2007; Anholt-GfK Roper, 2016a; Dinnie, 2008; Fetscherin, 2010; Fund for Peace, 2014; Kalamova & Konrad, 2010; Mo Ibrahim Foundation, 2014; UNCTAD, 2015) xvi. **Prudence of government spending** (Garelli, 2014; IMD, 2014; Mohamed & Sidiropoulos, 2010) xvii. **Intellectual property rights** (Anholt, 2005b; Cornell, INSEAD & WIPO, 2016; Katragadda & Bharadwaj, 2016; WEF, 2016) xviii. **Competition laws** (Njoroge & Okech, 2011; WEF, 2016) **and promotion of competition** (Bénassy-Quéré, Coupet & Mayer, 2007) xix. **Labour laws** (Ham & Kleiner, 2007; Njoroge & Okech, 2011; Bénassy-Quéré, Coupet & Mayer, 2007) xx. **Policy clarity on ownership of agricultural land** (AT Kearney, 2016; 2016; Porter, 1990a) xxi. **Adaptability of national character or government policy to fit global economy** (IMD, 2014; WEF, 2015a) xxii. **Policy consistency and stability** (African Development Bank, Deloitte Global & US Council on Competitiveness, 2016; IMD, 2014; Mbaiwa, 2016; Mlanga, 2014b; Reserve Bank of Zimbabwe, 2012) xxiii. **Rule of law** (Anyanwu, 2012; Cornell University, INSEAD & WIPO, 2015; Fund for Peace, 2014; Kalamova & Konrad, 2010; Mo Ibrahim Foundation, 2015) xxiv. **Country risk** (Bouyahiaoui & Hammache, 2014; Hayakawa, Kimura & Lee, 2012; Jensen, 2008; Ledyaeva, Karhunen & Whalley, 2013; Mbaiwa, 2016; Satyanand, 2011; Săvoiu, Dinu & Ciucă, 2013; Petrović & Stanković, 2009; Sun, 2009) i.e. country risk, political risk, economic risk, expropriation risk, war risk, reputation risk, epidemic risk

The stronger a country is rated by its stakeholders in each of the theoretical dimensions, the stronger will be its stakeholder-oriented FDI brand equity, reputation or attractiveness. As each theoretical construct comprises a set of indicators relating to a defined country policy area(s) the constructs and attributes are regarded as proxy evaluative criteria for nation FDI brand competitiveness. Because the nation brand is a psychological construct, its effect on FDI

competitiveness can be measured with proxy variables. Since many variables of bona fide umbrella academic nation branding models (e.g. Fetscherin, 2010; Lee, 2009; Rojas-Me´ndez, 2013; Sun, 2009) and their bona fide and default proprietary equivalents (e.g. AT Kearney, 2016; Bloom Consulting, 2013; Brand Finance®, 2013; FutureBrand, 2014; IMD, 2014; WEF, 2016) correspond with those used to measure FDI behaviour in economics, the SON-FDIBE conceptual framework can also be, to some degree, used to evaluate the whole country brand. From the extensive review of existing literature and number of its variables as shown in Table 6.1 above, the SON-FDIBE theoretical model should, so far, be one of the most comprehensive academic nation branding models developed in this hardly researched domain of nation brand management. The number of the conceptual framework's hypotheses confirmed in a country branding study will determine the extent to which it can be applied to inform real-world nation FDI policy formulation and evaluation programmes. The theoretical model's constructs and constituent variables are presented and discussed below.

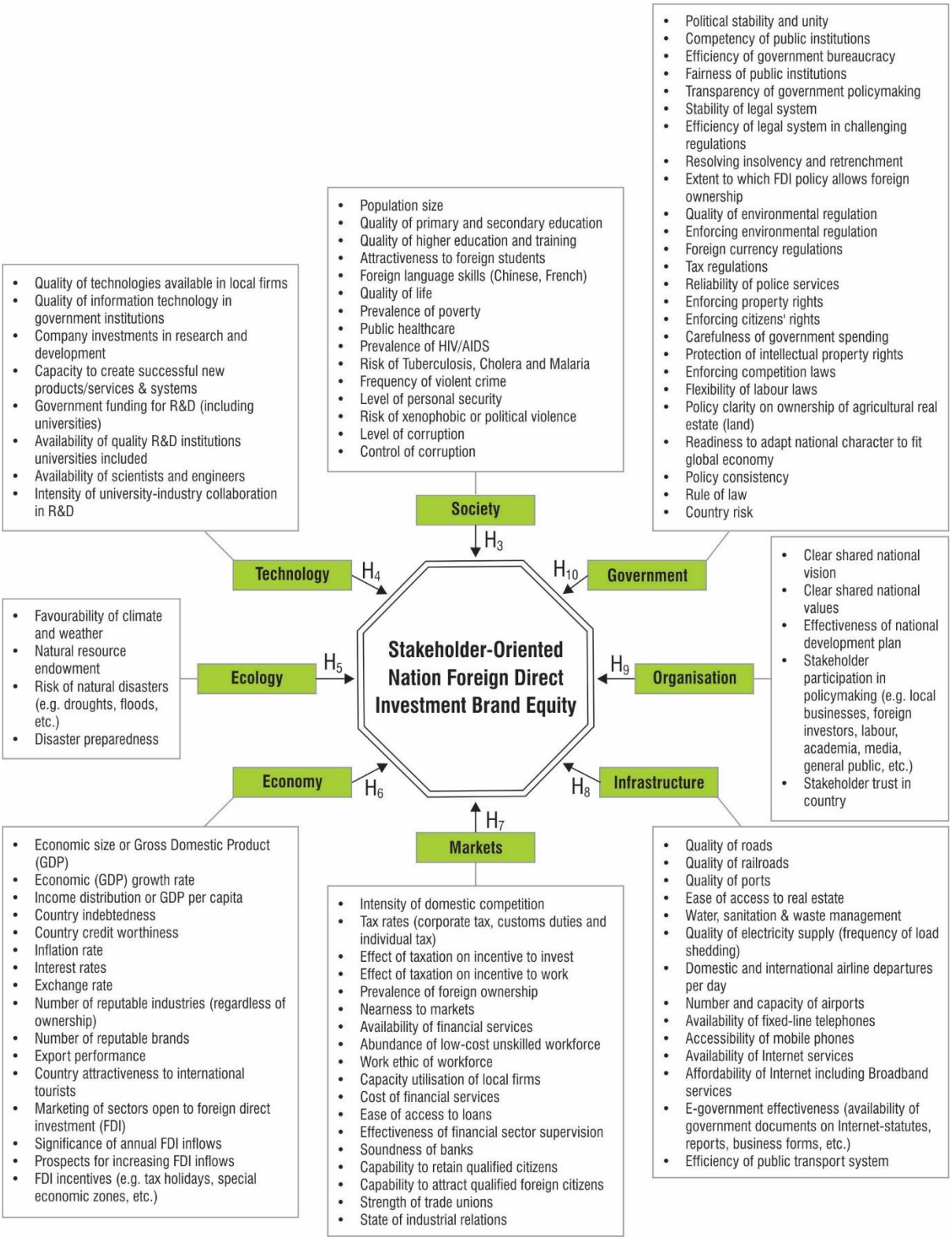
6.3.1 Society (SOC)

Society is one of the most dynamic dimensions of a nation brand due to the important effect of citizens (Rojas-Me´ndez, 2013:468). If societal performance can be measured rigorously, that will empower governments and businesses to make better choices, better policies, and better investments (Social Progress Imperative, 2016a:9). This dimension feeds into the people theme of the SDGs of United Nations (World Bank, 2016b:1). A stable social context positively affects nation brands in general and the FDI sub-brand in particular (Al-Sadig, 2009; Bivolaru, Andrei & Purcăroiu, 2009; Social Progress Imperative, 2016a; Rojas-Me´ndez, 2013). Society is a group of individuals who share behaviours and goals by interacting in a cooperative way that forms a community (Rojas-Me´ndez, 2013:468). Since a country has people it is a society with sub-societies within it too. Basing on the RBVBE approach, the SON-FDIBE conceptual model regards citizens as a key resource of a country. As evident in Table 6.1 above and Figure 6.1 below (although far from exhaustive), there are many social variables that explain nation FDI brand equity. Rojas-Me´ndez's (2013:464) argues that "stakeholders do not consider a nation brand in isolation but rather as a multidimensional construct". Countries that need to develop their brands must start by considering what their citizens [or internal stakeholders] think about their own country brand (Rojas-Me´ndez, 2013:469). A country also needs to consider what citizens of other countries, external stakeholders, think about it. Country brand

attributes constituting the societal (SOC) dimension are supported by theories of FDI developed in classical economics as highlighted in the individual variables discussed below. A study on the influence of psychic distance factors on the FDI decision-making process in Saudi Arabia found that culture was an important factor (Kadasah, 2006:254). In view of the literature reviewed above and below this study hypothesises that:

H_3: *Society is a determinant of SON-FDIBE in South Africa and Zimbabwe.*

Figure 6.1: Stakeholder-Oriented Conceptual Framework of Nation FDI Brand Equity



6.2.1.1 Population

Country branding consultants and theorists (e.g. Anholt-GfK Roper, 2016a; Brand Finance®, 2013; Fetscherin, 2010; FutureBrand, 2006; Kalamova & Konrad, 2010; Rojas-Me´ndez, 2013) and international economic theorists, referred to in this thesis as default country branding theorists (e.g. Al-Sadig, 2009; Anyanwu, 2012; Hornberger, Battat & Kusek, 2011; Ledyaeva, Karhune & Whalley, 2013; Satyanand, 2011; Mukim & Nunnenkamp, 2010) agree that population is an important determinant of overall country FDI competitiveness. While people do not perform detailed analysis based on population, they relate certain characteristics they observe as notable among the citizens of a country (Rojas-Me´ndez, 2013:469). In his study covering 20 countries including two in Africa, South Africa and Nigeria, Rojas-Me´ndez (2013:469) found a number of positive and negative personality traits that respondents associated with the stated nationalities, such as workalcoholic (China, Korea and Japan), innovative (the USA), mysterious (Egypt and Saudi Arabia), disciplined (Germany), posh (England), arrogant (the USA), conservative (Russia), and fierce (Turkey). The Nation Brand Index℠ (NBI℠) also assesses the people dimension of a country basing on the friendliness of its people i.e. whether respondents would want a close friend from that country and as human resources on a professional level, i.e. how keen respondents would be to employ a highly-qualified person from that country (Anholt-GfK Roper, 2009:5).

Economists, nonetheless, consider population from a "fundamentals", "facts" or "tangibles" standpoint—i.e. the size of a country's population and population growth rate. For instance, Mukim and Nunnenkamp (2010:17) found that population size has a positive effect on FDI location and, normally, is vastly significant at the 1 percent level. The argument about the growth rate of population is straightforward; if a country's population is growing fast, this can act as an incentive for FDI inflows (Al-Sadig, 2009:274). Using the COBBE approach, which relies on objective secondary data just like FDI theory, nation branding theorists Fetscherin (2010) and Kalamova and Konrad (2010) drew on the population as well to predict the relationship between country brands and FDI. Kalamova and Konrad (2010:413) found that the relationship between population and FDI was significant at 5 percent level. Mukim and Nunnenkamp (2010:11) argue that population is an indicator of the size of the local market. The population attribute is in theory correlated with the Gross Domestic Product (GDP) size

and GDP per capita in the economy dimension below, which also are measures of host country market size or demand.

6.3.1.2 Education system: Primary and secondary education

A country's education system is a fundamental pillar of nation competitiveness (Anholt-GfK Roper, 2016b; Buhmann & Ingenhoff, 2015; Fund for Peace, 2014; Outhavong, 2007; Social Progress Imperative, 2016a; UNDP, 2014; WEF, 2014). The Institute of Management Development (IMD), an independent Swiss higher education institution, argues that the educational system of a country must meet the needs of a competitive economy (IMD, 2014:409). States with good educational infrastructure can attract higher FDI inflows (Chatterjee, Mishra & Chatterjee, 2013:105). Sustainable Development Goal 4 of the United Nations focuses on education quality, proficiency in key subjects at different ages, and access to modern education facilities (World Bank, 2016b:8). The quantity and quality of basic education available in a country is fundamental in today's globalising world economy. The quantity of education is measured by the number of years spend in school (UNDP, 2014:163) and the quality is measured on the level of literacy obtaining in a country (Fund for Peace, 2014:10). Basic education improves competences and productivity of individual employees. Often, workers with little formal education can only perform simple manual duties and find it tough to adapt to advanced production processes and techniques so they contribute little to designing or implementing innovations (WEF, 2014:7). Lack of basic education can be a limitation on business development, with companies finding it challenging to manufacture complex or value-intensive products (WEF, 2014:7). At every level of schooling, the education system should teach competencies which are suitable to the requirements of the modern economy (WEF, 2016:57). Even lower skilled jobs need talent and knowledge hence vocational training and secondary education must give people skills that enable them to work in a complex, digital environment (WEF, 2016:57). One of the main limiting factors and stimulus mechanisms for making FDI decisions is labour (Petrović & Stanković, 2009:19).

6.3.1.2 Education system: Higher education and training

In the current globalising world economy, countries do not just need citizens with basic education but also a well-educated workforce able to perform sophisticated tasks and adapt

quickly to changes in production systems and environments. This argument is based on the knowledge capital model of FDI which posits that countries with a sufficient pool of qualified people attract knowledge-seeking FDI (see Carr, Markusen & Maskus, 1998; Markusen 2002; Chellaraj & Mattoo, 2015; Faeth, 2008; Kalamova & Konrad, 2010; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013). Higher education and training is a critical component of nation competitiveness (IMD, 2014; WEF, 2015a, 2013b; NECF, 2015). In her doctoral thesis on the dimensions and measurement model of country image and country brand, Jenes (2012:203) confirmed the hypothesis that "the evaluation of the inhabitants of a given country has a positive influence on the evaluation of the country". One of the indicators on which a country's citizens are evaluated is their skills' level. Stereotypes about the labour market of a host country, including employees' qualifications, capabilities, motivation and skills are a determinant for FDI location decisions because locally trained and situated people meet the labour needs of foreign investors (Kalamova & Konrad, 2010:404-405).

The higher education and training pillar of the GCI measures secondary school and tertiary enrollment rates and the quality of education as evaluated by business leaders (WEF, 2014:7). The quantity and quality of higher education and on-the-job training in a country may be considered independent of the quantity and quality of secondary school education. The National Economic Consultative Forum (NECF) of Zimbabwe argues that higher education plays an important role in preparing school leavers for the job market and ensuring that a country has a pool of qualified people to support the needs of its industry (NECF, 2015:14). A country's pool of talent, skilled or qualified labour is a source of its overall global competitive advantage including FDI attractiveness (Anholt, 2005; Anholt-GfK Ropper, 2014; Anyanwu, 2012; AT Kearney, 2015; Bloom Consulting, 2013; Brand Finance®, 2013; Carr, Markusen & Maskus, 1998; Chellaraj & Mattoo, 2015; Cornell University, INSEAD & WIPO, 2016; Dinnie, 2008; Faeth, 2008; Fetscherin, 2010; Fund for Peace, 2014; FutureBrand, 2014; Hornberger, Battat and Kusek, 2011; IMD, 2013; Kalamova & Konrad, 2010; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013; Markusen 2002; WEF, 2013b, 2016; UNDP, 2014). The degree of staff training is taken into consideration because vocational and continuous on-the-job training – which is ignored in many countries – is vital for guaranteeing continuous advancement of workers' skills (WEF, 2014:7).

Noorbakhsh, Paloni and Youssef (2001:1600) found that human capital is one of the most statistically important determinants of FDI inflows, and its significance has grown with time. Their study covered 125 developing countries of which 36 were from Africa. In his study on the relationship between the availability of skilled people and FDI location decisions, Al-Sadig (2009:286) found that the quality of human capital is positive and significant at the 1 percent level. Nevertheless, the mobility of human resources can reverse the effect of education on FDI inflows (Chatterjee, Mishra & Chatterjee, 2013:100). This indicates that a country that improves its higher education and training system without necessarily improving its ability to retain its qualified citizens at the same time may not gain sustainable global competitiveness (see market dimension). Also, Social Progress Imperative (2016a:101) argues that national education leaders must not only focus on the quality of advanced education available to their population but must also pay attention to the degree of access to relevant institutions especially globally rated ones.

6.3.1.3 Attractiveness of country's higher education to foreign students

The attractiveness of a country's higher education to international students is a measure of competitiveness (Anholt-GfK Roper, 2009; Brand Finance®, 2013; Cornell University, INSEAD & WIPO, 2016; Dinnie, 2008; Fetscherin, 2010; FutureBrand, 2014; IMD, 2014). The capability to train foreign-born talent strengths and determines a country's international reputation and attractiveness (French Ministry for the Economy and Finance *et al*., 2012:20). The immigration/investment dimension of the NBI℠ assesses the potential of a country as a place to live, work, study, and invest in. Among the five variables covered in the immigration/investment hexagon is the "good place to study for educational qualifications" attribute (Anholt-GfK Roper, 2009:37). The WCS/Y refers to this as "student mobility inbound" i.e. foreign tertiary-level students per 100 inhabitants (IMD, 2014:409). Cornell University, INSEAD and WIPO (2015:123) refers to the same variable as "tertiary inbound mobility" i.e. the number of foreign students studying with a country's higher education institutions. A country may enhance its perception by stakeholders if it has globally ranked universities (e.g. Social Progress Imperative, 2016a:36). The variable "country attractiveness to foreign students" is theoretically correlated with the "higher education" attribute discussed above and the "qualified foreign citizens" item of the market (MARK) dimension of the

conceptual framework discussed below. This means that the SOC and MARK components of the theoretical model are interrelated.

6.3.1.4 Language skills

Bona fide nation branding theorists (e.g. Bivolaru, Andrei & Purcăroiu, 2009; Kalamova & Konrad, 2010; Szondi, 2007; Rojas-Me´ndez, 2013) and their default counterparts—economists (e.g. Delgado *et al*., 2012; Hornberger, Battat & Kusek, 2011; Bénassy-Quéré, Coupet & Mayer, 2007; Somlev & Hoshino, 2005) agree that language is one of the attributes on which countries can build sustainable competitive advantage to attract FDI for themselves. Language is an important element of culture without which communication (e.g. verbal, written, or non-verbal) is impossible (Onkvisit & Shaw, 2004; Rojas-Me´ndez, 2013). African historians argue that slave trade and colonialism hindered the pace, tempo and trend of cultural growth and civilisation in Africa (e.g. Darity, 2005; Farah, Kiamba & Mazongo, 2011; Hrituleac, 2011). Hrituleac (2011:23) contends that Africans were compelled to learn the language of the respective imperial country. Today, so-called colonial languages have become the de facto business languages in the African continent. Of course, the teaching and learning of foreign languages in the continent has now extended beyond the languages of the former imperial powers. Nonetheless, it appears that the diversity of languages being taught and the interest in learning them are still too low to have an immediate positive effect on regional economic integration and FDI behaviour among regional countries with different languages of commerce.

Language is part of the psychic distance factors alongside culture, political system, level of education, level of industrial development (Kadasah, 2006; Musso & Francioni, 2012; Newman, 2012), the economy and the legal system (Kadasah, 2006:76). Psychic distance is a perceptual distance which results from the perception of both cultural and business differences between the home and foreign markets (Azar, 2013; Khojastehpour & Johns, 2014) that affects the flow of information between a company and its foreign target customers. 'Psychic' factors have been verified to impact the decision-making process, and allocation of FDI and the effect of each psychic variable differs from region to region and even country to country within the same region (Kadasah, 2006:76). Kalamova and Konrad (2010:412) found that sharing a common language would increase FDI activity between countries by US$530 million. Also,

Bénassy-Quéré, Coupet and Mayer (2007:774) found that common language has a positive influence on FDI inflow. However, a study on the influence of psychic distance factors on the FDI decision-making process in Saudi Arabia found that language (mean score of 1.83 on scale sliding from 0 = not important to 8 = very important) was not an important attribute (Kadasah, 2006:254). Chinese or Mandarin, English and Portuguese are the first, third, and seventh spoken languages in the world respectively (Ghauri & Cateora, 2014:18). Within the SADC Portuguese is the language of business for two countries, Angola and Mozambique, and French is the language of commerce in three countries, the Democratic Republic of Congo, Madagascar, and Mauritius.

6.3.1.5 Quality of life

Quality of life is a determinant of the country brand including the FDI sub-brand (Anholt-GfK Roper, 2009; Bloom Consulting, 2013; Brand Finance®, 2013; FutureBrand, 2014; Hornberger, Battat & Kusek, 2011; Rojas-Me´ndez, 2013). However, the challenge is that these sources do not explain how the quality of life is measured. Investments made by governments to the delivery of collective and individual services, such as education, healthcare, housing, transport, and culture has a direct effect on the quality of life of households (see African Development Bank, 2011; French Ministry for the Economy and Finance *et al*., 2012). Quality of life is linked to better access to health and education for children, personalised goods and services, quality of work, urban infrastructure (UNDP, 2014, 2015). A recent proprietary quality of life survey carried out by Colmar Brunton, a social research agency based in New Zealand, on behalf of that country's four large councils – Auckland, Wellington, Christchurch, and Dunedin – found that there were 10 factors that explained quality of life: emotional and physical health, housing, local community, sense of safety, support in difficult times, cultural diversity, crime, council decision making, pollution, and public transport (Colmar Brunton, 2016:68-69). The variables in these factors largely echo those in this construct and other dimensions of the SON-FDIBE conceptual framework. The Quality of Life Index published by *International Living* magazine is based on variables relating to the cost of living, environment, culture and leisure, political freedom, health, infrastructure, safety and risk, and climate. However, it has proven impossible for the researcher to access this proprietary index from the internet to review its component variables. Interestingly, all attributes of *International Living*'s Quality of Life Index, except leisure, are also covered in this construct and other dimensions of the SON-

FDIBE conceptual model. This demonstrates a high level of theoretical correlation among the model's components and existing literature. In his examination on the influence of psychic distance factors on the FDI decision-making process in Saudi Arabia, Kadasah (2006:254) found that social life was an important variable. Social life in this conceptual framework is considered an attribute of quality of life hence is a fundamental indicator of nation FDI brand equity. The thesis defines quality of life as the degree of satisfaction an individual derives from his or her ability to afford the basics and wants of life and to express personal opinion on any issue without fear or favour.

6.3.1.6 Poverty

The prevalence of poverty in a place can be a source of negative stereotype hence stains its image and reputation. For example, the image and reputation of Africa and its countries are coloured by poverty (Acemoglu & Robinson, 2010; Fund for Peace, 2014; FutureBrand, 2014; Klufio, 2011; Osei & Gbadamos, 2010; Wanjiru, 2005). Because poverty is one of the variables of country branding (Rojas-Me´ndez, 2013:466) it may affect a country's FDI attractiveness although FDI is also a tool for reducing the prevalence of poverty (see, e.g. Sichei & Kinyondo, 2012; Colen, Maertens & Swinnen, 2008). Actual measures of poverty focus on income or consumption, which record vital dimensions of deprivation but offer only a partial picture because people can be deprived in many aspects besides income (UNDP, 2014:41). Poverty can be measured with a number of proxy indicators, such as slum population (Fund for Peace, 2014:10), poor household conditions, poor health, low education and skills, and social exclusion (UNDP, 2014:41), number of people surviving on less US$1.25 or US$2.00 a day (World Bank, 2014a:20), GDP per capita (this item is discussed in the economy dimension below), inadequate livelihoods or famine (FutureBrand, 2011; Klufio, 2011; Osei & Gbadamosi, 2010; Wanjiru, 2005), and malnutrition (FutureBrand, 2011; UNDP, 2014). Sustainable Development Goals 1 and 2 of the UN 2030 Agenda are "No poverty" and "Zero hunger" (World Bank, 2016b:2). Since indicators of poverty include poor health and low education and skills (UNDP, 2014:41) discussed below, a country's chances of attracting FDI, especially efficiency-seeking FDI is likely to be significantly diminished if it is not faring well in these indicators. Interestingly, there is no agreement in the literature on the linkages between FDI and growth or welfare (National Treasury of South Africa, 2011:6). Nonetheless,

UNCTAD (2015:213) argues that FDI plays a fundamental role in financing for development and supporting progress towards SDGs.

6.3.1.7 Health delivery system

The health delivery system of a country affects how the country is perceived (Fund for Peace, 2014; Outhavong, 2007; Passow, Fehlmann & Grahlow, 2005; Rojas-Me´ndez, 2013; WEF, 2013b; WEF, 2014). One of the 12 pillars of the Global Competitiveness Index (GCI) of the WEF is health and primary education, which is also part of the basic requirements sub-index of the GCI. A healthy workforce is essential to a country's competitiveness and productivity; sick workers are less productive and a significant cost to business, because ill workers may frequently be absent from work (WEF, 2014:6). Health is one of the variables constituting the physical appeal component of the Country Reputation Index (CRI) designed by Passow, Fehlmann & Grahlow (2005:313). The delivery of health services in many developing countries is hindered by lack of financial resources, and this makes the control of diseases problematic. Sustainable Development Goal 3 of the UN focuses on improving well-being, particularly at the most vulnerable stages of life, providing health services, and addressing imbalances between poorer and richer countries (World Bank, 2016b).

Chatterjee, Mishra and Chatterjee (2013:100) contend that the impact of health infrastructure on FDI inflows can be affected by the mobility of human resources. Therefore, the health delivery system is correlated with the attribute "capability to retain qualified citizens" in the market dimension of this conceptual framework. In this theoretical model, the competitiveness of a country's health delivery system must be assessed in respect of availability of health practitioners, equipment and medicines.

6.3.1.8 Prevalence of HIV/AIDS and risk of Tuberculosis, Cholera and Malaria

Epidemic diseases such as the Acquired Immuno Deficiency Syndrome (AIDS) caused by the Human Immuno Deficiency Virus (HIV), Tuberculosis, Cholera and Malaria may be considered as part of a country's ecological context. This is because they have all taken on a regional pattern and some of them – i.e. Malaria – are associated with humid conditions of the tropics. However, the SON-FDIBE conceptual model considers these pandemic diseases under

the societal dimension because of their far-reaching socio-economic effects on a population. In a way, this also proves that the societal and ecological constructs of country brands are correlated.

Widespread diseases give places negative image, stereotypes, and reputation. The image and reputation of Africa and its countries are scarred by persistent epidemic diseases (Fund for Peace, 2014; FutureBrand, 2011; Klufio, 2011; Osei & Gbadamosi, 2010) such as HIV and AIDS, cholera, malaria, and tuberculosis. These diseases are commonly known as infectious diseases of poverty (Bhutta *et al*., 2014; World Bank, 2014a; Talavera & Pérez, 2009) because they excessively affect the poorest people in the world hence contributing to the vicious cycle of poverty due to decreased productivity resulting from long-term illness, disability, and social stigma (Bhutta *et al*., 2014:1). Thus the SON-FDIBE theoretical framework argues that the prevalence of HIV and AIDS combined with risks of Tuberculosis, Cholera and Malaria in a target host country are important considerations in selecting an FDI location.

As for HIV and AIDS, the situation is further worsened by the fact that most developing countries especially in Africa are largely dependent on international aid for their HIV response activities. For example, out of the 46 of the 54 countries in Africa included in the 2013 UNAIDS report on the global AIDS epidemic, the majority (35) are 75 to 100 percent dependent on international aid for their national HIV and AIDS response activities of which Zimbabwe is among those nations (UNAIDS, 2013:74). The report further indicates that 10 African countries are 50 to 74 percent dependent, six are 25 to 49 percent dependent, and only five countries – of which South Africa is among those – are 0-25 percent dependent on global aid. Among the 15 countries in Southern Africa, South Africa and Zimbabwe have the fourth and fifth highest HIV prevalence rates in adults aged 15-49—i.e. 19.1 percent and 15.0 percent respectively (World Bank, 2014a, World Bank, 2015; UNAIDS, 2013). Furthermore, Africa bears the heaviest burden of Malaria (WHO, 2014b:x), cholera (Mintz & Tauxe, 2013:4), and tuberculosis (WHO, 2014a) or HIV and AIDS (UNAIDS, 2014, 2013a; World Bank, 2014a) whether it is infections, people suffering from these diseases, or deaths.

6.3.1.9 Crime, personal security, risk of xenophobic violence and political violence

The prevalence of crime and insecurity in a country affects its brand strength or reputation (Abala, 2014; Adebola, Talabi & Lamidi, 2012; Fund for Peace, 2014; Lederman, Mengistae & Xu, 2012; Mo Ibrahim Foundation, 2016; Passow, Fehlmann & Grahlow, 2005; Rojas-Me´ndez, 2013; Social Progress Imperative, 2016a; Viosca, Bergiel & Balsmeier, 2004) and FDI inflows (Abala, 2014; Lederman, Mengistae & Xu, 2012; Viosca, Bergiel & Balsmeier, 2004). Although economists have studied the relationship between crime or personal security and FDI behaviour (see e.g. Lederman, Mengistae & Xu, 2012; Viosca, Bergiel & Balsmeier, 2004), such studies are generally scarce within the *bona fide* domain of nation branding (exceptions are Adebola, Talabi & Lamidi, 2012; Rojas-Me´ndez, 2013) albeit from an umbrella country branding perspective). Moreover, economists who have studied the relationship between violent crime and/or personal security and FDI have not bothered to define these social variables, at least those papers this researcher reviewed.

Organisation for Economic Cooperation and Development (OECD) defines personal security as "the extent to which people feel safe and rescued from personal harm or crime" (OECD, 2014:20). OECD argues that crime has a big direct and usually lasting effect on victims and may also deeply affect the well-being of those who live in the same neighbourhood. The Ibrahim Index of African Governance (IIAG) includes personal safety (security) under its safety and rule of law element. This goes on to show that the society dimension overlaps with the government dimension, which suggests that if a country is not doing well in one it is likely to be rated poorly in a related dimension. In the IIAG, personal safety has six indicators: political terror, social unrest, the safety of the person, police services, violent crime and human trafficking (Mo Ibrahim Foundation, 2014:10). Safety or security relates to the public order existing in a country that contributes to the friendliness of people (Rojas-Me´ndez, 2013:469) and is an important attribute affecting the competitiveness of a country (WEF, 2013b:5).

6.3.1.10 Prevalence and control of corruption

The prevalence of corruption affects the flow of FDI into economies (Abala, 2014; Adebola, Talabi & Lamidi, 2012; Bénassy-Quéré, Coupet & Mayer, 2007; Bitzenis, Tsitouras &

Vlachos, 2009; Fund for Peace, 2014; Hornberger, Battat & Kusek, 2011; Kalamova & Konrad, 2010; Klufio, 2011; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010; Osei & Gbadamos, 2010; Rojas-Me´ndez, 2013; Wanjiru, 2005) because corruption is generally viewed as an additional cost of doing business or a tax on profits (Al-Sadig, 2009:282). Bitzenis, Tsitouras and Vlachos (2009:696) define corruption as the misuse of public power for private gain, for instance, bribery of public officials, kickbacks in public procurement, or embezzlement of public funds. It is the paying of bribes to corrupt government officials to get "favours" such as permits, investment licenses, tax assessments, and police protection (Al-Sadig, 2009:282). In recent years, the level of corruption in the host country has been introduced as one of the determinants of FDI location (Al-Sadig, 2009; Anyanwu, 2012; Ledyaeva, Karhunen & Whalley, 2013; Kalamova & Konrad, 2010; Tosun, Yurdakul & İyidoğan, 2014). In a study on the effect of corruption on host country FDI inflows, Al-Sadig (2009:267) found that a one-point increase in the extent of corruption in a country explains a decline in per capita FDI inflows by around 20 percent. Nonetheless, corruption is correlated with several other attributes of the host country such as cultural values, lack of competition, and the quality of institutions (Al-Sadig, 2009:272). In its IIAG, Mo Ibrahim Foundation (2016:33) agrees that corruption is a cross-cutting issue because its indicators such as judicial independence and property rights, both in the rule of law sub-category of the IIAG, partly evaluate the effect of corruption on how African governments are perceived. Hence the societal dimension of the SON-FDIBE hypothesised model is correlated with the governmental construct through attributes such as fairness of public institutions, transparency of government policymaking, stability of legal system (i.e. public confidence in the system), enforcing property rights, carefulness of government spending, and rule of law. Perhaps, that explains why Al-Sadig (2009:272) argues that if a researcher fails to hold all these factors constant, the estimated effects may be biased in either direction. However, Abala (2014:77) could not obtain data to enable him to analyse the effect of corruption on FDI behaviour although he states that he was "acutely aware that corruption levels in a country can have a major negative impact on the inward flow of FDI".

The control and punishment of corruption (Anyanwu, 2012; Lederman, Mengistae & Xu, 2012; Hornberger, Battat & Kusek, 2011; Kalamova & Konrad, 2010; Mo Ibrahim Foundation, 2016; Transparency International, 2014; Tosun, Yurdakul & İyidoğan, 2014) and the strength and effectiveness of public sector anti-corruption efforts (Mo Ibrahim Foundation, 2016;

Transparency International, 2014, 2016) are important to assisting a country to improve its competitiveness. Interestingly, some academics have observed that corruption can have mixed effects on FDI behaviour depending on who is investing and the investment location (de Beule & van den Bulcke, 2012; Ledyaeva, Karhunen & Whalley, 2013).

An investigation into the occurrence of "round-tripping" in Russia found that round-trip investors are concentrated in the service sector, seem to aim at exploiting natural resources in Russia, tend to establish manufacturing firms in resource-based industries and support the development of corruption in Russia by investing into corrupt Russian regions. Nonetheless, the same study also found that genuine foreign investors are concentrated in manufacturing industries and regions with the higher educational potential of the population but are not tied to resource abundant and corrupt regions of Russia. "Round-tripping" is the transfer of funds abroad to bring some or all of the investment back to the host country as a foreign investment (Ledyaeva, Karhunen & Whalley, 2013:4). The practice is corrupt. de Beule and van den Bulcke (2012:21) found that variations in corruption do not yield a significant coefficient for Chinese greenfield investors, suggesting that they do not target corrupt economic environments, in particular, but are also rather indifferent towards corruption whereas their Indian transnational counterparts are discouraged by corruption. Surprisingly, the Chinese do not tolerate corruption in their homeland and give harsh sentences to people convicted of the crime. Despite the mixed empirical evidence, this conceptual framework argues that the prevalence of corruption and public-sector efforts to control it in a target host country is an important consideration in selecting an FDI location.

6.3.2 Technology (TECH)

Of all eight constructs of the SON-FDIBE conceptual octagon, technology is the only one that influences the country brand while it is also concurrently affected by FDI. Technology enhances a nation's brand image and reputation including its attractiveness as an FDI location (Buhmann & Ingenhoff, 2015; Cywiński & Harasym, 2012; Hornberger, Battat & Kusek, 2011; WEF, 2015; Rojas-Me´ndez, 2013; Salem, 2015; UNCTAD, 2016a). At the same time, FDI can bring foreign technology to host countries, particularly those countries at a less advanced stage of technological development (Abala, 2014; Anyanwu, 2012; Cywiński & Harasym, 2012; Denisia, 2010; Kalfadellis & Gray, 2005; Kurtishi-Kastrati, 2013; Mohamed &

Sidiropoulos, 2010; OECD, 2014; Salem, 2015; Wang & Wang, 2014; WEF, 2014). Although a country can attain competitiveness by enhancing all the attributes in the other seven dimensions of the theoretical model, WEF (2014:8) argues that standards of living in the long-run can be significantly improved by "technological innovation". Hence the conceptual framework pulls together the "technology" and "innovation" pillars of the GCI into one construct—technology. Technological breakthroughs are the foundation of productivity improvements world economies have experienced in the past (WEF, 2014:8) and technology and innovation will continue to be the foundation of competitiveness in the future. "Technological breakthroughs" are "technological innovations" because they involve inventions, discoveries, or new products (services) and processes. The rate of technological advancement of a place is likely to influence how it is stereotyped.

Technology is one of the principal drivers of competitiveness in firms (Porter, 1998:164) and so is innovation. Firms in less-industrialised countries may still improve their productivity by adopting existing technologies or making incremental improvements in other areas while their counterparts in countries that have reached the innovation stage of development, i.e. highly-industrialised nations, should design and develop cutting-edge products and processes to maintain a competitive edge and move toward even higher value-added activities (WEF, 2014:8). Although this argument is sensible, the need for less-industrialised countries to develop their technologies cannot be underplayed particularly given that technology is not only a basis for national competitiveness but also country stereotypes or metaphors. Technology is the application of science to process an economy's resources into output (Perreault, Cannon & McCarthy, 2014:67).

In recent years innovation has been realised to be a determining factor of competitiveness not just at the company level but country level too. As a result, Cornell University, INSEAD and WIPO have been publishing the Global Innovation Index (GII) annually for more than a decade now, which measures country innovation competitiveness. The science and technology dimension of Rojas-Me´ndez's nation brand molecule has three facets—technological development, modernisation, and inventions (Rojas-Me´ndez, 2013:469). Innovation-driven growth is no longer the preserve of high-income countries only because developing countries are progressively adopting policies meant to strengthen their innovation capacity (Cornell University, INSEAD & WIPO, 2015:v). The sub-facets of technology discussed below help

to illuminate the importance of technology as a proposed determinant of SON-FDIBE in developing countries.

The technology construct of this theoretical model is rooted in the knowledge capital model because, "technology is knowledge and knowledge is technology". At the same time, the technology component cannot be viewed in isolation from the education variable of the social element discussed earlier. Also, the technology construct overlaps with the infrastructure dimension especially the telecommunications facet. Today, infrastructure can no longer be viewed in the traditional sense of roads, railroads, harbours and airports because technological infrastructure such as telecommunication systems, Internet, and mobile telephony (whether traditional or internet-driven) is turning into an asset for nation competitiveness (Garelli, 2014:498). Given the literature reviewed above and in the individual measures of technology below, the SON-FDIBE conceptual framework posits that:

H_4: *Technology is a determinant of SON-FDIBE in South Africa and Zimbabwe.*

In the SON-FDIBE conceptual framework, technology is not necessarily high-tech. Technology is anything that enables a country to gain a competitive advantage in creating value for the benefit of its citizens. Such technology does not come from natural sciences only but also social sciences and arts, languages included.

6.3.2.1 Technological readiness or adaptability

Much as companies within a country are expected to adapt to technological changes in their environment, the technological readiness sub-facet of this model considers the ability of countries to adapt themselves to emerging technologies. The indicator "availability of latest technologies" obviously includes telecommunications which are discussed in the infrastructure component of this conceptual model below. But latest technology also includes plant and equipment and information technologies that can improve efficiencies in industrial manufacturing and service firms including government departments. Respondents in a study conducted by Rojas-Me´ndez (2013:469) tended to associate some technological expressions with specific countries, e.g. the reliability of products (Germany), style and design (Italy), product innovations (Japan), technology-oriented (The USA). The respondents did not associate any technology with any developing country although the sample had ten such

countries—i.e. Chile, China, Colombia, India, Iran, Mexico, Nigeria, Paraguay, South Africa, and Vietnam. Reputable industries (Passow, Fehlmann & Grahlow, 2005; Sun, 2009) or reputable corporations (Kim, 2016:23) contribute to nation image and ultimately reputation; such industries are based on defined technological capacities. In the modernisation sub-facet of his model, which refers to the progression of a country to a superior technological level, Rojas-Me´ndez (2013:469) found that respondents used words like modern (USA and Japan), advanced (Germany), and **underdeveloped (Nigeria and Ecuador)** (emphasis added). As a result, for developing countries to shake off negative stereotypes such as "underdevelopment", they need to advance themselves technologically. This can be achieved if companies and governments in these economies continuously adapt themselves to global technological advances and, at the same time, innovate. In its technological readiness pillar, the GCI includes firm-level technology absorption or adoption as an important variable of competitiveness (WEF, 2015:40). However, the absorption of technology is also equally critical to the government managing an economy. This is because, according to Porter's diamond model, the government can impact and be impacted by each of the framework's factors—factor conditions, demand conditions, related and supporting industries, and chance (Hollensen, 2010:70).

6.3.2.2 Research, development and innovation

Responsiveness to technological changes is not the only precondition for sustainable development but also innovation and creativity. Sustainable Development Goal 9 of the UN focuses on "Industry, innovation, and infrastructure" (World Bank, 2016b:20). In the rapidly changing global economy, continuous innovation is a requirement (Kotler & Keller, 2016:466) not just for companies but governments as well. World Bank (2016b:20) argue that industry is vital to economic development, and manufacturing is important to long-term structural change, formal job creation, and the technology and innovation required for productivity growth. Innovation is the intellectual power to create—invent and recreate—reinvent. The invention is all about the "creation of new products, tools, and processes that contribute to the country's development" (Rojas-Me´ndez, 2013:469). Respondents in Rojas-Me´ndez's study often associated words like inventive with England, USA, Japan, South Korea, and Germany. Reputable brands (Sun, 2009), products and services (Buhmann & Ingenhoff, 2015) or country of origin or "made-in" labels (FutureBrand, 2014; Kalamova & Konrad, 2010; Laforet, 2010)

go a long way in building the country brand and attracting FDI. Brands are borne out of innovation. Innovation is one of the sources of competitive advantage but it is expensive. Technological progression needs an environment that is supportive to innovative activity and is supported by both public and private sectors (WEF, 2014:8) regardless of an economy's level of industrialisation. Developing countries must put in place policies that promote innovation. National innovation policymaking must involve "not only those who are directly involved with technology, industry, science, and education but also those in charge of finance and economics, and indeed the top government leadership, which plays a crucial role in successful innovation policies" (World Bank, 2010:1). A country's capacity to innovate has to be considered as an ecosystem that not only produces scientific knowledge but also enables all industries, including the service sector, and society, in general, to be more flexible, interconnected, and open to new ideas and business models (Sala-i-Martín, Crotti, Baller, Di Battista, Drzeniek-Hanouz, Geiger, Gaviria & Marti, 2016:54).

Innovation and technological advancement in a country can be a reality if companies and the government therein invest in research and development (R&D). In his interpretation of Porter's diamond of national competitiveness model, Hollensen (2010:67) notes that while basic factors like climate, minerals, and oil can create the ground for a country's international competitiveness, they cannot turn into real value creation without the advanced factors such as human resource skills and research capabilities. Therefore, much as firms need to invest in R&D, governments also need to do the same including in terms of funding universities. Proprietary place branding indices such as GII, GCI, and WCS/Y include in their measures of country competitiveness items such as capacity for innovation, quality of scientific research institutions, company spending on R&D, university-industry collaboration in R&D, government spending on R& D, and availability of scientists and engineers (Cornell University, INSEAD & WIPO, 2015; IMD, 2014; WEF, 2015). Nonetheless, only a few bona fide nation branding models give limited coverage to the variables of these three default country branding indices. The SON-FDIBE conceptual framework argues that those attributes are a source of FDI destination attractiveness. In accordance with the knowledge capital model (see e.g. Carr, Markusen & Maskus, 1998; Markusen 2002; Chellaraj & Mattoo, 2015; Faeth, 2008; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013) countries with R&D competitiveness and/or talent can attract knowledge-seeking FDI (Brand Finance®, 2013; Dinnie 2008; Bloom Consulting, 2013; Fund for Peace, 2014; IMD, 2013; WEF, 2013b; UNDP 2014; Anholt, 2005;

Anholt-GfK Roper, 2009; Kalamova & Konrad, 2010; Fetscherin, 2010). Consequently, much as technology and innovation are included in the SON-FDIBE, it is also explained in the same way in the theories of FDI developed in the field of economics. The rate of inventiveness in a country is likely to influence how it is perceived and stereotyped.

6.3.3 Ecology (ECOL)

Countries are associated with tangible elements of their geography and nature, ecology or natural environment (Adebola, Talabi & Lamidi, 2012; Bivolaru, Andrei & Purcăroiu, 2009; Garelli, 2014; Rojas-Me´ndez, 2013). In an exploratory study on the set of dimensions and facets that exist in people's minds in regards to the geography and nature of a country brand, Rojas-Me´ndez (2013:468) found that climate, geomorphology, geographic location, disasters, flora and fauna, and rivers, lakes and seas are important sub-elements. Certain diseases associated with given climatic conditions (e.g. Malaria) are obviously part of the ecological environment which may influence how a country is perceived. Hence whatever nature provides in a country may determine its attractiveness or appeal. The natural environment on its own and when it interacts with human activities endow countries with reputation—negative or positive.

Governments and companies can strengthen their brand image if they integrate the environmental component into their strategy (IMD, 2014:506). So, the physical environment should be protected from unsustainable exploitation by commercial interests. This means that, in a way, the ecological and government dimensions of this theoretical framework are interrelated. The SON-FDIBE conceptual framework posits that:

H_5: *Ecology is a determinant of SON-FDIBE in South Africa and Zimbabwe.*

Sustainable Gevelopment Goals (SDGs) 12 through 15 of the UN are concerned with the environment i.e. Responsible consumption and production (SDG 12), climate action (SDG 13), life below water (SDG 14), life on land (SDG 15) (World Bank, 2016b:26-32). As calls for environmental responsibility grow louder, the global competitiveness of nations and places is increasingly depending on their cability to convince domestic and overseas audiences of their environmental credentials and integrity (Kaefer, 2014:i).

6.3.3.1 Climate, weather and soil fertility

Climate, weather and soil fertility or aridity endow countries with given images, positive or negative (IMD, 2014; Njoroge & Okech, 2011; Rojas-Me´ndez 2013). In regards to climate, many expressions that reveal how easily respondents identify this facet include "sunny", "warm", "hot", "cold", "wet", "dry", and "tropical" (Rojas-Me´ndez, 2013:468). The expressions "sunny" and "hot" are suitable for most countries in Africa. The majority (73.3 percent) of respondents in a study on factors influencing FDI inflows in Kenya's horticultural industry agreed that the country's climatic conditions and fertile soils facilitated the flow of FDI (Njoroge & Okech, 2011:104). Weather and climate changes are responsible for good things such as bumper harvests but also bad ones such as natural disasters, i.e. droughts, excessive rains, and flooding hence they influence public perception.

6.3.3.2 Natural resources endowment

Every nation has endowments that are inherited and given, and prosperity is directly influenced by those endowments, for instance, by the sale of natural resources (Delgado *et al*., 2012:12). Moreover, the probability of offsetting for lack of natural resources is limited (Garelli, 2014:490). Delgado *et al*. (2012:21) found that the natural resource endowments variable has a positive impact on output per potential worker. Natural resource endowments affect country competitiveness including FDI attractiveness (Adam & Filippaios, 2007; Adebola, Talabi & Lamidi, 2012; Andrés, Nunnenkamp & Busse, 2013; Böckem & Tuschke, 2010; Hornberger, Battat & Kusek, 2011; Demirhan & Masca, 2008; Garelli, 2014; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010; Rojas-Me´ndez, 2013; Sun, 2010; WEF, 2013b). Therefore, privately-owned nation brand indices, such as, Anholt-GfK Roper Nation Brand Index^{SM} (NBI^{SM}), FutureBrand's Country Brand Index (CBI), and Brand Finance®'s Nation Brand Impact^{TM} Framework (NBIF^{TM}), and academic ones influenced by the NBI^{SM}, like Fetscherin's (2010) Country Brand Strength Index (CBSI), Kalamova and Konrad's (2010) Nation Branding and FDI, and Bivolaru, Andrei & Purcăroiu's (2009) PESTEL analysis framework are limited by their exclusion of natural resources in their measures. The models should be modified to strengthen their relevance to developing countries, especially those in Africa, endowed with considerable commercial natural resources. Countries with plentiful natural resources attract resource-seeking FDI (Adam & Filippaios, 2007; AT Kearney, 2015;

Böckem & Tuschke, 2010; Denisia, 2010; Demirhan & Masca, 2008; Dunning, 1993; International Monetary Fund, 2014; Faeth, 2008; Nayak & Choudhury, 2014).

However, Noorbakhsh, Paloni and Youssef (2001:1603) argue that countries whose competitiveness depend solely on natural resources may find it difficult to attract FDI into high value-added industries thus experience slower economic growth. Natural resources and skilled people, therefore, are complementary sub-facets of nation brand equity. Prosperity is created, not inherited because it does not grow out of a country's natural endowments, as classical economics claims (Porter, 1990a:73). This means that without conducive government policies, countries endowed with commercial natural resources will not gain any competitive advantages. A major concern in respect of FDI inflows into African countries is that an overwhelming majority of them go into natural resource exploitation (Anyanwu, 2012:428). At the same time, the primary industries that extract the natural resources export them as commodities. Consequently, countries endowed with natural resources may attract considerable FDI but remain underdeveloped. The countries need policies that guarantee them benefits from those natural resources while enabling them to invest proceeds in building competitiveness in other areas of national development. Policies are completely reliant upon the determination of people (Garelli; 2014:490) and not a country's natural resource endowment (Porter, 1990a:73).

6.3.3.3 Risk of natural disasters and disaster preparedness

Adverse shocks may come from several directions (UNDP, 2014:15). Nature accounts for many fortunes (e.g. commercial natural resources, good weather, good soils, etc.) and misfortunes too—disasters. Humans too account for some of the good and the shocks hence country branding and economics literature talks about natural and artificial or man-made disasters (Garelli, 2014; Noy, 2009; Rojas-Me´ndez, 2013; Sawada, Bhattacharyay & Kotera, 2011). The fact that disasters can be natural or artificial means that the ecology and society dimensions overlap hence also supporting the argument that the dimensions of the SON-FDIBE conceptual model correlate.

Human-made disasters in managing the economy, whether manifesting politically, socially or technologically, can cause immense human suffering and even loss of life. For example, economic shocks may result in loss of jobs through recession or failing terms of

trade and wars and civil conflict can have extensive negative impacts on human development (UNDP, 2014:15) and massive loss of human life such as recorded in the genocide that took place during the disintegration of the former Yugoslavia (Balorda, 2013; Gibbs, 2015; Maxwell & Ross, 2011) and the Rwandan genocide (Christian Aid, 2004; Graybill, 2002; Hintjens, 1999; Longman, 2001; Omar & de Waal, 1994; Verwimp, 2004). Natural wonders such as rain or wind become natural disasters when they exceed a limit of normality—e.g. floods and droughts (Rojas-Me´ndez, 2013; UNDP, 2014), heat waves, hurricanes, earthquakes, volcanic eruptions, storms, tornadoes and tsunamis (Rojas-Me´ndez, 2013:468). West African countries of Sierra Leone, Guinea, and Liberia may now be associated with the Ebola epidemic which hit them in 2014 and Mozambique may be associated with floods which frequently hit the country during the rainy season. High vulnerability to natural disasters affects the nature and scope of economic activities that may be developed in small island developing states (UNCTAD, 2015:95).

Despite that risk of natural and human-induced disasters affect nation competitiveness (Escaleras & Register, 2011; Fund for Peace, 2014; Garelli, 2014; Noy, 2009; Oh & Oetzel, 2011; Pant & Sigdel, 2004; Rojas-Me´ndez, 2013; UNDP, 2014; Sawada, Bhattacharyay & Kotera, 2011; Thampanishvong, 2013), most bona fide and default nation branding frameworks do not acknowledge the influence of disasters on country brands let alone the FDI outcome area. Rojas-Me´ndez's Nation Brand Molecule simply acknowledges disasters as a variable of umbrella nation brands. As for Fund for Peace's (2014) Fragile States Index, the focus is on exposure to civil conflict and/or political instability as opposed to how the conflict will impact a nation's FDI attractiveness. So there is a scarcity of studies on the effects of natural disasters on FDI location decisions (Thampanishvong, 2013:18). This observation is especially correct in respect of bona fide as opposed to default country brand equity models. Within what this thesis refers to as default FDI sub-branding – i.e. studies that have investigated the relationship between natural catastrophes and FDI behaviour from an economic rather branding theory standpoint – there are a considerable number of exceptions (e.g. Escaleras & Register, 2011; Oh & Oetzel, 2011; Pant & Sigdel, 2004; Thampanishvong, 2013). However, these studies confirmed that natural disasters in host countries did not affect FDI inflows.

Moreover, while political stability and country risk covered in the governance dimension of the conceptual framework encompass traces of disaster in them, there is still a scarcity of nation

branding studies that have specifically assessed the impact of human-made disasters on the location decisions of foreign investors. Nation competitiveness and branding literature (e.g. Garelli, 2014; Rojas-Me´ndez, 2013) acknowledges that human-made disasters affect country reputation, but so far there is barely any FDI destination branding empirical studies that have measured this variable. Given that Africa has an inherent and enduring negative continental brand reputation, which also extends to its countries, it is fundamental that the impact and risk of natural and artificial disasters on FDI destination selection are investigated. However, in this conceptual framework, the focus is on natural disasters only.

6.3.4 Economy (ECON)

The brand equity of a country can be judged from the robustness of its economy (see e.g. Bivolaru, Andrei & Purcăroiu, 2009; Buhmann & Ingenhoff, 2015; Lee, 2016; Outhavong, 2007; Rojas-Me´ndez, 2013) or economic system (e.g. Adebola, Talabi & Lamidi, 2012; AT Kearney, 2014). The economy is a measure of aggregate wealth in a place whether the place in question is local, regional, national, or international (place for this study is delimited to the country level). An economy is a composite system with various subsystems of which only 16 are discussed below. Rojas-Me´ndez (2013:466) intimates that the economy dimension captures all the aspects dealing with how a country manages its resources. Interestingly, a study on the influence of psychic distance factors on FDI decision-making in respect of Saudi Arabia found that the economy was not an important factor (mean 3.90 on a scale sliding from 0 = not important to 8 = very important) (Kadasah, 2006:254). But as evident from the discussion below, at least three theories of FDI – i.e. neoclassical theory (Tvaronavičienė, Kalašinskaitė & Šimelytė, 2009; Faeth, 2008), economic perspective (Adam & Filippaios, 2007; Böckem & Tuschke, 2010) and strengths of currency theory (Aliber, 1970 cited in Nayak & Choudhury, 2014; Nayak & Choudhury, 2014) – support the economy dimension in respect of its effect on a country's FDI attractiveness. For example, the economic perspective on FDI (Böckem & Tuschke, 2010) is based on three assumptions, that is, foreign firms invest in host countries to fulfil market-seeking, resource-seeking, and efficiency-seeking goals (Adam & Filippaios, 2007; Böckem & Tuschke, 2010). Since resource-seeking FDI includes natural resource-seeking FDI (see e.g. Rojas-Me´ndez, 2013; Sun, 2009), the economy construct of the SON-FDIBE conceptual framework is fundamentally interrelated with the ecology

dimension above. In view of the arguments above and in the economic attributes below, it is hypothesised that:

H_6: *Economy is a determinant of SON-FDIBE in South Africa and Zimbabwe.*

The economy dimension of the SON-FDIBE conceptual framework and its measures fit perfectly well into the macroeconomic competitiveness determinants of national competitiveness in economic theory. "Macroeconomic competitiveness is driven by a range of institutions, policies, and public good investments that set the context for an entire economy" (Delgado *et al*., 2012:9). Furthermore, macroeconomic determinants of competitiveness like institutions, policies and good public investments directly link the economy construct to the government and infrastructure components of this theoretical framework respectively. Sustainable Development Goal 8 of the UN is "Productive employment and economic growth" (World Bank, 2016b:16).

6.3.4.1 Gross Domestic Product (GDP), GDP growth, and GDP per capita

GDP is a standard and often cited measure of an economy's size and strength (World Bank, 2015b:77). GDP is the sum of gross value added by all resident producers in an economy plus any product taxes (fewer subsidies) not included in the valuation of output (World Bank, 2015b:88). Country GDP size, GDP growth rate, and GDP per capita are important proxies for country market size or demand, market growth rate, and income distribution respectively hence are sources of nation competitiveness including FDI brand strength. Most studies associate GDP with FDI business opportunities reflected in the size and growth potential of host country market (Grzegorczyk & Budzyński, 2015:1089) although findings on the role of economic growth in attracting FDI are mixed and controversial (Demirhan & Masca, 2008:361). Therefore, economic or GDP growth (Anyanwu, 2012; Lee, 2009; Mohamed & Sidiropoulos, 2010; Fund for Peace, 2014) and business potential and culture (FutureBrand, 2014) are fundamental measures of country attractiveness. Anyanwu (2012:442) intimates that real GDP growth rate is used to represent a country's economic track record and is an indicator of profitable investment opportunities. Economic growth affects the domestic market, where a country with a growing domestic market must attract greater levels of FDI (Anyanwu, 2012:442) and it stimulates foreign companies to plan new projects or factories (Iamsiraroj & Doucouliagos, 2015:6). Noorbakhsh, Paloni and Youssef (2001:1600) found that the growth

of the domestic market – represented by Gross Domestic Income (GDI) growth rate – has an important effect on FDI inflow. Risk-averse foreign investors are attracted to high-growth economies where opportunities for a growing domestic market exist (Pearson, Nyonna & Kim, 2012:3). The size of the domestic market and the prospects of growth are what matters most (Grzegorczyk & Budzyński, 2015:1090). A study conducted by Mohamed and Sidiropoulos (2010:85) also found that market size matters in influencing the behaviour of FDI and that FDI increases as economic growth strengthens. Iamsiraroj and Doucouliagos (2015:25) found that growth is positively associated with FDI in all regions, while some of the findings imply that the correlation is marginally weaker in North America. Of course, the importance of the variable even in log form validates that the association between FDI and market size is not a plain linear relationship, but one in which the advantage from growing the market size is expanding but at a diminishing rate (Mohamed & Sidiropoulos, 2010:85).

However, Bénassy-Quéré, Coupet and Mayer (2007:771) intimate that the effect of GDP per capita on FDI inflows is theoretically unclear although high GDP per capita indicates high consumer purchasing power and high real wages. They state that empirical studies ordinarily show that GDP per capita has a positive but not always substantial, impact on FDI inflow. For instance, Anyanwu (2012:444) found that GDP per capita does not have a positive significant association with FDI inflows. Despite the mixed empirical evidence and conceptual arguments, this theoretical framework contends that a country with a huge a GDP, GDP growth rate, and GDP per capita is more attractive to foreign investors than one without these features. This argument seems to dovetail neatly into the demand conditions element of Porter's national diamond framework (see Porter, 1990a; Smit, 2010) and economic attractiveness dimension of Lee's (2016:817) conceptualisation of country attractiveness model.

6.3.4.2 Government indebtedness

Governments are organisations like any other—they need financial resources to bankroll their operations. Two main sources of funds for governments are taxes and financial markets, local and international. When governments raise money from financial markets they incur debt. *Central government debt* is the consolidated gross debt of the entire general government sector outstanding at the end of the year (International Monetray Fund, 2015 cited in IMD, 2014; World Bank, 2015b). External indebtedness determines a country's creditworthiness and

investor perceptions (World Bank, 2014b:94, 2015b:120). Thus there is a gap in the current mainstream nation brand theory and practices. Umbrella country branding models, proprietary and academic alike, such as the NBI^{SM} (Anholt-GFK Roper, 2016b), Country Brand Ranking – Trade (CBR-T) (Bloom Consulting, 2013), Nation Brand Impact^{TM} Framework (NBIF^{TM}) (Brand Finance®, 2013), and Country Brand Index (CBI) (FutureBrand, 2014-2015), Country Brand Strength Index (CBSI) (Fetscherin, 2010), Nation Brand Molecule (Rojas-Me´ndez, 2013), Nation Brands and FDI (Kalamova & Konrad, 2010), and Conceptualisation of Country Attractiveness Model (Lee, 2016) do not include government debt in their operational measures. Nonetheless, default nation branding indices like the Fragile States Index (Fund for Peace, 2016), GCI (WEF, 2016), WCS/Y (IMD, 2014), and Ibrahim Index of African Governance (IIAG) (Mo Ibrahim Foundation, 2015) include government debt in their variables. It is, therefore, important that the effect of national debt on FDI location competitiveness is included in the measurement of nation brand equity. Furthermore, the fact government indebtedness affects country creditworthiness, and investor perceptions imply that government debt cannot be practically viewed in isolation from the country creditworthiness attribute, discussed below.

6.3.4.3 Country creditworthiness

Extending from the hypothesis that "external indebtedness affects a country's creditworthiness and investor perceptions (e.g. World Bank, 2014b:94, 2015b:120), countries should be creditworthy for them to attract FDI. Because FDI can facilitate capital development in a host country (Abala, 2014; Cywiński & Harasym, 2012; Mohamed & Sidiropoulos, 2010; OECD, 2014; Wang & Wang, 2014; World Bank, 2015b), foreign investors are creditors to a host country. Creditors can extend credit to a creditworthy borrower, in this case the host government. A country may not attract meaningful FDI by simply having a bankable national development plan unless it also has attributes of a good investment location one of which is creditworthiness. Country creditworthiness is an important country attractiveness variable (IMD, 2014; WorldBank, 2015b).

In principle, country creditworthiness cannot be considered in isolation from the country financial market development facet discussed in the markets dimension of this conceptual framework in respect of the cost of financial services, credit facilities, the effectiveness of

financial regulations, and soundness of banks. Consequently, a country with poor credit rating stands to lose FDI as its financial market development reputation is likely to be weak. The country credit ratings developed by Institutional Investor Magazine are based on information supplied by senior economists and sovereign-risk analysts at prominent global banks and money management and securities firms (IMD, 2014:529). IMD says respondents grade each country on a scale of zero to 100, with 100 representing the lowest chance of defaulting. A country's creditworthiness is also confirmed by the readiness of multilateral financial institutions to lend money to a country.

6.3.4.4 Inflation and deflation

The primary ingredient for a stable macroeconomic environment is low inflation (WEF, 2015:47) hence a country's rate of inflation affects its global competitiveness (Anyanwu, 2012; Fund for Peace, 2014, 2015; IMD, 2014; Mohamed & Sidiropoulos, 2010; WEF, 2013b). Inflation is the general tendency of consumer prices to rise. Rising inflation, demonstrated by higher prices of goods and services and weakening consumer purchasing power, reduces the competitiveness of a country (WEF, 2013b: xxiii). Demirhan and Masca (2008:366) found that low inflation rates have a positive effect on FDI inflow to developing countries. Anyanwu's (2012:447) study found that inflation has a negative but statistically insignificant influence on where FDI goes in Africa. When inflation is high, it is difficult to forecast future prices with certainty hence returns are also less predictable and long-term projects become riskier, and this reduces the motivation of firms to invest (WEF, 2015:47).

Deflation or near-zero inflation also has negative impacts on country brand equity. WEF (2015a:47) intimates that deflation "increases the real value of debt; it may also generate unemployment, because wages remain artificially above market level; it discourages investment by increasing real interest rates; and it can lead to a self-reinforcing cycle of consumers holding back spending in expectation of further price decreases". Despite these documented effects of inflation and deflation on country FDI competitiveness, existing bona fide nation branding models do not include this attribute (e.g. Anholt-GfK Roper, 2016a; Bloom Consulting, 2013; Brand Finance®, 2013; Fetscherin, 2010; FutureBrand, 2014; Kalamova & Konrad, 2010; Lee, 2009; Lee, 2016; Outhavong, 2007; Rojas-Me´ndez, 2013; Sun, 2009).

6.3.4.5 Interest rates

Neoclassical theories of FDI argue that the flow of FDI is influenced by varying interest rates among economies, so capital is thought to move from countries with low-interest rates to those with higher interest rates (Tvaronavičienė, Kalašinskaitė & Šimelytė, 2009; Faeth, 2008). Hence extending from the assumption of neoclassical theories of FDI, interest rates should be a critical attribute of measuring brand equity of nation FDI. Since inflation affects destination competitiveness (Anyanwu, 2012; Fund for Peace, 2014, 2015; IMD, 2014; Mohamed & Sidiropoulos, 2010; WEF, 2015), it follows that interest rates may affect the same too because they may be affected by inflation. Where a foreign investor foresees itself borrowing additional capital from the financial market of the prospective host country, it may consider interest rates in its investment location decision making. In any case, there is existing literature that confirms that financial market depth affects country competitiveness (IMD, 2014; Mohamed & Sidiropoulos, 2010; Walsh & Yu, 2010; WEF, 2015a).

6.3.4.6 Exchange rate

According to the FDI theory based on the strength of currency (Aliber cited in Nayak & Choudhury, 2014; Nayak & Choudhury, 2014), the value of a country's currency may be a source of nation brand equity. Exchange rate stability is an important determining factor for nation competitiveness (IMD, 2014) including FDI (Anyanwu, 2012; Kok & Ersoy, 2009; Nayak & Choudhury, 2014; WEF, 2013b; UNCTAD, 2016a). However, main nation branding consulting firms and theorists do not include exchange rate in their measures of nation brands (e.g. Anholt, 2005, 2013a; Anholt-GfK Ropper, 2014; Bloom Consulting, 2013; Brand Finance®, 2013; FutureBrand, 2014; Kalamova & Konrad, 2010; Rojas-Me´ndez, 2013; Sun, 2009). Researchers have found conflicting results on the effect of exchange rate stability on FDI inflows (Anyanwu, 2012:439). For instance, Kok and Ersoy (2009:109) found that the real exchange rate has a positive effect on FDI if it is combined with trade openness, domestic investment and government consumption; but its impact becomes negative when domestic investment is excluded. Anyanwu (2012:447) found that, in Africa, exchange rate has an insignificant but positive effect on where FDI goes. Demirhan and Masca (2008:360) argue that the viability of large companies is neither reduced by small local markets

nor by exchange-rate fluctuations since they tend to sell almost entirely on the global market at hard currency prices. Therefore, ceteris paribus, large mining companies may not be impacted by the strength of the host country currency. This means that even if the country has a valueless currency, it may still attract large mining companies to invest in its natural resources sector. In some way, the exchange rate indicator is correlated to the natural resources item in the ecology dimension.

6.3.4.7 Reputable brands and reputable industries

Much as nation equity impacts performance of a country's manufactured tangible and intangible sub-brands in international markets, the reputation of a nation's manufactured brands and manufacturing industries also affects country international brand reputation. Country brands derive competitiveness or brand equity from their reputable brands (Anholt, 2005a; Sun, 2009), products and services (Brand Finance®, 2013; Buhmann & Ingenhoff, 2015) or country-of-origin or "made-in" labels (FutureBrand, 2014; Kalamova & Konrad, 2010; Laforet, 2010). Anholt (2005a:130) argue that once a country's brand image starts to recover, a good circle comes into play: the country promotes the brands and the brands promote the country. Manufacturers of reputable brands associated with a country are a source of a country-of-origin reputation for the country. A recent study on the relationship between country reputation and corporation reputation found "that the reputation of a company can contribute to building favourable country reputation" (Kim, 2016:23). "Reputable brands owned by a country are defined as the number of reputable brands that consumers perceive/recall from each country, and reputable industries in a country refer to the number of perceived reputable industries within a country" (Sun, 2009:4). Sun found that the perceived reputable industries variable was statistically significant for FDI ($p = 0.07$). Ceteris paribus, this means that when a country has one additional perceived reputable industry, its FDI inflow will increase by 7.41 units or US$7.41 billion (Sun, 2009:80). Nonetheless, Kalamova and Konrad (2010:404) argue that the investment incentive in the reputation of brands manufactured in a country is somewhat indirect since the investor observes buyers' perceptions about a host country, which in turn determine the investor's FDI location choices. But essentially the Global Manufacturing Competitiveness Index (GMCI) designed by Deloitte Global & US Council on Competitiveness is confirmation that countries earn reputation from their manufacturing capabilities (Deloitte Global & US Council on Competitiveness, 2010,

2013, 2016). China has emerged as the most competitive manufacturing country on the planet (Deloitte Global & US Council on Competitiveness, 2010, 2013, 2016; Sala-i-Martín *et al*., 2015a), an asset the country can build on to improve its competitiveness (Sala-i-Martín *et al*., 2015a). In the short history of the GMCI, talent has been consistently cited "as the most important driver of a country's ability to compete on the global stage" (Deloitte Global & US Council on Competitiveness, 2016:17). Talent is the quality and availability of highly skilled workers which facilitate a shift towards innovation and advanced manufacturing strategies (Deloitte Global & US Council on Competitiveness, 2016:17). Thus the reputable brands and reputable industries measure is theoretically interrelated with the higher education indicator dicussed above in the society dimension of this conceptual framework.

6.3.4.8 Export performance

An export product's or service's country of origin affects consumer perceptions (Keller, 2013; Laforet 2010; Sun, 2009). Sun (2009:76) found that "the country with a better perceived national image will export more products and services than that with a poorer perceived national image". Nonetheless, this conceptual framework argues that exports also affect the image of their country of origin hence the country's capability to attract FDI. Nation branding studies acknowledge that exports are a measure of nation brand equity including FDI brand attractiveness (Anholt, 2005; Anholt-GfK Roper, 2014b; Bloom Consulting, 2013; Brand Finance®, 2013; Dinnie, 2008; Fetscherin, 2010; Kalamova & Konrad, 2010; Kemming, 2009; Simonin, 2008; Sun, 2009; Rojas-Me´ndez, 2013). Exports may assist to motivate the success of domestic firms and empower them to engage with customers from around the world (Brand Finance®, 2013:14). In his CBSI, Fetscherin (2010:469) argues that "a high level of exports indicates a strong country brand". Exports are "the US dollar value of a country's total exports in a calendar year" (Sun, 2009:4).

6.3.4.9 Tourism performance

Tourism is one of the most visible dimensions by which tourists build an image of a given country (Anholt, 2005a; Anholt-GfK Roper, 2014; Bloom Consulting, 2013, 2014, 2017a; Brand Finance®, 2013; Dinnie, 2008; Fetscherin, 2010; FutureBrand, 2014; Kalamova & Konrad, 2010; Kemming, 2009; Rojas-Me´ndez, 2013; Simonin, 2008; WEF, 2013b). Tourists

will visit a country with a greater appeal and attractiveness—measures influenced by the success of that country's brand (Bloom Consulting, 2014:6). A study on rebranding Zimbabwe to enhance sustainable tourism development found that tourists were concerned with the road infrastructure and peace and security, which they said were unpleasant experiences associated with the country (Ndlovu & Heath, 2013:950).

Tourism has developed into a global industry and is thought to be one of the fastest growing and most significant industries in the world (Fetscherin, 2010:469). It makes both direct contributions to national economies, by raising the national income and improving the balance of payments, and indirect contributions, through multiplier effects and by providing the foundation for connecting countries, via hard and soft infrastructure—aspects that are essential to a country's broad economic competitiveness (WEF, 2013b: xv). Among other measures, the tourism brand of a nation is evaluated through tourism arrivals or receipts (Bloom Consulting, 2014; Fetscherin, 2010) and tourism receipt growth rate, culture (historical sites, food, local people, local traditions, museums, performing arts), leisure (beaches, boating, entertainment parks, gambling, leisure activities, nightlife, shopping, special events), outdoors (adventures, fishing, hiking, hunting, sports), niche markets (game viewing, city tourism, cruises, language courses, luxury tourisms, medical tourism, religious tourism, sustainable and rural tourism), business tourism, and value for money (Bloom Consulting, 2014; Brand Finance®, 2013; FutureBrand, 2014). If a country is perceived as an attractive tourism destination, it can attract investors building hotels or holiday resorts to exploit the local public goods which generate this attractiveness (Kalamova & Konrad, 2010:404). However, in their empirical study, Kalamova and Konrad (2010:417) found that tourism has a weak and ambiguous effect on FDI, which contradicted their expectation.

6.3.4.10 Sectorial expertise – marketing of sectors open to FDI

By Bloom Consulting's (2013) CBR-T model, sectorial expertise is an integral part of country brand variables. Through the CBR-T propriety Online Search Demand (OSD©) tool, it is feasible to measure the aggregate global online searches performed specifically for investment and assess international investors' online behaviour and decision-making process when selecting an FDI destination. "The more online investment related searches a country has from international investors, the more appealing it is, regardless of its size or the type of investment

it attracts" (Bloom Consulting, 2013:7). Via the OSD©, Bloom Consulting has been able to define and collect country characteristics or attributes (i.e. selling propositions and strategic positioning of all 177 countries in its CBR-Trade) and messages or "brand tags" used by all the investment promotion agencies. The company claims that it has been able to classify close to 1.2 million investment-specific keywords in total into 50 investments "brand tags" that enables the identification of selling propositions and strategic positions of all 177 countries in the world (Bloom Consulting, 2013:7). Of the 50 "catch phrases" identified by the firm in its OSD©, 12 fall under the "business environment" and another 12 fall under "country characteristics" which are explained in the dimensions and sub-dimensions of nation branding and FDI sub-branding (see Table 6.1 above for citations of Bloom Consulting). The sectorial expertise accounts for the remaining 26 of the 50 brand tags in the OSD©, namely, advanced sciences industry, agriculture sector, automotive industry, chemical industry, construction industry, creative industry, education sector, energy sector, financial services sector, food processing industry, information technology (IT) industry, manufacturing industry, wood industry, mining industry, medical care sector, metal industry, logistics and transport industry, oil and gas industry, pharmaceutical industry, professional services sector, real estate industry, renewable energy sector, R&D industry, retail industry, tourism industry, and aerospace and military industry. The sectors or sectoral expertise are what Salem (2015:124) refers to as the extistence of "many investment opportunities" in a country. Salem's study just like Kadasah's (2006) tackles FDI location decision-making from a general business perspective hence both studies are classified as default destination branding studies.

Nevertheless, Bloom Consulting does not explain what "sectorial expertise" is. First, is "sectorial expertise" in this context strictly referring to intangible assets, i.e. knowledge, skills, proficiency, or capability in the sector? If the answer is "Yes", then Bloom Consulting is in agreement with theoreticians and country branding consultants cited in the skilled people, human capital or talent variables of the societal dimension of the SON-FDIBE explicated above (Anholt, 2005; Anholt-GfK Roper, 2016a; Anyanwu, 2012; Brand Finance, 2013; Carr, Markusen & Maskus, 1998; Chellaraj & Mattoo, 2015; Faeth, 2008; Fetscherin, 2010; Fund for Peace, 2014; FutureBrand, 2014; IMD, 2013; Kalamova & Konrad, 2010; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013;; WEF, 2013b, UNDP, 2014). However, many countries, regardless of development status, have inadequately educated workforce e.g. Albania, Gabon, France, Rwanda, Botswana, Germany, Chile, Mozambique, Paraguay, Netherlands, Argentina,

Cambodia, Austria, Morroco, Denmark, India, Namibia, Estonia, Australia, Bangladesh, Indonesia, and South Africa (WEF, 2014, 2015a, 2016).

Second, does "sectorial expertise" refer to competitive advantages in terms of both having tangible assets such as a strategic or, some valued, natural resource e.g. oil, uranium, natural gas, metal, mineral) and quality infrastructure, i.e. road, electricity, water and sanitation, to enable exploitation of the opportunity through FDI. If so, then Bloom Consulting is consistent with the resource-based view as applied to tangible assets such as natural resources (e.g. Adam & Filippaios, 2007; Adebola, Talabi & Lamidi, 2012; Andrés, Nunnenkamp & Busse, 2013; Bivolaru, Andrei & Purcăroiu, 2009; Böckem & Tuschke, 2010; Demirhan & Masca, 2008; Hornberger, Battat & Kusek, 2011; Ledyaeva, Karhunen & Whalley, 2013; Njoroge & Okech, 2011; Mohamed & Sidiropoulos, 2010; Rojas-Me´ndez, 2013; Sun, 2010; WEF, 2013b) and infrastructure (see e.g. Adebola, Talabi & Lamidi, 2012; Bellak & Leibrecht, 2011; Bitzenis, Tsitouras & Vlachos, 2009; Hornberger, Battat & Kusek, 2011; Mohamed & Sidiropoulos, 2010; Sun, 2009; WEF, 2014; Njoroge & Okech, 2011) discussed in the ecology and economy dimensions respectively above. Nonetheless, Bloom Consulting may be correct only regarding the majority of countries in Africa in respect of natural resources only. At the same time, Bloom Consulting's hypothesis may be unfounded because infrastructure i.e. roads, railway, electricity even in continent's most advanced economy, South Africa, is running at full capacity (Mashego, 2013:5) and in Nigeria, Africa's biggest economy, it is underdeveloped, inadequate or in a state of disrepair (Adebola, Talabi & Lamidi, 2012:427).

Three, and last, does "sectorial expertise mean competitiveness regarding tangible and intangible assets? If the answer is "Yes" then "brand tags" proposed by OSD© are relevant to country branding within the context of capital- and knowledge-resources constrained developing economies particularly those in Africa concerning natural resources only. Countries like South Africa, Nigeria, Equatorial Guinea, Ghana, Nigeria, Mozambique, Angola, the Democratic Republic of Congo, Namibia to name but a few have at least one or more commercially viable natural resource which can attract resource-seeking FDI. Therefore, the SON-FDIBE conceptual model argues that a host country should not only identify the sectors it opens for FDI but also market them effectively as products. **Product** is anything that can be offered to a market to satisfy a need or want, including physical goods, services, events, persons, places, properties, organisations, information, and ideas (Kotler & Keller, 2016:395).

6.3.4.11 Foreign direct investment

Current FDI patterns reflect global economic trends that show financial-based competitiveness and clear economic disparities between nations (Lee, 2009:3). Latest FDI statistics from World Bank and UNCTAD show that industrialised countries are not only the largest source of FDI but also its leading recipients (UNCTAD, 2017; World Bank, 2017). The quantity of inward FDI a country receives is generally a function of country brand equity and particularly FDI competitiveness (Anholt-GfK Roper, 2014b; Anyanwu, 2012; Bloom Consulting, 2013; Brand Finance, 2013; Fetscherin, 2010; FutureBrand, 2014; Kemming, 2009; Rojas-Me´ndez, 2013; Simonin, 2008). The concept of **agglomeration economies** explains that FDI goes where other FDI goes (Anyanwu, 2012; Mukim & Nunnenkamp, 2010; Sichei & Kinyondo, 2012). Thus, once a country attracts the first mass of investors, the process will self-reinforce, without necessitating a change in policies (Campos & Kinoshita, 2003:7). When foreign investors have information about a country's environment, they may consider the FDI decisions by others as a positive indicator of the favourable investment climate and direct their investment there too, to reduce uncertainty (Anyanwu, 2012; Campos & Kinoshita, 2003). Foreign investors are likely to be persuaded to invest in a host country with large existing FDI stocks because such stock may be interpreted as a sign for a good investment climate (Al-Sadig, 2009:274).

In all the models of their study on the determinants of FDI in 45 African countries over the period 1980 to 2009, which employed dynamic panel data estimation techniques, the estimation results show significant (at 1 percent level) agglomeration effects (lagged dependent variable) and its value is high reflecting the strength of the effect (Sichei & Kinyondo, 2012:94). Sichei and Kinyondo state that this implies that once the inflow of FDI sets in, it must continue flowing in and attracting more FDI as new investors locate their FDI next to other multinationals. The agglomeration impact seems to have a fundamental effect on where FDI goes in Africa as the attribute is strongly significant (Anyanwu, 2012:446). Empirical evidence for the proposition has also been found in Eastern European and Baltic countries of Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic, Slovenia, and Ukraine (Campos & Kinoshita, 2003:21) and India (Mukim & Nunnenkamp, 2010:22). So the hypothesis of agglomeration economies implies that those

countries or regions that receive large FDI volumes will, in theory, continue to receive even larger volumes, e.g. developed and emerging nations while those that receive small FDI inflows will continue to receive even smaller FDI inflows in total. In other words, the previous behaviour of FDI in respect of a country is a reliable predictor of future FDI prospects of the destination. However, the competitiveness of a country may be hindered by distortionary or burdensome taxes and by restrictive and discriminatory rules on FDI – which limit foreign ownership – as well as international trade (WEF, 2014:7). Given the discussion above, it is concluded that the amount of annual FDI inflows and the prospects for increasing FDI inflows are dependent on the amount or size of current FDI inflows to a country.

FDI has many benefits for host countries, of course depending on how they define their development goals, such as, capital development, employment creation, technology transfer, competitiveness, export development, training and technology transfer (Abala, 2014; Cywiński & Harasym, 2012; Iamsiraroj & Doucouliagos, 2015; Mohamed & Sidiropoulos, 2010; OECD, 2014; Wang & Wang, 2014; World Bank, 2015b; WEF, 2015), and poverty reduction (Gohou & Soumaré, 2012; Assadzadeh & Pourqoly, 2013; Westerberg, 2011). Sustainable Development Goal 17 of the UN, Partnership for global development (World Bank, 2016b:36) does provide an avenue through which countries economic growth strategies. "Coordinated global macroeconomic policies, increased aid flows for the poorest countries, effective public-private partnerships, and domestic resource mobilization in low- and middle-income countries are key to achieving development goals" (World Bank, 2016b:36). Foreign direct investors are development partners in helping countries to achieve not just their economic goals but also the UN sustainable development goals.

6.3.4.12 FDI incentives

Taxes, discussed again in the tax rates attribute in the markets dimension below, can be employed as incentives for attracting FDI into a destination or designated sector. Tax concessions are defined as preferential tax treatment for certain types of firms or entities (Chai & Goyal, 2008:4) hence are worth investigating in a country branding context. Tax concessions are granted to promote investment or to meet some other defined social objective thus they are also referred to as "tax incentives" or "investment incentives" (Chai & Goyal, 2008; Fahmi, 2012). Fahmi remarks that there are many types of tax incentives: reduced

corporate income tax rate, loss carry forwards, tax holidays, investment allowances, investment tax credits, reduced taxes on dividends and interest paid abroad, preferential treatment of long-term capital gains, deductions for qualifying expenses, zero or reduced tariffs, and employment-based deductions. For an explanation of these incentives see Fahmi (2012:31-35) and for more on FDI incentives including innovative ones such as innovation visas, "golden" visas, and support package for research and development and innovation-related activities see UNCTAD (2017:101).

Incentives, for instance, corporate income tax holidays for five to ten years may be granted to firms that export goods and services or that locate to designated regions within a country (Chai & Goyal, 2008; Fahmi, 2012). Despite that many studies have been carried out on the effect of tax incentives on FDI, Fahmi (2012:7) argues that the results on the effect of tax holidays on FDI are still controversial. For instance, Njoroge and Okech (2011:103) found that the Kenyan government has facilitated FDI in the horticultural sector by providing incentives. Nevertheless, a study done in Indonesia found that tax holidays had an insignificant effect in attracting FDI (Fahmi, 2012:66). Fahmi (2012:90) argues that the reason for this finding may be that tax holidays considered in isolation would not offset inadequate infrastructure, economic and political instability, and poor government policies. Fahmi's viewpoint supports the main proposition of this theoretical framework that its dimensions and sub-dimensions are a unified system. Countries cannot build themselves into sustainable nation brands and competitive FDI destinations if they excel in only one or few policy areas. Proprietary and default nation brand attractiveness literature also acknowledge the importance of incentives for attracting FDI, whether they are referred to as government incentives for investors, investment incentives, or tax incentives (AT Kearney, 2016; Bloom Consulting, 2013; IMD, 2014) hence the inclusion of the attribute in this conceptual framework.

6.3.5 Market (MARK)

The market construct covers variables that, in the literature of marketing and management, fall under the microenvironment such as competition, customers, suppliers (Kotler *et al*., 2010; Kotler & Keller, 2016), labour, and trade unions. In respect of existing theories of FDI, the market facet of this theoretical model is underpinned by the economic perspective on FDI (Böckem & Tuschke, 2010) which has three assumptions on how firms make FDI location choices, namely, market-seeking (Adam & Filippaios, 2007; Böckem & Tuschke, 2010),

resource-seeking (Adam & Filippaios, 2007; Böckem & Tuschke, 2010; Rojas-Me´ndez, 2013; Sun, 2009), and efficiency seeking (Adam & Filippaios, 2007; Böckem & Tuschke, 2010) as already explained in the ECON construct above. If policymakers and destination managers are aware about these assumptions and the constituent variables of the MARK dimension discussed below, they can design effective national development or nation branding policies to attract FDI. Therefore, it is posited that:

H_7: *Market is a determinant of SON-FDIBE in South Africa and Zimbabwe.*

Also, the market facet of the SON-FDIBE conceptual framework correspondents to the microeconomic competitiveness determinants of national competitiveness. Microeconomic competitiveness focuses on microeconomic factors that have a direct influence on company productivity and labour force mobilisation (Delgado *et al*., 2012:10). Two main classes of microeconomic competitiveness are the sophistication of company operations and strategy and the quality of the national business environment (Delgado *et al*., 2012:10).

6.3.5.1 Intensity of domestic competition

Companies gain advantage against the world's best competitors because of pressure and challenge they are subjected to by strong domestic rivals, aggressive home-based suppliers and demanding local customers (Porter, 1990a:93). This argument is also supported by other economists (e.g. Delgado *et al*., 2012:3). Default nation branding indices such as the GCI and GII include the intensity of local competition as one of the measures of nation global competitiveness (Cornell University, INSEAD & WIPO, 2015; Sala-i-Martín *et al*., 2015a, WEF, 2015a). Nonetheless, there is a scarcity of bona fide country branding models which include domestic firm rivalry as an attribute of nation brand equity hence its inclusion in the SON-FDIBE theoretical model.

6.3.5.2 Tax rates and their effects on incentive to invest and work

Country and FDI brand equities are influenced by taxation (AT Kearney, 2015; Bellak & Leibrecht, 2011; Bitzenis, Tsitouras & Vlachos, 2009; Fahmi, 2012; Grzegorczyk & Budzyński, 2015; Passow, Fehlmann & Grahlow, 2005; WEF, 2014; UNCTAD, 2016a). High taxes – particularly corporate income taxes – are often viewed as a constraint to multinational

corporations, because they reduce their after-tax profits (Bellak & Leibrecht, 2011:23). Different taxation rates and statutory definitions lead to tax competition among countries, which tend to influence foreign investors' choice of investment location (Grzegorczyk & Budzyński, 2015:1086). A country's competitiveness as an FDI destination is impeded by distortionary or burdensome taxes, which limit international trade (WEF, 2014:7). The results of a study carried out in Kenya show that high taxes and a complex tax regime limit the flows of FDI into the country's horticultural industry (Njoroge & Okech, 2011:104). A survey conducted by Bitzenis, Tsitouras and Vlachos (2009:695) in Greece found that taxation was the second decisive barrier to FDI inflows in the country. In its 2015 survey, AT Kearney (2015:8) found that tax rates and ease of tax payment were the third most important variable out of 17 that companies considered when choosing where to make foreign investments. Demirhan and Masca (2008:366) found that low tax rates are an important determining factor for FDI to developing countries. However, a recent study of Visegrad Group of countries – an informal association of Poland, Hungary, the Czech Republic and Slovakia – conducted by Grzegorczyk and Budzyński (2015:1090) found no correlation between corporate income tax rate and investment attractiveness.

Considering that several studies in the domain of economics have confirmed the importance of tax rates in determining FDI behaviour as already cited above, it is critical that country branding frameworks include this variable as well. Default proprietary country branding models such as GCI and the WCS/Y include the effect of taxation on employee incentive to work and seek personal advancement (IMD, 2014; WEF, 2015a). Therefore, the SON-FDIBE theoretical model also includes effect of taxation on incentive to work because foreign investors may struggle to get motivated employees, if personal tax in the host country is too high. This aspect is barely explored in existing bona fide country branding studies.

6.3.5.3 Prevalence of foreign ownership

The share of foreign-owned companies in an economy is an important predictor of country attractiveness (IMD, 2014; Lederman, Mengistae & Xu, 2013; WEF, 2015a). Thus a conducive business environment is largely free of government interference that obstructs business operations. Country competitiveness is affected by higher firing costs (Lederman, Mengistae & Xu, 2013:3639) and restrictive and discriminatory rules on FDI that limit foreign

ownership (WEF, 2014:7). A study on the microeconomic outcomes and macroeconomic causes of FDI in 13 Southern African Development Community (SADC) economies found that "foreign firms tend to be larger, export more, have higher productivity and sales growth rates; the presence of these firms thus raises the average firm performance and creates jobs for host countries" (Lederman, Mengistae & Xu, 2013:3647). In view of the considerations above, the prevalence of foreign ownership in an economy needs to be assessed as a proxy attribute for nation FDI brand equity. The share of foreign ownership variable is theoretically related to FDI policies governing foreign ownership, discussed in the government dimension of this conceptual model. The blurring of investor nationality makes the application of rules and regulations on foreign ownership more challenging (Kituyi, 2016; UNCTAD, 2016a) and has fundamental implications for national and international investment policies (UNCTAD, 2016a:100). Most countries have FDI rules and promotion tools that restrict ownership basing on nationality (UNCTAD, 2016a:100).

6.3.5.4 Proximity to markets: Geographical and psychological distances

The geographical location of a country affects its brand (Rojas-Me´ndez, 2013; Kalamova & Konrad, 2010) hence the nearness of a country to markets or customers count for the location of FDI (Hornberger, Battat & Kusek, 2011; Kadasah, 2006; Njoroge & Okech, 2011). Njoroge and Okech (2011:104) found that 86 percent of respondents in a study they conducted in Kenya agreed that the country's closeness to the European market attracted FDI into the horticultural industry. Another study conducted in Saudi Arabia found that geographic and psychical distance had no effect on the FDI decision-making process of most of the 30 firms in the sample, especially the large ones (Kadasah, 2006:305). Nonetheless, Kadasah (2006:305) agrees that, ceteris paribus, the notion that distance represents a hurdle to the internationalisation of the firm is always true, as the distance is usually associated with cost. Therefore, the distance cannot be ignored in any nation branding projects including those focusing on FDI. Respondents in a study conducted by Rojas-Me´ndez (2013:468) based their perceptions of countries in the sample on the geographical closeness of the individual countries and where the respondents were living hence descriptors such as "neighbour, distant, isolated, north, south, and centre of the world" were used to describe the countries.

If defined in geographical terms proximity would fall in the ecological dimension of place brand equity already discussed above. However, distance to markets can also be described from the hypothesis of psychological or psyche distance already clarified under the language skills variable of the societal component explained above. Fetscherin (2010:476) calls for studies that explore the effect of culture and cultural distance on the country brand. At the same time, the geographical distance factor may be analysed in conjunction with the infrastructure dimension of the SON-FDIBE conceptual framework since physical distances has been reduced by well-developed infrastructure, especially transport and telecommunications infrastructure. For instance, Kadasah (2006:76) argues that a regional country with modern infrastructure and facilities can be a preferable FDI location for investors that may want to use its infrastructure to access regional markets. The overlapping of the proximity variable – which is part of the market dimensions – with the ecology and infrastructure dimensions, further cements the argument that the dimensions of the conceptual framework are correlated hence should not be viewed in isolation.

6.3.5.5 Financial market development or availability of financial services

FDI can facilitate capital development in the host economy (Abala, 2014; Cywiński & Harasym, 2012; Mohamed & Sidiropoulos, 2010; OECD, 2014; Wang & Wang, 2014; World Bank, 2015b) but financial market development or availability of financial services, in turn, affects country competitiveness in general (IMD, 2014; WEF, 2016) and FDI attractiveness in particular (Anyanwu, 2012; Mohamed & Sidiropoulos, 2010; Walsh & Yu, 2010). A study on the determinants of FDI in Middle East and Northern African (MENA) countries found that financial market development had no significant effect on FDI (Mohamed & Sidiropoulos, 2010:88). Anyanwu (2012:451) found that in Africa FDI is negatively correlated with financial development, which suggests that FDI is a substitute for financial market development in the region. However, Walsh and Yu (2010:13) found that economies with deeper financial systems had higher levels of FDI. Therefore, it is important that the contribution of financial market development to country FDI attractiveness is measured. Economies need complex financial markets that can supply capital for private-sector investment from such sources as loans from a sound banking sector, well-regulated securities exchanges, venture capital, and other financial products (WEF, 2014:7). This shows that the financial market development item is

theoretically related to attributes such as the cost of financial services, access to loans, financial sector supervision, and soundness of banks that are discussed below in this MARK construct.

6.3.5.6 Abundance of low-cost unskilled labour

Countries do not just obtain brand equity from their talent, skilled people or human capital but also from their endowment in unskilled labour. The abundance of low-cost unskilled labour in an investment location is a source of competitiveness in mobilising FDI (Adam & Filippaios, 2007; AT Kearney, 2016; Böckem & Tuschke, 2010; Carr, Markusen & Maskus, 1998; Chellaraj & Mattoo, 2015; Denisia, 2010; Dunning, 1993; Faeth, 2008; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013; Markusen 2002; Nayak & Choudhury, 2014; Noorbakhsh, Paloni & Youssef, 2001). For instance, Chellaraj and Mattoo (2015:105) argue that there are sectors that employ a large number of unskilled or semi-skilled workforce and FDI in these sectors can target states even with the poor educational infrastructure to source needed workforce at lower wage rates. Delgado *et al*. (2012:2) concur that competitiveness may be associated with locational variables that facilitate growth, for instance, low quality-adjusted cost of labour in the case of China. FDIs are subjected to the costs of labour; usually, the lower, the better (Cywiński & Harasym, 2012:6). Out of 19 key variables that investors consider when making FDI decision, cost of labour emerged as the important variable alongside domestic market size, tying at 15 percent (AT Kearney, 2016:9). Nevertheless, Noorbakhsh, Paloni and Youssef (2001:1603) contend that countries that depend only on low-cost low-skill labour for their competitiveness may find it difficult to attract FDI into high value-added industries thus may experience slower economic growth. The SON-FDIBE theoretical framework argues that, ceteris paribus, a country with abundant low-cost unskilled labour has stronger FDI brand attractiveness.

6.3.5.7 Work ethic in the workforce

The capital impact on FDI decisions is influenced by stereotypes about the human resources of a country as an investment destination. If the stereotype is that workers of a specific country are punctual, reliable and trustworthy, the information value of the stereotype can make it more likely for the country to be an attractive location for investment (Kalamova & Konrad, 2010:401). This is what is referred to as work ethic, i.e. the degree to which an individual is

motivated to work. Poor work ethic in labour force is one of the five most problematic factors for doing business cited by respondents in the annual executive opinion survey of the GCI covering over 140 countries (WEF, 2013a, 2014, 2015a, 2016). However, the WEF does not define "work ethic". The East Asian value system is based on the Confucian principles of hard work, loyalty, discipline, saving and education, which closely resemble the Protestant **work ethic** [emphasis added] that dominated Europe and the United States of America in the 19th century and inspired the Great Industrial Revolution (Garelli, 2014:498). Consequently, this thesis defines **work ethic** as the set of values that define the attitude and behaviour of a country's workforce towards work and success.

6.3.5.8 Capacity utilisation of local firms

Countries and firms within them have varying operating or production capacities. Capacity utilisation of local firms (Confederation of Zimbabwe Industries, 2016; Gadzikwa, 2013 Goriwondo, 2013; Mbaiwa, 2016; Wilson, Baack & Baack, 2014; ZIMASSET, 2013) is a critical measure of nation competitiveness. The assumption is that the higher the capacity utilisation of firms in a country the more reputable the country is as a destination of FDI. A firm's productive capacity is the maximum output of a system in a given period (Confederation of Zimbabwe Industries, 2016; Goriwondo, 2013). Capacity is the quantity of a product that a firm can manufacture under normal circumstances (Ebert & Griffin, 2017:242). "Capacity utilisation is the percentage of the firm's total possible production capacity that is being used" (Confederation of Zimbabwe Industries, 2016:24). For effective performance management and growth, every organisation should know its capacity because that determines its ability to deliver and all delivery promises are based on that capacity (Goriwondo, 2013). Countries and companies exist in a global marketplace characterised by global competition. Consequently, Goriwondo (2013) argues that if there is a product gap in the market, competitors will find it and the company will lose business. Echoing Goriwondo's views, Ebert and Griffin (2017:242) assert that if capacity is too small for demand, the company should turn away customers, a condition that reduces profits and alienates customers and salespeople. The SON-FDIBE conceptual framework submits that the global manufacturing competitiveness as measured in the GMCI of Deloitte Global and US Council on Competitiveness is a construct of capacity utilisation.

6.3.5.9 Cost of financial services and availability of credit facilities

Financial market development is a key factor of country competitiveness (Anyanwu, 2012; Bitzenis, Tsitouras & Vlachos, 2009; Mohamed & Sidiropoulos, 2010; WEF, 2014). Access to loans or credit facilities (AT Kearney, 2016; Bénassy-Quéré, Coupet & Mayer, 2007; Cornell University, INSEAD & WIPO, 2015; World Bank, 2014a, 2016a) and the cost of financial services (Deloitte Global & US Council on Competitiveness, 2016) are crucial to country including FDI attractiveness. However, a study on FDI determinants in the Middle East and North Africa (MENA) countries found that the financial development attribute had no substantial effect on all specifications (Mohamed & Sidiropoulos, 2010:88). The SON-FDIBE conceptual framework argues that the cost of financial services and availability of credit facilities in a country is a source of competitiveness.

6.3.5.10 Financial sector supervision and soundness of banks

The prevalence of a good financial system in a country is dependent on the effectiveness of financial market supervision and the soundness of banks (see, e.g. Delagado *et al*., 2012; WEF, 2016). Consequently, the SON-FDIBE conceptual framework hypothesises that inward FDI is attracted to countries that have effective financial market sector policies and sound banks. Any country without these two facets is unlikely to have a sound financial market system. Credit facilities and venture capital are likely to be a challenge for foreign investors operating in such countries.

6.3.5.11 Capability to retain qualified citizens

A country's pool of talent, human capital or qualified people provides it with a competitive edge in the global economy. Countries develop their human capital competitiveness by investing massively in the prerequisite infrastructure such as schools, colleges, universities and even the 'seed' talent needed to run those institutions. Given the huge human capital training and development costs, it is important that countries also develop competencies to retain their talent. Due to globalisation, migration and uneven regional development, talent has become global too. The mobility of human resources tends to nullify the positive effect of education and health infrastructure on FDI inflows (Chatterjee, Mishra & Chatterjee, 2013:100). Nation

competitiveness does not hinge on having quality education alone but also ability to retain the output of that subsystem i.e. the talent or human capital. Talent, skilled or qualified labour is component of country brands (Anholt, 2005a; Anholt-GfK Roper, 2016a; Anyanwu, 2012; Bloom Consulting, 2013, 2017a; Brand Finance®, 2013; Carr, Markusen & Maskus, 1998; Chellaraj & Mattoo, 2015; Dinnie, 2008; Faeth, 2008; Fetscherin, 2010; Fund for Peace, 2014; FutureBrand, 2014; Hornberger, Battat and Kusek, 2011; IMD, 2013; Kalamova & Konrad, 2010; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013; Markusen 2002; WEF, 2013b, UNDP, 2014). "A positive brand image can help a country to reverse the 'brain drain': one of the consequences of globalisation which is hardest on emerging markets is the haemorrhaging of its best-educated and most talented workers, entrepreneurs and academics to the developed nations" (Anholt, 2005a:142). Because of poverty, poor quality of life (explained above), lack of employment opportunities including sufficiently challenging and motivating jobs, poor remuneration, growing competition for scarce skills from emerging and developed countries, many developing countries fail to retain the talent they have invested their scarce national resources on. This affects their national development, which also, in turn, impacts their international competitiveness negatively. While reliable statistics on brain drain are scarce, the fact that many developing countries have shortages of skilled people is evidence that emigration far outweighs what the countries are able to retain from within and to attract through migration—whether it is foreign students or qualified people. Migration is a determinant of nation reputation (Anholt, 2005a; Anholt-GfK Roper, 2014b; Fetscherin, 2010; Kalamova & Konrad, 2010; Simonin, 2008; Rojas-Me´ndez, 2013).

It also appears that, due to uncompetitive remuneration structures, some developing countries may fail to attract skilled foreign labour, unless that labour is employed as expatriate labour, which unfortunately has negative consequences on labour costs. Besides, it may raise moral questions if locals with same qualifications are paid less than their expatriate counterparts.

6.3.5.13 Capability to attract qualified foreigners

A country's capacity to attract foreign talent is equally important in building nation brand equity (Brand Finance®, 2013; Dinnie, 2008; Fetscherin, 2010; Poh, 2016; WEF, 2016). In the globalising world, many developed and developing countries now rely on foreign talent to seed or augment the critical skills they need to strengthen their competitiveness. For example,

countries like the United Kingdom, Canada, Australia, New Zealand, Singapore, South Africa, and Namibia have open policies to attract foreign investment, ideas and **talent** (emphasis added). In the early years of building its R&D capabilities, Singapore relied on an open talent strategy to recruit international scientific leaders to seed competencies and mentor young scientists (Poh, 2016:136). Singapore now boasts of a strong core of local research talent supplemented by a rich assortment of international talent and globally diverse R&D ecology, comparable to that of Sweden and the United Kingdom (Poh, 2016:136). Nevertheless, countries that attract foreign talent have higher incomes and better quality of life. Brand Finance® (2014:11) argues that the development of the "people and skills" segment of the nation brand enables a country to retain its skilled citizens, avoid 'brain drain', and attract talent internationally.

Another strategy to mobilise foreign talent is to attract foreign higher education students (Anholt-GfK Roper, 2009; Brand Finance®, 2013, 2014; Cornell University, INSEAD & WIPO, 2015; Dinnie, 2008; Fetscherin, 2010; FutureBrand, 2014; French Ministry for the Economy and Finance *et al*., 2012; WEF, 2016) and then issue them work permits upon graduation. Knowledge-seeking FDI is attracted to nations with substantial pools of highly skilled people, and such investment does not mind whether the talent is local or international. Despite being one of the countries worst affected by the global financial crisis, Ireland has turned a corner as international businesses continue to invest, attracted by a skilled, English-speaking labour force, and a favourable tax regime (Brand Finance®, 2013:5). Communicating and developing prospects for both domestic and foreign talent within a nation may boost innovation and the quality of production (Brand Finance®, 2014:11).

6.3.5.14 Trade unionism and industrial relations

A country's industrial relations climate has an effect on its FDI brand attractiveness. FDI behaviour studies admit that the strength of trade unions affects a country's ability to attract FDI (Ham & Kleiner, 2007; Njoroge & Okech, 2011) and so does labour market efficiency in respect of overall country competitiveness (WEF, 2015a, 2016). The labour market efficiency pillar of the GCI includes indicators such as as cooperation in labour-employer relations, flexibility of wage determination, hiring and firing practices, and redundancy costs (see WEF, 2015:40). Using comparisons of countries moving to less restrictive industrial relations

systems, Ham and Kleiner (2007:324) found that FDI increased more rapidly in comparison to similar countries which maintained their relatively restrictive systems. They also found that multinational corporations from advanced nations tend to be responsive to the industrial relations climate, preferring countries that provide management with a greater amount of leeway in allocating labour and reducing employee voice at work. A study carried out by Bitzenis, Tsitouras and Vlachos (2009:695) found that labour market structure was among the key barriers to FDI in Greece. Nonetheless, bona fide nation branding literature is yet to include labour relations issues.

6.3.6 Infrastructure (INFRA)

All-encompassing and operative infrastructure is a basis for effective performing of an economy because it determines location decisions of the range and types of domestic and global economic activities or sectors that can grow within a country (Adebola, Talabi & Lamidi, 2012; African Development Bank, 2011; Bellak & Leibrecht, 2011; Bitzenis, Tsitouras & Vlachos, 2009; Cornell University, INSEAD & WIPO, 2016; Deloitte Global & US Council on Competitiveness, 2016; Foster & Pushak, 2011; Hornberger, Battat & Kusek, 2011; IMD, 2014; Mohamed & Sidiropoulos, 2010; Mukim & Nunnenkamp, 2010; Njoroge & Okech, 2011; Salem, 2015; Sichei & Kinyondo, 2012; Sun, 2009; WEF, 2014). In reality, communication and transport related infrastructure tend to reduce geographical distances between suppliers and customers, and between countries. There is a huge disparity in the development and supply of infrastructure between industrialised economies and less-industrialised economies. Nonetheless, two of the most internationally respected proprietary-owned country branding indices, the Anholt-GfK Roper's NBI^{SM} and FutureBrand's Country Brand Index (CBI), are silent on the role of infrastructure in nation branding. Perhaps, the NBI^{SM} and CBI were originally designed with advanced economies in mind only where infrastructure may not be an issue. Since these indices are being used to measure the brand equity of developing countries as well, they should be revised to include infrastructure to improve their relevance. In fact, the NBI^{SM} and CBI are inconsistent with existing leading proprietary models such the GCI and WCS/Y and academic studies that indicate that supply of infrastructure is also a strategic challenge in some developed countries. For example, inadequate supply of infrastructure is the sixth and 10th of the 16 most problematic factors for doing business in the United Kingdom (UK) and the United States of America (USA)

respectively (WEF, 2014:376 & 378). Two other proprietary indices, the GII and GMCI, show that infrastructure is important to country global innovation and manufacturing competitiveness respectively (Cornell University, INSEAD & WIPO, 2016; Deloitte Global & US Council on Competitiveness, 2016). Bitzenis, Tsitouras and Vlachos (2009:695) found that 36.53 percent of multinational corporations in Greece agreed that lack of infrastructure was a decisive barrier to FDI inflow into the country.

The infrastructure index is one of the major determinants of FDI in developing countries (Mohamed & Sidiropoulos, 2010:88) and is usually cited as a key constraint for most low-income countries (Demirhan & Masca, 2008:360). Many nations in Africa are classified as low income countries. Surveys have established that infrastructure limitations are responsible for roughly 40 percent of productivity challenges experienced by firms operating in Africa (Foster & Pushak, 2011:3). If foreign investors – who are used to environments where infrastructure such as power, water and roads are given – must do business in countries like Nigeria, they have "to come to terms with the fact that they have to provide their source of power and water" (Adebola, Talabi & Lamidi, 2012:427).

The infrastructure (INFRA) dimension of nation brands is covered in the location facet of the Dunning's (1998) OLI model. In his doctoral thesis on the determinants and outcome factors of nation branding, Sun (2009:41) delimited the infrastructure dimension of country brands to communication infrastructure only—i.e. the Internet, mobile phone, and line phone facilities. Infrastructure is represented by roads, railroads, air transport infrastructure, sea ports, telecommunications systems, water and sanitation, electricity, real estate to name a few examples. Sichei and Kinyondo (2012:88-9) argue that infrastructure is even "proxied by … public expenditure on capital to acquire fixed capital assets, land, non-financial and non-military assets for infrastructure".

Demirhan and Masca (2008:360) even contend that institutional development attributes such as accounting and legal services should be included in the mix of infrastructure that affects FDI location competitiveness. This argument supports the application of Porter's (1985) value chain model in nation branding studies. One of the value chain model's support activities is referred to as firm infrastructure yet it simply deals with institutional intangibles which support business operations in a firm. Firm infrastructure covers many aspects including general

management, planning, finance, accounting, legal, government affairs, and quality management (Kotler & Keller, 2016; Porter, 1998) and some of these are evidently covered in the dimensions of this conceptual framework – e.g. society, markets, organisation, and government – and their constituent attributes. In its Doing Business index, World Bank (2016:6) echoes the firm infrastructure element of Porter's value chain model because they talk of regulatory infrastructure. Nonetheless, in this conceptual framework, infrastructure is limited to physical (tangible) infrastructure. Given the supportive strategic role infrastructure plays in determining destination competitiveness as supported by literature cited above and the infrastructure-related attributes discussed below, this conceptual framework hypothesises that:

H_8: *Infrastructure is a determinant of SON-FDIBE in South Africa and Zimbabwe.*

6.3.6.1 Transportation infrastructure and efficiency of the public transport system

The flow of FDI into a country is determined by the availability and quality of roads, railroads (Fund for Peace, 2014; IMD, 2014; Ledyaeva, Karhunen & Whalley, 2013; Mashego, 2013; Njoroge & Okech, 2011; Passow, Fehlmann & Grahlow, 2005; WEF, 2013b), ports (Ledyaeva, Karhunen & Whalley, 2013; WEF, 2014) and air transport infrastructure (IMD, 2014; WEF, 2013b, 2014). Effective modes of transport – roads, railroads, sea ports, and air transport – enable entrepreneurs to move their goods and services to market in a secure and timely manner and enable the movement of workers to the most suitable jobs (WEF, 2014:6). Empirical evidence from a study done in Kenya shows that poor infrastructure at the port and on the land (especially the dilapidated and poorly maintained railroads and roads) impeded the flow of FDI into the country's horticulture industry (Njoroge & Okech, 2011:104). Nearly 50 percent of respondents to a recent study on rebranding Zimbabwe to enhance sustainable tourism development agreed that the road infrastructure in the country is an unpleasant experience that visitors have to accept (Ndlovu & Heath, 2013:950) and that does not spare businesses.

On seaports a study on round tripping done by Ledyaeva, Karhunen and Whalley (2013:54) found that genuine foreign investors tend to invest more in Russian regions with seaports compared to round-trip investors. The trio infers this result may be a sign that genuine foreign investors are more likely to use imported intermediate goods and to export final goods (as seaports can be seen as key conduits for transporting international cargo) than round-trip investors. Thus genuine FDI may be attracted to countries with sea ports or which are close to

the ports. In its executive opinion survey, the GCI includes a question on the quality of port infrastructure in a country or access to such ports in the case of landlocked countries (see WEF, 2015:65). The seaports variable is noticeably absent from extant bona fide nation branding literature.

Quality air transport infrastructure is equally important because it facilitates travel within and between countries. The air transport pillar of the WEF Travel & Tourism Competitiveness Index measures both the "quantity" of air transport in a country in terms of available seat kilometres, number of departures, airport density, and number of operating airlines, and the *quality* of the air transport infrastructure both for domestic and international flights (WEF, 2013b:8, 2015b:30). Airports are also mentioned in passing in the WCS/Y as a challenge in Philippines but the variable is not included in the model (IMD, 2014:190). This attribute is hardly covered in existing bona fide country branding studies hence its inclusion in this conceptual framework.

Apart from transport infrastructure it is also important that the efficiency of a country's public transport system is also examined within the FDI destination branding outcome area. Public or passenger transport is a critical component of an economy (see African Development Bank, 2011; Foster & Pushak, 2011) as well as an explanatory factor of quality of life (Colmar Brunton, 2016:53). Five variables constituting the public transport factor of Colmar Brunton's (2016:69-70) Quality of Life model are frequent public transport, easy to access public transport, reliable public transport, feel safe using public transport, and affordable public transport. Given the literature reviewed above, the SON-FDIBE theoretical model argues that an efficient public transport system is critical to an economy as it ensures employees efficiently commute to and from work.

6.3.6.2 Telecommunications networks

Telecommunications networks (Fund for Peace, 2014; IMD, 2014; Moilanen & Rainisto, 2009; Njoroge & Okech, 2011; Passow, Fehlmann & Grahlow, 2005; Sichei & Kinyondo, 2012; Salem, 2015; Sun, 2009) i.e. internet access (Fund for Peace, 2014; WEF, 2013b), fixed telephones and mobile phones (WEF, 2013b, 2015b) influence a country's FDI competitiveness. Communications are an essential link in the value chains of businesses, local

and multinational. Among all kinds of infrastructure, it is telecommunications infrastructure that has reduced the distance between geographical regions the most hence significantly contributes to the globalisation phenomenon. Telecommunications facilitate real-time, efficient and cost-effective communication within a business, between businesses, and between businesses and their stakeholders. Despite the range of telecommunications infrastructure, the common tendency among theoreticians has been to focus on fixed-telephone infrastructure and ignoring cellular or mobile telephones (Demirhan and Masca, 2008:361). As a result, the SON-FDIBE conceptual framework argues that a country enhances its reputation as a destination if it gives adequate importance to all telecommunications infrastructure—the Internet, mobile phones, and fixed-line phones. It is not just the availability of this infrastructure that is important to a country but the depth of its penetration and affordability. The main obstacle to Internet usage in many developing countries is the cost (African Development Bank, 2011:314). Due to the shortage of broadband, most Internet access in developing countries is dial-up, and most countries charge for dial-up at conventional voice calling rates (African Development Bank, 2011:314). "A monthly usage of 20 hours of Internet access costs about US$50 in Africa, almost twice as much as the next most expensive region, the Americas" (African Development Bank, 2011:314).

Following Sun (2009:50) the SON-FDIBE theoretical model advocates the measuring of the relationship between country brands and communication infrastructure focusing on the accessibility of the Internet, mobile phones and fixed phones in a country. The OSD® designed by Bloom Consultancy is evidence of the importance of the role of the Internet in determining the behaviour of FDI. Countries that promote their FDI opportunities through the Internet are likely to attract a higher number of visitors to their websites than those who do not. In 2012 alone, investors made about 63 million online searches in respect of investment activities at a country level (Bloom Consulting, 2013:2). The Internet has also revolutionised the ways governments can communicate with and deliver services to their stakeholders. Electronic government, discussed at the end of this construct, is one of the new ways.

6.3.6.3 Real estate

Both bona fide and default country branding literature acknowledges that land or real estate, whether it is for residential or commercial purposes is an important aspect of nation

competitiveness including FDI attractiveness (AT Kearney, 2016; Bloom Consulting, 2013; FutureBrand, 2014; Hornberger, Battat & Kusek, 2011; Sichei & Kinyondo, 2012). Multinational enterprises require factories, housing for their staff or land on which to build this infrastructure. In its two factor model comprising 19 variables in total, AT Kearney found that the availability of land or real estate was the ninth most important variable of the 11 attributes comprising the market assets and infrastructure component, which was the most important of the two determinant factors for where to locate FDI (see AT Kearney, 2016:9). Because of its link to property rights and regulations governing foreign ownership attributes in the government component of the conceptual model, land is a determinant factor of country reputation and FDI competitiveness. The flow of resource-seeking FDI into the agro-forestry sector of a country is hindered if foreign investors' access and title to land are restricted. Although 51.8 percent of respondents in a study of factors affecting the flow of FDI in Kenya's horticultural sector agreed with government policy limiting foreign investors and thus FDI into the sector, 41.1 percent others felt the policy was not prudent (Njoroge & Okech, 2011:103).

6.3.6.4 Water, sanitation and waste management

Water and sanitation are crucial elements of nation branding (see e.g. Adebola, Talabi & Lamidi, 2012; African Development Bank, 2011; Foster & Pushak, 2011; Fund for Peace, 2014; IMD, 2014; WEF, 2016; Social Progress Imperative, 2016a) including FDI inflow (Mashego, 2013; Sichei & Kinyondo, 2012; World Bank, 2014a; WEF, 2014). However, Sichei and Kinyondo (2012:88) just include water on their list of FDI competitiveness infrastructure without including the sanitation part. The availability of water and how it is priced, especially for commercial users, are critical to competitiveness (NECF, 2015:53). Many developing countries are unable to provide their citizens with adequate clean water and sanitation infrastructure (Adebola, Talabi & Lamidi, 2012; WEF, 2013a, 2014). For instance, if foreign investors who are coming from countries where infrastructure such as power, **water** [emphasis added] and roads are taken for granted should operate in Nigeria, they have to come to terms with providing their source of power and water (Adebola, Talabi & Lamidi, 2012:427) yet access to water must be adequately ensured and managed (IMD, 2014:408) by the host country. The 2013 and 2014 editions of the Global Competitiveness Report (GCR) talk about water, sanitation and waste management linking them to improved productivity and health (e.g. WEF, 2013a, 2014) but this attribute is yet to be included in the GCI. Because of their link to

people and businesses, water, sanitation and waste management should be included in nation branding studies. An unhealthy environment diminishes economic opportunities, stops people from participating in their communities, redirects resources from beneficial uses, and adds to urban decline (WEF, 2013a:60). Sanitation is an essential component in supporting a strong, healthy workforce and also contributes to how a nation's healthcare system is perceived (Deloitte Global & US Council on Competitiveness, 2016:36). Sustainable Development Goal 6 of the UN is "Clean Water and sanitation" (World Bank, 2016b:12).

6.3.6.5 Electricity

According to World Bank's (2015, 2016) Doing Business index, getting electricity is a key competitiveness issue. Universal access to affordable, reliable, and modern energy services, especially electricity, is critical to sustainable development (World Bank, 2016b:14; **see also SDG 7, Affordable and clean energy**). Economies rely on electricity supplies that are free from interruptions and shortages so that businesses and factories can work unimpeded (African Development Bank, 2011; IMD, 2014; WEF, 2014). Electricity outages may have severe impacts on companies because they can damage assets (such as electronics) and inventory and disrupt work by shutting down equipment and cutting off lighting, heating or internet connections (World Bank, 2016a:72). Many countries in Africa have a deficit in the supply of electricity, for example, South Africa (Mashego, 2013:5), Zimbabwe (African Development Bank, 2011; NECF, 2015; ZIMASSET, 2013), and Nigeria (Adebola, Talabi & Lamidi, 2012; Foster & Pushak, 2011) and this tends to limit their FDI destination brand equity. "Modern energy services are central to the economic development of a country and to the welfare of its citizens" (World Bank, 2016b:14).

6.3.6.6 Electronic government (E-government)

In nurturing nation competitiveness, the ability of governments to adapt themselves to technological advances is just as fundamental as it is to firms within a country. The technological readiness pillar of the GCI assesses the responsiveness with which an economy adopts existing technologies to strengthen the efficiency of its industries, with specific focus on its ability to fully integrate information and communication technologies (ICTs) in operations and processes for increased productivity and facilitating innovation for

competitiveness (WEF, 2015:36). Within the realm of ICTs, e-government is an emerging aspect that countries can focus on to improve their international attractiveness. Nonetheless, save for Bloom Consulting's (2013) CBR-T model and Cornell University, INSEAD and WIPO's (2015) GII, the e-government attribute is only acknowledged in the two leading default country branding indices – the WCS/Y and the GCI (see e.g. IMD, 2014; WEF, 2015) – but is yet to be included in their measures of country competitiveness. Also, Bloom Consulting also publishes the Digital Country Index that measures the brand appeal of countries and territories in the digital world based on the same five objectives of the CBR-T that it first published in November 2016. E-government assesses the quality of government's delivery of online services (WEF, 2015:64). In the GII, Cornell University, INSEAD and WIPO (2015, 2016) assesses global country attractiveness on government online services and e-participation. African Development Bank (2011:318) defines e-government as "the use of ICT integrated web-based applications to promote more efficient and effective Government, facilitate the accessibility of government services, allow greater public access to information, and make governments more accountable to citizens".

As already explained in MARK construct's sectors open for FDI above, country branding firm Bloom Consulting includes a proprietary-owned OSD® in its model, which evaluates foreign investors' online searches and decisions in respect of where FDI goes. Bloom Consulting (2013:7) argues that this has become important because, according to a recent report from The Economist Intelligence Unit assessing and explaining risk, at least 58 percent of investors now evaluate investment risk online compared to 49 percent who consult directly with their financial advisors. To arrive at a set of Online Service Index values, the GII assesses each country's national website, including the national central portal, e-services portal, and e-participation portal and the websites of the related ministries of education, labour, social services, health, finance, and environment, as relevant (Cornell University, INSEAD & WIPO, 2016:397). This means e-government and e-participation are now essential attributes of country brand equity and yet they are hardly included in bona fide academic umbrella nation branding models, those focusing on the FDI sub-brand included.

6.3.7 Organisation (ORG)

To a large degree, the function of government can be likened to that of general management in a company (Fehlmann *et al*., 2002; Passow, Fehlmann & Gralow, 2005). Consequently, management theory can be applied to countries as it is to companies because governments that manage countries are organisations too. An organisation is a social entity that is driven by goals and deliberately structured (Daft & Marcic, 2011:9). Dye (2014:27) reasons that "government itself arises from a *social contract* among individuals who agree for their mutual benefit to obey laws and support the government in exchange for protection of their own lives, liberties, and property". Management is the fulfilment of organisational goals in an efficient and effective manner through planning, organising, leading, and controlling organisational resources (Daft & Marcic, 2011:8). Countries need management, i.e. governments no less than organisations need the same.

Inspired by Rainisto's success factors in place marketing model one of which is organising capacity (see Rainisto, 2003; Moilanen & Rainisto, 2009), the capacity of a national government to "organise" effectively should be a critical element of nation FDI brand equity. Although the organisation dimension is different from the government component of the theoretical model, the two are assumed to correlate significantly because government either thrives or fails on how it organises itself to executive its programmes. Therefore, political unity that is discussed under the government element in this theoretical model is equally important to this dimension because disunity can rob a nation of its shared vision, values and trust. Organising capacity consists of the abilities of the management and the resources of the place thus political unity is required to attain the needed organising capacity for the place (Rainisto, 2003:228). As a result, the SON-FDIBE conceptual framework posits that:

H_9: *Organisation is a determinant of SON-FDIBE in South Africa and Zimbabwe.*

6.3.7.1 Clear shared national vision

Although countries are larger and far more complex than organisations, they share many similarities with organisations one of which is a vision. A country's raison d'être is similar to that of a company (Fehlmann *et al*., 2002; Passow, Fehlmann & Grahlow, 2005). Nation brand vision is a desired future for the people and characterises strategic visions that are categorised

by informed, shared, competitive, innovative and enabling visions (Lee, 2009:167). Every nation needs a clear shared vision (Akker, 2011; Balakrishnan, 2009; Brand Finance®, 2015; de Chernatony, 2008; Dinnie, 2008; Lee, 2009; Moilanen & Rainisto, 2009; Passow, Fehlmann & Grahlow, 2005; Rainisto, 2003; Wilkin-Armbrister, 2008). Places must establish a strategic vision (Rainisto, 2003:87) which is shared and links to one voice (Moilanen & Rainisto, 2009:92). The vision guarantees that the nation brand strategy has a long-term focus and that the goals influence the outcomes to be attained with the strategy (Akker, 2011:41). A long-term view and vision are important because "focused economic development policies must be implemented over decades rather than years, and a long-term view and vision is vital" (Rainisto, 2003:30). A nation brand vision is a yardstick of where a nation would want to be in the future (Lee, 2009:166) thus is the starting point in designing a country branding strategy (Balakrishnan, 2009:621).

It is vital for all nations expecting to brand themselves to know the vision and continuously reflect on it (Wilkin-Armbrister, 2008:99). Several countries can find their nation branding attempts blocked by political corruption, power struggles or a lack of strategic vision in respect of the nation's ruling elites (Dinnie, 2008:190). A good brand vision must link the present and the future, and should to be inspirational so as to give the brand room to grow and improve in the future, yet remaining attainable in the long-term (Keller, 2013:388). Essentially, the brand vision must speak to the "higher-order purpose" of the brand based on deep understanding of consumer ambitions and brand realities hence it surpasses the brand's tangible product category attributes and limitations (Keller, 2013:388). "Brand vision defines what your brand stands for emotionally in the minds of your external stakeholders" (Brand Finance®, 2015:22). The nation brand vision should be a strategic vision standing for "a core value and ideology of a nation" (Lee, 2009:76). In the Liechtenstein country reputation study, Passow, Fehlmann and Grahlow (2005:317) found that the variable "communicates an appealing vision" had the lowest rating overall both in respect of respondents within and outside the country with internal respondents rating the country much lower than external respondents. Balakrishnan (2009:621) appealed for future research that tests whether clarity in the vision leads to better destination performance particularly in new destinations with little historical context. A clear shared national vision is a source of brand equity in the competition of FDI. To develop the nation brand vision, it is essential to engage key stakeholders (Brand Finance®, 2015:22).

6.3.7.2 Clear shared national values

Values are those things held as important in a group, family, organisation, society or country. Social values are those abstract standards that are thought to be vital and suitable for binding a group together (Rojas-Me´ndez, 2013:469). A nation with clear shared values stands a good chance of having a shared vision, speaking with one voice, and of being united. The important role of national values in designing and managing nation brand strategies is acknowledged in existing country branding literature (e.g. Dinnie, 2008; de Chernatony, 2008; Moilanen & Rainisto, 2009; Rainisto, 2003). A nation branding campaign should be steered by the identification and selection of a set of suitable brand values through extensive qualitative and quantitative study covering all the nation's stakeholder groups (Dinnie, 2008:172). Making precise the values and promised experience of the nation brand must involve the collective participation of the key stakeholders (de Chernatony, 2008:16). Rainisto (2003:52) argue that the selected core values constitute the pillars of the core identity and the repositioning of the place brand. He further argues that in practice this means that the choice of the core values, informed by the core identity, will be important for the emerging image of a place.

6.3.7.3 National development plan

While the global marketplace brings new possibilities for places, it brings with it global competition which is a big challenge for place management (Rainisto, 2003:234). To turn the threats of globalisation into opportunities, in this case, potential FDI inflows, policymakers need strategic planning and brand management skills. As it is in corporate management, branding is a responsibility of top management in place marketing (Rainisto, 2003:234). Top management in the context of countries is the national political leadership. Because in a democracy country management is elected, it must be accountable to the electorate. In theory, this implies that stakeholders should participate in national development planning and the evaluation of the strategy before it is adopted. "Nation brand strategy needs a balanced approach to internal and external focus and a coherent approach from short to long-term planning" (Lee, 2009:81).

Many developing (including SADC) countries are not performing well in the existing proprietary nation reputation indices that are published annually such as CBI, CBR-T, Doing

Business, GCI, IIAG, Corruption Perception Index, SPI, GMCI, Human Development Index, NBIF^{TM}, Fragile States Index, and GII (**see Chapter 3**). To a large extent, this is an indication of how well country national development policies are being assessed. Johnson, Scholes and Whittington (2008:365) offer three key success criteria that may be employed to evaluate the viability of strategic options from a stakeholder viewpoint—*suitability*, *acceptability*, and *feasibility*. **Suitability** is concerned with whether a strategy addresses the key issues that have been identified in understanding the strategic position of the organisation (Johnson, Scholes & Whittington, 2008:366). In doing so, the focus should be on the overall rationale of the nation development strategy, the degree to which the chosen strategic option fits the key drivers and anticipated changes in the environment, the strategic capabilities of the country, and appropriateness of the strategy to stakeholder expectations and influence and cultural influences. Johnson, Scholes and Whittington (2008:368) suggest that **acceptability** deals with the expected performance outcomes of a strategy, which may be of three kinds: return, risk and stakeholder reactions. The return may be defined as what each stakeholder groups expects in respect of benefits from the national development strategy. For instance, foreign direct investors expect financial returns; the host government and citizens expect jobs, technology transfer, and poverty reduction. In addition, foreign investors assess the risk that is imposed by the host country's development policy on their investment and such risk determines whether they will commit to invest. Stakeholder reactions describe how stakeholders respond to the national development strategy of a country. The decision to invest in a given place "depends on the assessment of the place brand values which in turn are derived from the perception of place brand assets" (Jacobsen, 2009:70). It is, therefore, important for policymakers to anticipate, and tailor-make the chosen national development path to, the likely reactions of key stakeholders.

Feasibility is focused on whether the organisation has the resources and competencies required to implement the strategy (Johnson, Scholes & Whittington, 2008:380). Taken into the country FDI branding context, this means that policymakers have to ensure that the government gives the sub-brand all the necessary support. Johnson, Scholes and Whittington (2008:380) suggest that strategy feasibility may be assessed through financial feasibility and resource deployment. Financial feasibility in the nation branding setting is concerned with whether the country has the financial resources to bankroll its national development strategy. Resource deployment is concerned with whether the country has the resources (apart from finance) and competencies needed to implement the chosen national development plan. Furthermore, there are three

qualifications that should be considered in the discussion of the three above-explained evaluation criteria: management judgement, strategy consistency, and implementation and development strategies (Johnson, Scholes & Whittington, 2008:382). When conflicting conclusions emerge from the employment of the criteria of suitability, acceptability and feasibility, management should use its judgement to decide the best course of action to take, the trio suggest. Different elements of a strategy must be consistent with one another because they are all part of one strategy. The implementation and development of strategies can bring up issues that the organisation needs to reconsider given suitability, acceptability and feasibility (Johnson, Scholes & Whittington, 2008:382). The SON-FDIBE conceptual framework argues that a country's national development plan affects its FDI destination attractiveness hence the inclusion of the variable.

6.3.7.5 Stakeholder participation in policymaking

For many years, nation branding theorists have been calling for the involvement of stakeholders in country brand management (Dinnie *et al*., 2010; Dinnie & Fola, 2009; Donner, Fort & Vellema, 2014; Fan, 2005; Kasabov & Sundaram, 2011; Kavaratzis, 2012; Yee, 2009; Tatevossian, 2008; Temporal, 2014; Tiberghien, Garkavenko & Ashirbekova, 2013; Zouganeli *et al*., 2012). Anholt (2008:23) argues that nation brand management should never be regarded as a campaign that is divorced from planning, governance or economic development but as an integral element of national policy. So, the participation of stakeholders in country brand management is a direct participation in national development policy formulation, implementation, and evaluation. Stakeholder involvement in country branding can moderate skewed nation brand equity for the benefit of all. Moreover, stakeholder participation in country brand management may enhance transparency of government policymaking, a variable covered in the government construct below.

Governments may argue that the citizenry is involved in national policymaking through the house of elected representatives i.e. parliament. Nevertheless, stakeholder participation in policymaking must go beyond parliamentary representation to direct involvement whereby stakeholders are involved in policy analysis and formulation. Experiences from Eastern Europe suggest that country branding campaigns implemented by politicians alone often fail (Moilanen & Rainisto, 2009:75). Ruling elites have limited influence when they present their country to

international audiences because their narratives are much more obvious hence are scrutinised by doubtful tourists and investors (Marat, 2009:1127). Inclusiveness is critical to success, and a failure to include all stakeholders in the nation branding process will certainly lead to a sub-optimum outcome characterised by intrabrand competition, a duplication of resources, and maybe some confused consumers (Temporal, 2014:21). Winning the support of a destination's stakeholders is not only an essential foundation for successful place branding but also an indicator of a sustainable approach to destination brand development (Zouganeli *et al*., 2012:740). Lee (2016:815) argues that "the more stakeholders believe that a country will satisfy their preferences, the more attractive the country will be and thus be more likely to be selected as a host". The SOBE approach is the only one among the five brand equity theories reviewed in the previous chapter that provides for full and credible participation of stakeholders in nation brand management or national development policy formulation.

6.3.7.4 Country brand trustworthiness

The significance of **brand trustworthiness** as one of the measures of place brand equity cannot be underestimated (Jacobsen, 2009; Kapferer, 2008; Laforet, 2010; Passow, Fehlmann & Grahlow, 2005; Reputation Institute, 2016; ZAD Group, 2008). Trust is a vital element of corporate brands (Laforet, 2010; Keller, 2013) and is not less so for country brands (Anholt, 2013a; Anholt-GfK Roper, 2009; Jacobsen, 2009; WEF, 2015a; ZAD Group, 2008). A country is a coporate brand because it has many sub-brands, such as, the economy (FDI, tourism, brands), government (institutions), culture (people, education, sports, cuisine or gastronomy), talent, et cetera. Corporate trustworthiness is the degree to which consumers believe the company is determined to be "honest, dependable, and sensitive to customer needs" (Keller, 2013:413). It is the reputation that a company has attained in the marketplace. Translated to country brands, this means the trust and confidence investors and other stakeholders have in the country, e.g. in its politicians and government.

An Egyptian management consultancy firm, ZAD Group, argues that globalisation implies that countries compete to attract the attention, respect and **trust** (emphasis added) of investors, tourists, consumers, donors, immigrants, media, and the governments of other nations (ZAD Group, 2008:37). The company asserts that branding, whether of a product, service or country, requires the attainment of many principal elements including trust, consistency and a long-term

undertaking regarding trans-sectoral transformation. Compared to industrialised countries, most developing countries are weakly rated in the "public trust in politicians" variable of the GCI (see WEF, 2014, 2015a, 2016). Jacobsen (2009:78) argues that the trustworthiness of a place brand is an intangible asset possibly affecting brand benefits. He argues further that brand equity is indirectly based on the confidence that customers put in a selected brand in comparison to competing brands. Trust is important because customers regularly buy into companies as much as products (Keller, 2013:41). Translated to countries, this means that foreign investors may only commit their FDI to a country if they trust the prospective host country—in fact, its politicians and government.

People do not trust brands that charge high price, that do not meet their promise, that abuse power, miss focus, mistaken beliefs, and misplace concern (Laforet, 2010:2). The proper management of public finances is essential for ensuring trust in the national business environment (WEF, 2014:6). South Sudan is losing critical brain trust and an opportunity for economic growth because businesses and a diaspora population that had returned in the wake of independence are fleeing the country once again because of war (Fund for Peace, 2014:16). Consumers give their trust and loyalty to the implicit understanding that the brand will behave in certain ways and provide them utility (Keller, 2013:34). Brands compete on trust (Kapferer, 2008:9) hence countries must desist from policies that destroy their reputation. Brand equity is ultimately built on the confidence that customers have in a brand about its competitors (Jacobsen, 2009:78).

6.3.8 Government (GOVT)

The primary business of government is to govern, regulate, rule, administrate, oversee, direct or control. Government is responsible to its people and for fighting and reducing corruption of all kinds, improving the delivery of public services and infrastructure, improving their tax systems and investment climates, investigating and prosecuting human rights abuses, providing adequate training and civilian control of security forces, so abuses are prevented, but it cannot do all this alone (Hendry, 2014:8). Hence the manner in which a government conducts itself determines how the country it governs is perceived by internal and external stakeholders. Mo Ibrahim Foundation (2016:96) defines "governance as the provision of the political, social and economic public goods and services that every citizen has the right to expect from their state,

and that a state has the responsibility to deliver to its citizens". Good governance is fundamental in all branches of society whether it is the corporate environment, general society or the political environment (Crowther & Seifi, 2011:28). The measurement of governance focuses on the outputs and outcomes of policy, instead of declarations of intent and *de jure* statutes, although it is also sometimes essential to use measurements of the presence of laws (Mo Ibrahim Foundation, 2013:4). The institutional theory of FDI (e.g. Böckem & Tuschke, 2010; Dumludag, 2009) acknowledges the importance of governance in measuring country FDI competitiveness. The primary assumption of the institutional theory of FDI is that institutional factors like enforcement mechanisms, political and economic stability, stable and reliable, transparent legal and regulatory framework and corruption are fundamental to explaining the behaviour of FDI flows. The importance of institutions and regulations in nation branding is also well documented in bona fide country branding literature (e.g. Bloom Consulting, 2013; Reputation Institute, 2016; Rojas-Me´ndez, 2013) and its default equivalent (e.g. IMD, 2013; Cornell, INSEAD & WIPO, 2016; WEF 2016; World Bank, 2016a).

Laws (Bivolaru, Andrei & Purcăroiu, 2009; Bloom, 2012), regulations (World Bank, 2014; AT Kearney, 2014; Kalamova & Konrad, 2010) or rules (WEF, 2013b, 2015b) that a government passes and the extent to which it respects, or complies with, domestic and international laws—rule of law (Anyanwu, 2012; Fund for Peace, 2014; Kalamova & Konrad, 2010; Mo Ibrahim Foundation, 2015; Passow, Fehlmann & Grahlow, 2005) affect country reputation including FDI attractiveness. An interesting new finding is "that government quality, represented by the rule of law variable, is statistically significantly associated with higher FDI inflows to Africa" (Anyanwu, 2012:448). Consequently, FDI inflows to the continent correlate positively with the existence of the rule of law, indicating that the quality of government influences where FDI inflows go in Africa (Anyanwu, 2012:448). The choice of an FDI destination is determined by existing government regulations, political conditions, government policy to attract FDIs, and local community attitudes towards FDI (Cywiński & Harasym, 2012:6). A study of Liechtenstein's reputation in six of its neighbouring countries found that "upholds international laws" was the second most principal driver of the country's overall reputation, with a beta coefficient of 0.216 (Passow, Fehlmann & Grahlow, 2005:317). So the government is a major determinant of country image, reputation and FDI inflow (Anholt, 2005a; Anholt-GfK Roper, 2014b; Bivolaru, Andrei & Purcăroiu, 2009; Dinnie, 2008; Fetscherin, 2010; Fund for Peace, 2014; FutureBrand, 2014; Hendry, 2014; Kalamova & Konrad, 2010; Rojas-Me´ndez, 2013;

Satyanand, 2011; Simonin, 2008; Sun, 2009). In view of the foregoing arguments and those in the government-related variables discussed below, it is hypothesised that:

H_{10}: *Government is a determinant of SON-FDIBE in South Africa and Zimbabwe.*

"A positive government environment supports not only exports and attracts tourism, investments, and immigration but also enables the development of an overall positive and strong country brand" (Fetscherin, 2010:470). Foreign investors consider the governance factor when they evaluate alternative investment destinations (Abala, 2014; Cywiński & Harasym, 2012; Anholt-GfK Roper, 2016b; Fetscherin, 2010; Kalamova & Konrad, 2012; Rojas-Me´ndez, 2013). Kadasah (2006:254) found that the political system was a fundamental consideration in the FDI decision-making process of current and prospective foreign investors in Saudi Arabia.

6.3.8.1 Political stability and unity

Political stability and unity is a critical component of a nation brand hence a determinant of country FDI attractiveness (Al-Sadig, 2009; Buhmann & Ingenhoff, 2015; Cywiński & Harasym, 2012; Dinnie, 2008; Hornberger, Battat & Kusek, 2011; Kalamova & Konrad, 2010; Moilanen & Rainisto, 2009; Ong'ayo, 2008; Satyanand, 2011; Osei & Gbadamosi, 2010). Fetscherin (2010:475) argues that before a country articulates a desired brand, it must ensure that it is politically stable, respects human rights, and does not engage in violent internal and external conflicts. Some proxy indicators of political instability are political, religious or xenophobic violence (Bitzenis, Tsitouras & Vlachos, 2009; Fund for Peace, 2015; Mo Ibrahim Foundation, 2014; Outhavong, 2007; Cornell University, INSEAD & WIPO, 2016), factionalised elites, group grievance, and communal violence (Fund for Peace, 2015:17, 2016:16). One of the six sub-factors in the political and military factor of the Fund for Peace's Fragile States Index is factionalised elites. "When local and national leaders engage in deadlock and brinkmanship for political gain, this undermines the social contract" (Fund for Peace, 2015:17) and may result in political instability and civil war as is happening in South Sudan now. In this thesis, the indicators of factionalised elites, which may be used to proxy political stability and unity in a country, are power struggles, defectors, flawed elections, and political competition. Sustainable Development Goal 16 of the UN concerns "SDG 16 Peace, justice, and strong institutions" (World Bank, 2016b:34). Progress towards attaining SDG 16

and the rest of the SDGs is affected by fragility, conflict, and violence in some regions. World Bank (2016b:34) claims that "episodes of unrest can reverse development efforts and rapidly dismantle achievements built over a long time, along with social, political economy, and physical dimensions".

A somewhat unexpected finding of a study into explanatory reasons for limited FDI inflows in Greece found that 17.3 percent of multinational corporations regarded political violence as an important barrier for their investments in Greece (Bitzenis, Tsitouras & Vlachos, 2009:698). Of these multinational enterprises, 66.7 percent were from the USA and of the remainder, 11.1 were British, and 88.9 percent were others. In his doctoral thesis on nation branding, Outhavong (2007:60) found that "religion-based violence" loaded significantly into one of the three factors he extracted.

Nevertheless, Demirhan and Masca (2008:360) intimate that the ranking of political risk among FDI determinants remains rather unclear, and so is the empirical relationship between political instability and FDI flows. They further argue that, in general, as long as the foreign company is confident of being able to operate profitably without excessive risk to its capital and personnel, it will continue to invest. For instance, Nigeria has received the highest mean FDI inflow in Africa for the 10-year period ending 2015 (see World Bank, 2017; **Figure 3.9, Chapter 3**) despite having a high political risk (Fund for Peace, 2011-2016; **Table 3.47**) mainly due to Boko Haram insurgents. Big mining companies can conquer some of the political risks by investing in their security forces (Demirhan & Masca, 2008:360).

6.3.8.2 Competency and fairness of public institutions

The quality of institutions affects inward FDI competitiveness of countries (Bénassy-Quéré, Coupet & Mayer, 2007; Böckem & Tuschke, 2010; Dumludag, 2009; Bloom Consulting, 2013; IMD, 2013; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010; World Bank, 2014; WEF, 2014; Rojas-Me´ndez, 2013; Transparency International, 2014). While some economists (e.g. Nunn, 2006; Nunn & Wantchekon, 2011) and economic historians (e.g. Acemoglu & Robinson, 2010; Alemazung, 2010; Robinson *et al*., 2012; Hrituleac, 2011) claim that slave trade and colonialism affected the development of quality domestic political and economic institutions in Africa, the continent's present social and political evolutions are also

affecting the quality of institutions. For instance, public institutions in Zimbabwe continue to receive a poor appraisal (138th), particularly related to corruption, government favouritism, and the protection of property rights thereby reducing the incentive for businesses to invest in the country (WEF, 2014:41). South Africa is faring well on measures of the quality of its institutions (36th), including intellectual property protection (22nd), property rights (20th), the efficiency of its legal framework in challenging and settling disputes (9th and 15th, respectively), and its top-notch accountability of private institutions (2nd) (WEF, 2014:39).

Negative stereotypes about a country's administrative institutions can negatively affect the country umbrella brand and its FDI sub-brand too. If the stereotype is that a certain country's public administration is supportive and efficient, the information value of that stereotype may make it more likely for the country to be an attractive location for FDI (Kalamova & Konrad, 2010:401) and the opposite may be true for countries with unsupportive and inefficient public administration systems. Compared with a country with poor institutions, a country with sound institutions can attract up to 29 percent more per capita FDI inflows (Al-Sadig, 2009:268). Al-Sadig (2009:285) argue that regardless of its level of corruption, a country with good-quality institutions may still attract higher FDI inflows than one with poor quality institutions. Bénassy-Quéré, Coupet and Mayer (2007:768) found that the quality of institutions in the host country has a considerable effect on inward FDI. Empirical results point out bureaucracy, corruption, but also information, banking sector and legal institutions as important determinants of inward FDI (Bénassy-Quéré, Coupet & Mayer, 2007:780).

A country's competitiveness is not only judged on the competence of its institutions but also on how fairly the institutions discharge their duties (Mohamed & Sidiropoulos, 2010; Mo Ibrahim Foundation, 2015; WEF, 2015a). For instance, the independence of the judiciary, favouritism in decisions of government officials, the extent to which legal and policy environment hinders private business operations, and the extent to which allegations of police misconduct and abuse of force are investigated and punished (Mo Ibrahim Foundation, 2015; WEF, 2015a).

6.3.8.3 Government bureaucracy

A government is an organisation—an administration because it constitutes people who have supposedly come together to pursue common goals. Governments have processes or procedures that must be followed and rules and regulations that should be fulfilled by those consuming their services. As a result, governments cannot be disentangled from bureaucracy. Government bureaucracy entails the paperwork, official procedures or formalities that have to be followed in the course of accessing government services. Government bureaucracy affects the efficiency of the delivery of services in a country. Inefficient bureaucracy can lead to frustration on the part of those consuming the service. Bureaucracy, therefore, affects how a country or government is perceived in general (IMD, 2014; WEF, 2015a) including its attractiveness as an FDI location (Anyanwu, 2012; Bitzenis, Tsitouras & Vlachos, 2009; Kalamova & Konrad, 2010; Mo Ibrahim Foundation, 2011; Njoroge & Okech, 2011). Bitzenis, Tsitouras & Vlachos (2009:695) found that bureaucracy was the most decisive barrier to FDI inflows in Greece. A study conducted in Kenya found that excessive bureaucracy in the form of enhanced red tape discouraged growth of FDI (Njoroge & Okech, 2011:104).

6.3.8.4 Transparency of government policymaking

Government policies affect businesses thus the manner in which policies are designed, passed and enforced should be transparent. The transparency of government policymaking measures how easy is it for businesses in a country to obtain information about changes in government policies and regulations affecting their activities (WEF, 2013b, 2014) and the extent to which the general public is given a genuine opportunity to participate in policymaking. Transparency of government policymaking affects country competitiveness (IMD, 2014; WEF, 2013b, 2016) including FDI attractiveness (AT Kearney, 2016; Mbaiwa, 2016). According to corporate governance literature, the principles which underpin every system of governance are transparency, rule of law, participation, responsiveness, equity, efficiency and effectiveness, sustainability, and accountability (Crowther & Seifi, 2011:25-28) most of which are discussed in this government construct in particular and this thesis in general. The guaranteeing of "speed, transparency and accountability in the Administration" system of a country is a golden rule of competitiveness (Garelli, 2014:499). "Transparency, as a principle, necessitates that information is freely available and directly accessible to those who will be affected by such

decisions and their enforcement" (Crowther & Seifi, 2011:25). As such, transparency may be regarded as a recognising of responsibility by the organisation for the external impacts of its operations and likewise as practice of redistributing power more fairly to all its stakeholders.

6.3.8.5 Stability and efficiency of the of legal system

A stable legal system is one in which the ordinary citizens of a country, the grassroot, have confidence. Judicial independence is one of the 21 variables in the public institutions pillar of the GCI (WEF, 2015a:39) which is one of the proxy indicators for measuring public confidence in national legal systems. Kadasah (2006:254) found that the legal system was an important variable in FDI decision making of current and prospective investors for Saudi Arabia. Of the 13 barriers to FDI in Greece, Bitzenis, Tsitouras and Vlachos (2009:695) found that instability of the legal system was the fifth most important. The creation of "a stable and predictable legislative and administrative environment" is a golden rule of country competitiveness (Garelli, 2014:499). Therefore it is critical for every government to foster a stable legal environment if its country is to be perceived positively and, perhaps, attract meaningful FDI flows.

An efficient legal system is one in which justice is delivered within reasonable time. In the course of their operations, businesses may have legal disagreements with other businesses or even with regulators. The time it takes to resolve a legal dispute is a cost on business. Therefore, an efficient legal system, i.e. one that speedily resolve civil and commercial disputes, is an important source of competitive advantage for countries. In the public institution's factor of its institution's pillar, the GCI measures the efficiency of the legal framework in settling disputes and challenging regulations (WEF, 2015a:39). Economies with efficient regulatory procedures as assessed by *Doing Business* tend to have good regulatory quality (World Bank, 2016a:6).

6.3.8.6 Resolving insolvency and retrenchment

In the volatile global business environment, insolvency or bankruptcy and retrenchment are common challenges businesses face in their operations. The speed with, and time within, which a country's legal system resolves company insolvency challenges is a source of nation competitiveness (WEF, 2015a; World Bank, 2016a). According to the Doing Business index, the resolving insolvency indicator measures the time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency (World Bank, 2016a:20). When a business faces insolvency or even a pronounced downturn in business, it must speedily resolve retrenchment issues. Just like in the insolvency case above, the extent to which a country's labour law provides for effective and efficient resolution of retrenchments, the more positive the country is likely to be perceived by investors in that respect. If the host country stipulates high severance pay for local employees, reducing or closing operations can be costly (Kotler & Keller, 2016:246). Foreign investors may consider the cost of retrenchment in the prospective host country in their selection of an investment destination.

6.3.8.7 Rules of FDI

Restrictive and discriminatory policies on FDI that limit foreign ownership and international trade affect country competitiveness (WEF, 2014:7) and so do regulations that control the transfer of capital into and out of the host country (AT Kearney, 2016; Kotler & Keller, 2016). Rules restricting foreign ownership contradict the definition and fundamental goal of FDI. FDI is a cross-border investment by a resident of one economy having control or an important degree of influence, of 10 percent or more, on the management of a business that is operating in another economy (World Bank, 2014; Organisation for Economic Co-operation and Development, 2014). FDI is a category of international finance, alongside lending and portfolio investments, but varies from lending because it involves **ownership** [emphasis added], and differs from portfolio investment because it includes control of financed activities over management and profits (Sukhoruchenko, 2007:11).

The desire to restrict foreign ownership of businesses in a country is fueled by nationalism (Bond, McCrone & Brown, 2003; Ghauri & Cateora, 2014; Cateora, Gilly & Graham, 2011;

Kalfadellis & Gray, 2004; Zhang, 2014). A country's FDI regulations restricting foreign ownership of businesses in a host economy are correlated with the property rights variable discussed later in this theoretical dimension. Among other attributes, the selection of an FDI location is influenced by existing government and local community attitudes towards FDI (Cywiński & Harasym, 2012:6). The ownership issue *per se*, whether domestic or international ultimately, becomes immaterial in the decision to approve FDI, because stakeholders need companies that do the right thing for all concerned (Kalfadellis & Gray, 2005:8). Thus regulations limiting the movement of capital in and out of a country and repatriation of profit are a disincentive for FDI. Foreign investors cannot be permanent residents in every economy they invest. Different countries have different FDI rules depending on their national attitudes and developmental goals. Perceptions of the fairness of FDI regulations vary among stakeholders within host countries and FDI source countries. However, the literature implies that the impact of specific regulations on FDI cannot be studied in isolation from the wider economic and institutional environment (National Treasury of South Africa, 2011:6). Hence this indicator is inseparably linked to other attributes in this government construct and the economic dimension as already discussed.

6.3.8.7 Quality of environmental regulations and enforcement

Investment, local and foreign, come to an economy at a cost to its natural environment. In the pursuit of profit, foreign investors, depending on where they come from and their attitudes, may not care about the impact of their footprint on the ecological environment. Consequently, to ensure environmental sustainability, host governments need to pass and enforce laws that promote sustainable exploitation and use of natural resources, prohibit environmental pollution and degradation. The effect of environmental regulation on competitiveness is under constant debate by policymakers and practitioners (Iraldo *et al*., 2011:210). Pollution (IMD, 2014:409) and environmental degradation may be serious problems in a country. Carbon emissions and unsustainable commercial exploitation of natural resources like forests have serious implications for climate. Climate change drives extreme weather conditions like heat waves, droughts, and excessive rains that may lead to floods in some parts of the world.

The physical environment is the supplier of natural resources used in driving economic development for current and future generations. Thus it should be a concern that several

leading *bona fide* academic and proprietary country branding models, such as, Rojas-Me´ndez's (2013) Nation Brand Molecule, Fetscherin's (2010) CBSI, Lee's (2009) Nation-Branding Mechanism Model, Kalamova and Konrad's (2010) Nation Branding and FDI Model, Sun's (2009) Determinants and Outcome Factors of Nation Branding Model, FutureBrand's (2014) CBI, Anholt-GfK Roper's (2016a) NBI^{SM}, Brand Finance®'s (2013) NBIF™, Bloom Consulting's (2013) CBR-T©, and *default* leading proprietary-owned indices like WEF's (2015a) GCI and AT Kearney's (2016) FDI Confidence Index do not explicitly include environmental regulations in their components. If those in economics are excluded, some of the few academic and proprietary nation branding indices that specifically include environmental regulation in their elements are Passow, Fehlmann and Grahlow's (2005) Country Reputation Index, WEF's (2013b, 2015b) Travel & Tourism Competitiveness Index (TTCI) and IMD's (2014) WCS/Y. In particular, the environmental sustainability (9th pillar of TTCI) includes stringency of environmental regulations and enforcement of environmental regulations among its indicators. This ties perfectly well with the UN's Sustainable Development Goal (SDG) 12, Responsible consumption and production (World Bank, 2016b:26).

Businesses have to be socially responsible and ethical in running their operations and so should governments in the manner they govern if they are to strategically position themselves to attract FDI and other finite resources from the global market. The significance of social responsibility is even more pronounced for a country than it is for a firm hence a country's prison d'être is similar to that of a company (Passow, Fehlmann & Grahlow, 2005:312). Sustainable development and ecological balance should be a priority for companies (IMD, 2014:409) and governments too. Sustainable consumption and production by countries – in fact doing more and better with less, implies fulfilling people's basic needs and supporting a better quality of life while reducing dangerous waste and pollution (World Bank, 2016b:26). The environmental sustainability pillar of the TTCI includes stringency of environmental regulations and enforcement of environmental regulations (WEF, 2013b:28). Local enforcement of environmental protection laws that is negligent or weak in respect of foreign firms has resulted in disastrous consequences in many parts of the world (Kurtishi-Kastrati, 2013:31-33). Environmental laws do not hinder the competitiveness of businesses (IMD, 2014:409) hence firms must be socially responsible (Buhmann & Ingenhoff, 2015; Jones, 2005; Passow, Fehlmann & Grahlow, 2005) and ethical in their conduct (Hollensen, 2010; Kotler &

Keller, 2016). One area where governments can prove that they are socially responsible corporate citizens is in the quality of their laws to protect the environment and the manner in which they police those laws. Concerning the environment, FDI seems to create a 'race to the top' rather than a 'race to the bottom' (Colen, Maertens & Swinnen, 2008:2). There is a concern that, because of international competition for FDI, some countries may lower their environmental, human rights and other laws and regulations, and that this might lead to a "race to the bottom" in respect of regulatory standards (UNCTAD, 2015:158). A review of the literature on the relationship between environmental policies and environmental competitiveness performance shows that the available empirical evidence does not confirm that any aspect of study has prevailed over the others, as no unique link has yet recorded been in the empirical studies (Iraldo *et al*., 2011:218). So far, the projected effects of environmental regulations on international trade and investment location are negligible in comparison to other determinants, such as market conditions and quality of local workers (Dechezleprêtre & Sato, 2014:18). Given the literature above, the SON-FDIBE conceptual framework hypothesises that the quality of environmental regulations and their enforcement in the host country affects FDI destination decisions.

6.3.8.8 Foreign exchange regulations

The foreign exchange regulations attribute is inextricably linked with the exchange rate variable in the economy component of this theoretical model. A country's foreign exchange regulations are potential source of competitive (dis)advantage. Despite the mixed findings on the effects of foreign exchange rates on FDI destination attractiveness as already explained in the economy dimension above (see e.g. Anyanwu, 2012; Kok & Ersoy, 2009; Lily *et al*., 2014), this conceptual framework posits that exchange rate policies affect FDI location selection as host governments attempt to curb movement of capital out of their countries. AT Kearney (2014:8) found that 17 percent of executives of multinational firms who participated in the 2014 FDI Confidence Index agreed that "ease of moving capital in and out of country" was one of the most important factors their companies considered when selecting where to make foreign investments. Drawing on the Ownership (O), Location (L), and Internalisation (I) (OLI) framework, Anyanwu (2012:430) argues that internalisation advantages evolve from, among other polices, reducing "state-generated imperfections such as tariffs, foreign exchange controls, and subsidies". Thus if a prospective national FDI destination restricts the movement

of capital in and out of the country, foreign investors may be cautious in their decision to invest in that economy.

6.3.8.9 Tax regulations

Taxation (AT Kearney, 2016; Bellak & Leibrecht, 2011; Bitzenis, Tsitouras & Vlachos, 2009; Bloom Consulting, 2013; IMD, 2014; Lily *et al*., 2014; Passow, Fehlmann & Grahlow, 2005) or taxation regulations or system (Bitzenis, Tsitouras & Vlachos, 2009; World Bank, 2015) is a critical attribute of nation brand equity hence FDI destination competitiveness. Foreign investors pay taxes to the host government within a clearly defined legal framework. As a result, the complexity or lack of complexity of a country's tax regulations is a source of international attractiveness (WEF, 2013b, 2015a, 2015b). Tax regulations are one of the most controversial topics in public policy and economics hence have prompted a large body of theoretical and empirical work assessing the impacts of high tax rates and cumbersome and complex tax codes and procedures (World Bank, 2014a:28). The bank further argues that although determining the ideal tax system is difficult because different economies need different policies to maximise their welfare, there are mixed results – from both conceptual and empirical viewpoints – about the distortionary effects of high taxes and burdensome tax systems. The taxation system is the second most important barrier for FDI in Greece (Bitzenis, Tsitouras & Vlachos, 2009:695) and governments shape the competitiveness environment in various ways via taxation, education or health (Garelli, 2014:499).

6.3.8.10 Police services

Police services is an essential facet of public institutions in all modern societies. However, none of the *bona fide* academic and proprietary country branding frameworks reviewed in the course of building this SON-FDIBE theoretical model included police services in their measures. Four default proprietary nation branding models – i.e. Fund for Peace's FSI, WEF's GCI and TTCI, and Mo Ibrahim Foundation's IIAG – include police services in their attributes. Nonetheless, these indices do not explain how police services contribute to a country's global FDI attractiveness. Fund for Peace (2016:13) argues that the provision of policing is a key role of the state and WEF (2016:39) simply claims that "reliable police services" is a requirement for security. It is important that the "reliability of the police and the extent to which allegations

of police misconduct and abuse of force are investigated" (Mo Ibrahim Foundation, 2015:15). GCI reports dating back more than a decade indicate that many developing countries are poorly rated on the reliability of police services attribute (WEF, 2016, 2014, 2010, 2008) and so is the case in the latest two editions of the Travel & Tourism Competitiveness Reports (WEF, 2013b, 2015b). Efficient and reliable police services are essential to building trust in a country; they keep in check all forms of crime and traffic accidents. In rating the reliability of police services in a country, the costliness of regular crime, violence and terrorism, and the degree to which police services can be relied upon to provide protection from crime and the incidence of road traffic accidents in the country should be taken into consideration (WEF, 2013b:5, 2015b:6).

6.3.8.11 Property rights

The extent to which a host government safeguards and enforces private property and contract rights in a country determine host country competitiveness (Anyanwu, 2012; AT Kearney, 2016; Delgado *et al*., 2012; Mo Ibrahim Foundation, 2014; WEF, 2013b; Passow, Fehlmann & Grahlow, 2005). According to the AT Kearney FDI Confidence Index, 15 percent of respondents agreed that the strength of investor and property rights are the most important factors that their company considered when choosing where to make foreign investments (AT Kearney, 2015:8). Property rights cannot be separated from security or safety of investments in a host country because Passow, Fehlmann and Grahlow's (2005:313) CRI includes the variable "safe place in which to invest".

Economic literature has captured the significance of enforceable property rights for the economy—that is, the right of control over an asset and the returns it may generate given incentives to invest (in physical, human capital or technology), create, innovate, trade, and maintain (WEF, 2015a:45). If the physical or financial property cannot be obtained and sold with certainty that the authorities will approve the transaction over the long term, economic growth will be undermined, WEF adds. The lack of property rights in an economy pushes people into the informal market instead of the formal sector (Anyanwu, 2012:429). By Dunning's (1977) eclectic paradigm, also known as the OLI framework, ownership is one of the factors motivating firms to invest internationally. Ownership-related strengths of property rights or patents, expertise and other intangible assets enable a company to compete with others in the markets it serves regardless of the weaknesses of being foreign-owned because it can

have access to, and exploit and export natural resources and resource-based products that are available in the host country (Anyanwu, 2012:429). But if foreign direct investors perceive the government of the prospective host country to be disrespectful of investors' property rights, this will negatively impact their investment behaviour (Kalamova & Konrad, 2010:404).

6.3.8.12 Human rights

Country reputation is determined by the extent to which the host government in power respects human or civil rights or political freedoms (Anholt-GfK Roper, 2008; Bivolaru, Andrei & Purcăroiu, 2009; Dinnie, 2008; Fund for Peace, 2014; Kalamova & Konrad, 2010; Mo Ibrahim Foundation, 2014; FutureBrand, 2014). Concerning democracy and human rights, FDI seems to create a 'race to the top' rather than a 'race to the bottom' (Colen, Maertens & Swinnen, 2008:2). Some nation branding models, nonetheless, do not include civil liberties in their measurement attributes (e.g. Bloom Consulting, 2013; Brand Finance®, 2013; WEF, 2014; Rojas-Me´ndez, 2013). The human rights sub-dimension captures the relationship between government and citizens both in respect of the extent to which "individuals can participate in, and take ownership of, the political process and the state's achievement in guaranteeing the political and social rights of all citizens (Mo Ibrahim Foundation, 2014:14). Human rights cover core international human rights conventions, political rights, workers' rights, freedom of expression, freedom of association and assembly, and civil liberties (Mo Ibrahim Foundation, 2011, 2013, 2015, 2016). Accountability and political stability are indicators of political processes and civil rights in a country (Kalamova & Konrad, 2010:420). Countries that enjoy the strongest perceptions in political freedoms are important benchmarks for country brand managers seeking to encourage visitor confidence (FutureBrand, 2014:50) and investor confidence too.

Within the theory of FDI, several economists have studied and found a positive relationship between FDI and human rights (e.g. Adam & Filippaios, 2007; Colen, Maertens & Swinnen, 2008). However, Colen, Maertens and Swinnen (2008:36) contend that those findings should be considered with caution because of three reasons. *One*, the specification of indicators of FDI flows and different human rights and democracy datasets (measuring narrower or broader concepts of human rights) lead to substantially varying results. *Two*, the studies simply present statistical correlations rather than a causal impact hence it is not clear whether higher human

rights standards attract greater FDI inflows, or if increased FDI causes – directly or indirectly – an increase in the degree of societal freedom. *Three*, although human rights impact assessment initiatives by non-governmental organisations have further assessed the effect of FDI on political and civil rights, these case-studies represent a tiny sample of the total sum of FDI and, since they lack a generally accepted methodology, it is difficult to compare and generalise their conclusions. However, because human rights are a noble cause, they are an instrument with which governments can demonstrate to the global community that they are socially responsible corporate citizens. An indifferent or negative attitude towards citizens' fundamental freedoms can generate negative publicity and word of mouth hence negative country image and reputation. The issue of human rights is facing strong opposition from many African Union (AU) countries (African News Agency, 2016:11). None of the African countries has a clean track record when it comes to the abuse of human rights (Zuma, 2016 cited in African News Agency, 2016:11). African countries should have a better understanding of human rights than even the former imperial powers in the northern hemisphere because the continent suffered the worst human rights abuses in human history through centuries of the slave trade and colonialism (Darity, 2005; Farah, Kiamba & Mazongo, 2011; Hrituleac, 2011). SDG 10 of the UN is about "Reduced inequalities". The target of SDG 10 is to reduce inequality in many contexts: income inequality within a country and inequality by gender, age, disability, race, class, ethnicity, religion, and opportunity and inequality among countries in respect of voice, migration, and international aid (World Bank, 2016b:21; also see **SDG 5 Gender equality**). Human rights are the foundation of human development (UNDP, 2016:8).

6.3.8.13 Wastefulness of government spending

The wastefulness of government spending determines how the reputations of countries are assessed (Mohamed & Sidiropoulos, 2010; Mo Ibrahim Foundation, 2015; Reputation Institute, 2016; WEF, 2016). Government spending can be evaluated through national budget management systems that deal with the extent to which there are a comprehensive and credible budget, effective financial management and financial reporting (Mo Ibrahim Foundation, 2015:18). The GCI measures the wastefulness of government spending through an executive opinion survey and many countries including those in Africa do not receive a good rating on this attribute. In developing a framework for assessing the FDI brand equity for these countries, it is important to establish how their current governments are perceived in respect of

carefulness or prudence of government spending. There is a scarcity of bona fide country branding literature, academic or proprietary, explaining the correlation of wastefulness of government spending and the nation brand hence the SON-FDIBE conceptual framework. A "pledge to maintain a budget, fiscal and debt discipline" is a golden rule of national competitiveness (Garelli, 2014:499).

6.3.8.14 Intellectual property rights

Extant literature suggests that the level of intellectual property rights (IPR) protection in a host economy affects its competitiveness (Anholt, 2005b; Brand Finance®, 2013; Cornell, INSEAD & WIPO, 2016; Delgado *et al*., 2012; Falvey, Foster & Greenaway, 2006; Katragadda & Bharadwaj, 2016; Matsui, 2014; Sattar & Mahmood, 2011; WEF, 2016). The executive opinion survey element of the GCI includes intellectual property protection (e.g. see WEF, 2015a:39). However, Falvey, Foster and Greenaway (2006:702) posited that there is no clearly defined relationship between IPR protection and inward FDI. The review of legal rights of the country covers any and all intellectual property associated with the nation brand to establish what can be leveraged (Brand Finance®, 2013:24). Nevertheless, there is a scarcity of academic nation branding literature that explains the relationship between IPR protection and FDI destination brand attractiveness.

6.3.8.15 Enforcement of competition laws

The role of domestic competition or rivalry in facilitating nation competitiveness is acknowledged in economics literature (Delgado *et al*., 2012; IMD, 2013; Porter, 1990a, 1998; WEF, 2016). In particular, Delgado *et al*. (2012:10) argue that company productivity is strongly correlated with the incentives and rules that govern local competition. A study of the factors that affect FDI inflows in Kenya's horticultural industry found that "inadequate policy framework for fair competition" was one of the determinants (Njoroge & Okeck, 2011:101). However, the effect of enforcement of competition laws on FDI destination brand equity is hardly covered in bona fide country branding literature hence the inclusion of this variable in the SON-FDIBE theoretical model.

6.3.8.16 Labour laws

Deducing from default country branding literature reviewed in this thesis, nation reputation theorists still have to embrace country labour policies as an attribute of nation brand equity. Extant default country branding literature agrees that a country's labour laws affect its attractiveness as an FDI destination (Bénassy-Quéré, Coupet & Mayer, 2007; Colen, Maertens & Swinnen, 2008; Ham & Kleiner, 2007; IMD, 2014; Njoroge & Okech, 2011; Walsh & Yu, 2010; WEF, 2015a, 2015b). Concerning labour standards, FDI seems to create a 'race to the top' rather than a 'race to the bottom' (Colen, Maertens & Swinnen, 2008:2). A study conducted by Bénassy-Quéré, Coupet and Mayer (2007:780) found that legal constraints on recruiting and firing staff have a significant negative impact on FDI inflow, which is in coherence with the negative effect of the 'existence and enforcement of labour laws' in cross country estimations. A study on the determinants of FDI covering 27 middle- and high-income countries that account for most of global FDI flows, especially in the secondary (manufacturing) and tertiary (services) sectors found that in the secondary sector, countries with more labour market flexibility have higher levels of FDI (Walsh & Yu, 2010:13). In a study on the determinant barriers to FDI in Greece, Bitzenis, Tsitouras & Vlachos (2009:695) found that 51.53 percent of respondents agreed that labour market structure was a barrier. It is clear from these two studies that the political leadership of a country has to make a trade-off between keeping populist and rigid labour policies, which may keep FDI at bay, or toning down the policies in order attract foreign investors. Labour regulations (defined regarding hiring/firing practices, minimum wages, etc.) must not hinder business operations (IMD, 2014:327). The impact of labour laws may be taken as the unfavourable effect of such laws on labour flexibility and cost (Bénassy-Quéré, Coupet & Mayer, 2007:777). Viewed from a conceptual perspective, the labour laws attribute is interconnected with the industrial relations and trade union variables discussed in the MARK construct above.

6.3.8.17 Policy clarity on ownership of real estate or land

According to standard economic theory, as explained in the factor conditions element of Porter's national competitive advantage diamond model, the land is one of the factors of production (Porter, 1990a:79). Within the last two consecutive years, the AT Kearney FDI Confidence Index has found that the availability of land or real estate is one of the most

important determining factors for where multinational corporations make investments (see AT Kearney, 2016, 2015). However, the AT Kearney FDI Confidence Index only covers 25 top FDI destinations in the world hence developing countries are hardly covered save for large ones like China and India and a few that intermittently make it into this elite club such as South Africa, Thailand, Singapore, Brazil, Taiwan, South Korea, Chile, Argentina, Indonesia, Malaysia, and Mexico. Although land or real estate is covered in the nation branding literature (Bloom Consulting, 2013; Rojas-Me´ndez, 2013) its relationship with property rights and FDI has hardly been examined in this domain. Foreign direct investors need land to build factories and even land for agricultural projects. Thus it is fundamental that the clarity of national policy on ownership of land for agricultural or other purposes is included in nation branding literature.

6.3.8.18 Adaptability of national character to global economy

Countries, although more complex than companies, exist in a highly competitive and interlinked global environment (Anholt, 2008a; Aronczyk, 2008; Ferrell & Hartline, 2011; Fetscherin & Marmier, 2010; Lee, 2011; Lee, 2016; Moilanen & Rainisto, 2009; Ndlovu & Heath, 2013; Oliva & Stringari, 2014; Rusko, Merenheimo & Haanpää, 2013; Rojas-Mendez, 2013; Kalamova & Konrad, 2010; Same & Solarte-Vasquez, 2014; Temporal, 2014). In order for them to remain relevant and able to claim a substantial share of the world's finite resources like investments, exports, political influence, talent, citizens, and tourists – which are basic ingredients for national development and prosperity – countries and governments running them have to adapt themselves to the global environment. It is fundamental that national character or government policy is adapted to fit the dynamic global economy (IMD, 2014; Outhavong, 2009; WEF, 2015a). Adaptability of government policy to changes in the global economy is important to government efficiency (IMD, 2014:326). This basic ingredient will become even more critical in the future as economies that are competitive are better equipped to adapt to a rapidly changing environment (WEF, 2015a:15).

Perhaps, because of a growing sense of national pride (Bloom Consulting, 2013:3), nationalism (Bond, McCrone & Brown, 2003; Browning, 2011; Cateora, Gilly & Graham, 2011; Kalfadellis & Gray, 2004; Zhang, 2014), populist policies (see e.g. Bénassy-Quéré, Coupet & Mayer, 2007; Walsh & Yu, 2010; IMD, 2014 for rigid labour market policies), the urge to resist globlisation and its values may also be fermenting. Regardless of the lull in globalisation in

recent years and the concerns about populist and nationalist politicians beginning to turn economies inward, large corporations appear dedicated to a globalised business strategy (AT Kearney, 2016:8). Nationalism is fuelled by the need of a community to justify itself and legitimise its position, at the minimum protecting what has been achieved, but ultimately seeking to strengthen its standing and credentials (Browning, 2011:6). Cateora, Gilly and Graham (2011:165) argue that nationalism is "an intense feeling of national pride and unity, an awakening of a nation's people to pride in their country". Nationalistic ideology maybe inward-focused hence can be anti-globalisation. However, since nationalism has a fundamental economic element, and the positioning of national identity, it cannot be restricted to official political movements (Bond, McCrone & Brown, 2003:388). Interestingly, 'national' competition among states is a fundamental articulation of nationalism and national ideology, though it portrays itself essentially as technocratic and economic (Bond, McCrone & Brown, 2003:372).

Sentiments of nationalism manifest in many ways, including calls to "buy our country's products only" [e.g. 'Buy South Africa' or 'Buy Zimbabwe'], restrictions on imports, and control over foreign investment (Cateora, Gilly & Graham, 201:166). One of the goals of economic natiotionalism is the safeguarding of national economic autonomy in that citizens identify their interests with the protection of the sovereignty of the country in which they live (Ghauri & Cateora, 2014:91). "In other words, national interest and security are more important than international consideration" (Ghauri & Cateora, 2014:91). Nonetheless, the iron is that many governments worldwide assert their sovereignty in that manner yet they also retain foreign capital as a determinant of their national economic development strategy. Given this state of affairs, the SON-FDIBE hypothesised model posits that the degree to which governments are prepared to adapt their policies and a national character to the demands of the global economy has a profound effect on their ability to attract FDI.

6.3.8.19 Policy consistency and stability

Businesses prefer an environment that is consistent, stable, and predictable for them to plan and execute their strategic and operational plans. As acknowledged in the country risk item discussed below, investment is a risk-taking initiative. Government policy is one key area that is critical to reducing human-driven risk by ensuring predictability, stability and consistency.

Policy consistency and stability is a critical measure of destination competitiveness (IMD, 2014; Mbaiwa, 2016; Mlanga, 2014b; Reserve Bank of Zimbabwe, 2012; WEF, 2015a, 2016). Businesses can plan more effectively in a policy environment that is consistent, stable, and predictable. The conceptual framework proposes that such a stable policy context is attractive to foreign investors. The creation of "a stable and predictable legislative and administrative environment" is a golden rule of country competitiveness (IMD, 2014:499).

6.3.8.20 Rule of law

Rule of law is an outcome of the principle of transparency (Crowther & Seifi, 2011:25). It is clear that good governance needs a fair outline of rules of operations that should be enforced impartially without considering power relationships (Crowther & Seifi, 2011:25). The extent to which a country respects the principle of "rule of law" affects how it is perceived—its brand (Anyanwu, 2012; Fund for Peace, 2014; Kalamova & Konrad, 2010; Mo Ibrahim Foundation, 2015; Passow, Fehlmann & Grahlow, 2005; Cornell University, INSEAD & WIPO, 2015). Among the 10 drivers of reputation identified in a study on Liechtenstein's reputation, the attribute "upholds international laws" had the second highest beta coefficient of 0.216 (Passow, Fehlmann & Grahlow, 2005:317). "Rule of law and control of corruption consider aspects related to the respect for the institutions that resolve conflicts and govern interactions between citizens/firms and the government" (Kalamova & Konrad, 2010:420). The quality of institutions is determined from within, that is, "the rules governing human interactions are the result of choices made by those in power, selected on the basis of the rules they set" (WEF, 2015a:46). Within the GCI, indicators of the quality of public institutions relating to the rule of law are "judicial independence" and "favouritism in decisions of government officials" (see WEF, 2013a, 2014, 2015a, 2016). However, in its FSI, Fund for Peace bunches together "human rights and the rule of law". When human rights are violated or unequally protected, the state is failing in its ultimate responsibility (Fund for Peace, 2014, 2015). Furthermore, the rule of law in the Mo Ibrahim Foundation's IIAG is contained in the "Safety and Rule of Law" category, which captures the degree to which all people are protected from internal and external threats to peace. The extent to which society is safe and secure is evaluated together with "the existence of a robust legal system and transparent, effective and accessible institutions, within all branches of the state" (Mo Ibrahim Foundation, 2015:6). Consequently, it is important that probable influence of the rule of law on country FDI brand attractiveness is assessed. With a

commercial context, the rule of law basically subsumes the independence of the judiciary in arbitrating and resolving commercial disputes. Doing Business indicators have become part of a broader discussion on what comprises "business friendly" rule of law (World Bank, 2016a:105). Its indicators are starting a business, registering property, trading across borders, dealing with construction permits, getting credit, enforcing contracts, getting electricity, protecting minority investors, resolving insolvency, and paying taxes. However, Crowther and Seifi (2011:26) argue that although very easy to say, rule of law is a very disputable principle. "[C]onflicts can arise from the reluctance or inability of some countries to abide by the internationally agreed principles such as those of human rights, labor practices, etc." (Crowther & Seifi, 2011:26).

6.3.8.21 Country risk

Because an investment decision is a buying decision like any other, investors assess country risk before they select an investment location. The over 200 countries and states on the planet are thus products or brands competing for attention and selection by foreign investors. To predict and reduce the potential for making a wrong purchase decision in terms of target host country, foreign investors assess the perceived risks associated with investing in alternative prospective host countries in their consideration or evoked set. Economic theorists have investigated the effect of country risk on FDI location decisions (e.g. Bouyahiaoui & Hammache, 2014; Demirhan & Masca, 2008; Grzegorczyk & Budzyński, 2015; Hayakawa, Kimura & Lee, 2012; Jensen, 2008; Ledyaeva, Karhunen & Whalley, 2013; Satyanand, 2011; Săvoiu, Dinu & Ciucă, 2013; Petrović & Stanković; 2009). While consumer behaviour literature acknowledges that consumers perceive risks – i.e. financial, physical, performance, psychological, and social – when making buying decisions (Blackwell, Miniard & Engel, 2006; Blythe, 2008; Kardes, Cline & Cronley, 2011; Schiffman *et al*., 2010; Solomon, 2011), many nation branding theorists only go as far as acknowledging perceived destination risk (e.g. Jacobsen, 2009; Marandu, Amanze & Mtagulwa, 2012; Mugobo & Ukpere, 2011; Saraniemi, 2009; Szondi, 2007). Few of them have actually gone on to measure its impact albeit as "safety" and not "risk", i.e. "safe place in which to invest" (e.g. Passow, Fehlmann & Grahlow, 2005:313). Jacobsen (2009:78) argues that, from the investor's standpoint, the key objective of place brands is to simplify information processing and reduce perceived risk. FDI exposes firms to risks like blocked or devalued currencies, worsening markets, expropriation, and even

paying high severance packages if the host country's labour laws stipulates such for businesses closing down or rightsizing their operations (Kotler & Keller, 2016:246).

Risk as a determinant of FDI location is analysed from the perspective of macroeconomic risk and political risk, and, in both instances, the higher the risk, the less positive the effect is on the propensity to invest (Grzegorczyk & Budzyński, 2015:1090). The types of political risks affecting companies range from exchange controls, import restrictions, price controls, confiscation (i.e. seizing a company's assets without payment) and domestication (i.e. transferring foreign investment to national control and ownwership through successive government decrees) (Ghauri & Cateora, 2011:92). All risks FDI faces in host countries as suggested in the literature (Ghauri & Cateora, 2014; Grzegorczyk & Budzyński, 2015; Kotler & Keller, 2016) above can be summed into country risk. A study conducted by Demirhan and Masca (2008:366) found that country risk has not been an important factor in attracting FDI in the mentioned period. In the same study they also concluded that when a host country presents high returns, investors may ignore political risk and go on to invest. Therefore, the potential for high returns – e.g. supported by GDP size, GDP per capita, low taxes, low inflation rate – may reduce the effect of perceived country risk on the decision to invest.

Sun (2009:90) contends that FDI has long-term orientation and incurs much higher risk than exports and tourism. Therefore, he concludes that foreign investors are more conscious of the potential risks of a specific country and nation branding strategies can have a limited effect on their decisions. An empirical study carried out by Jensen (2008:1050) confirms "that democratic institutions are associated with lower levels of political risk, and this result is driven by the level [of] constraints on the executive". Interestingly, it is also common that within the same country, some foreign companies can be given government protection and preferential treatment while others are subjected to politically motivated harassment (Ghauri & Caterora, 2014:95). Given the theoretical arguments above, it is fundamental that country risk is included in the SON-FDIBE conceptual framework.

6.4 CHAPTER SUMMARY

This chapter has designed and presented the SON-FDIBE conceptual framework thus fulfilled the second, and last theoretical, objective of the study. The SON-FDIBE theoretical model is

organised into eight constructs and hypotheses – society, technology, ecology, economy, market, infrastructure, organisation, and government – with a total of 105 attributes. Going by a number of attributes, the framework is one of the most comprehensive academic models so far designed to measure nation FDI brand equity from a stakeholder-oriented standpoint. Hence the SON-FDIBE hypothesised model is an original and important contribution to knowledge. Its eight theoretical dimensions tie perfectly well with the UN's Agenda for Sustainable Development, which guides global action to the year 2030. A country that adopts the model, therefore, may also be able to concurrently demonstrate how its FDI destination brand strategy correlates with the global sustainable development agenda. The chapter has laid the foundation for the remaining chapters of the thesis (i.e. research methodology, findings, discussion, and conclusions and recommendations). The next chapter is the research methodology chapter. It will describe how the empirical study was carried out and data analysed.

CHAPTER 7

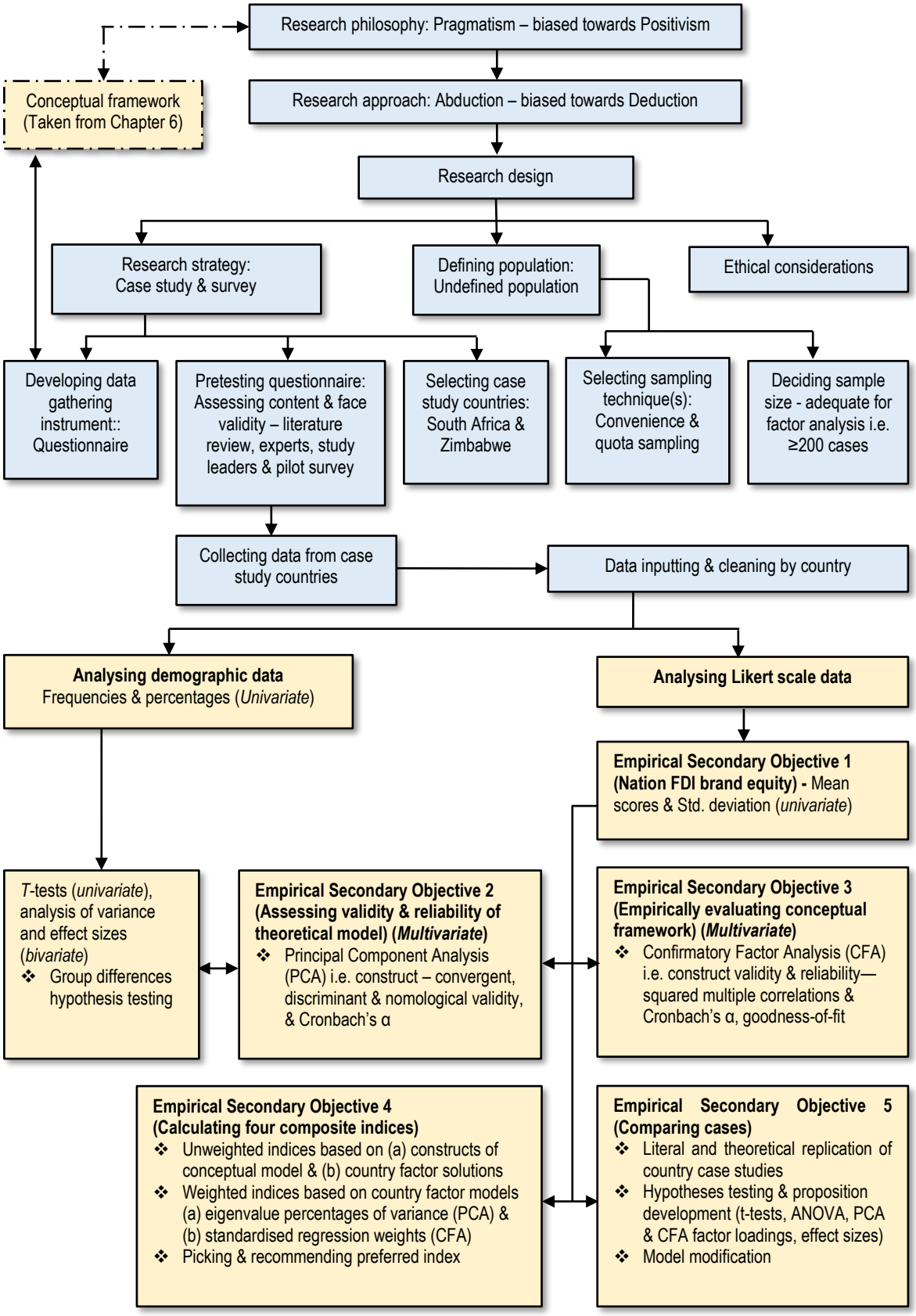
RESEARCH METHODOLOGY

7. RESEARCH METHODOLOGY

7.1 INTRODUCTION

Knowledge in the social sciences is generated within a defined research philosophy, research approach, and research design. The previous chapter presented the study's conceptual framework and the current chapter describes how the conceptual model was operationalised to gather data to fulfil the study's empirical objectives. Consequently, this chapter clarifies and defends the research philosophy and research approach that underpinned the research design and research methodology of the study as summarised in Figure 7.1 below. A research design explains how data to fulfil a study's objectives is collected and analysed. Elements of research design covered in this chapter are research strategy, data gathering instrument, population, sampling and sample size, ethical considerations, data capturing and cleaning, and data analysis. Lastly, the chapter describes how the study's findings will be presented in the three next chapters. The chapter makes original and significant methodological contributions to existing empirical literature on nation branding by applying confirmatory factor analysis and structural equation modelling to confirm the factors that affect brand equity of nation foreign direct investment (FDI) and generate factor weights for computing the stakeholder-oriented nation FDI brand equity (SON-FDIBE) index. It makes an additional methodological contribution to the existing body of knowledge in this area by employing effect size analysis to assess the practical and theoretical implications of the study. As far as this researcher knows, hitherto to this thesis, there were barely any studies on FDI destination branding that have applied SEM and effect size analysis.

Figure 7.1: Roadmap of research methodology



7.2 RESEARCH PHILOSOPHY, APPROACH AND DESIGN

7.2.1 Research philosophy: Pragmatism with bias towards positivism

Research design and methodology in the social sciences, of which nation branding is one, is guided by research philosophy and research approach. Four research philosophies that guide the generation of knowledge in the social sciences are positivism, interpretivism or phenomenology, realism (Blumberg, Cooper & Schindler, 2011; Collis & Hussey, 2014; Saunders, Lewis & Thornhill, 2012) and pragmatism (Collis & Hussey, 2014; Saunders, Lewis & Thornhill, 2012). The existence of these philosophies may tempt researchers to think that research must fit neatly into one specific philosophy yet the practical reality is that a research question can rarely be answered within one philosophical domain (Saunders, Lewis & Thornhill, 2012:128). Given the objectives of this study, this project was carried out from a mixed positivist and interpretivist, or pragmatist, philosophy, with a bias towards positivism.

Pragmatism intimates that the research question is the most important determinant of a research philosophy adopted in a study hence researchers can work within a mixed positivist and phenomenological position (Collis & Hussey, 2014; Saunders, Lewis & Thornhill, 2012). So pragmatism is characterised by the norms of both natural and social sciences. Instead of being inhibited by one paradigm, pragmatists advocate that researchers must be free to blend methods from different paradigms, selecting them on the basis for fulfilling research objectives (Collis & Hussey, 2014:54). Pragmatism was the most suitable philosophy to adopt in this study because nation branding is a social science, the nation brand is a perceptual concept, and the domain has been researched for over 20 years now. A brand lives in the minds of consumers and is a perceptual object rooted in reality but exhibiting the perceptions and idiosyncrasies of consumers (Keller, 2013; Kotler & Keller, 2016). Therefore, this study measured nation FDI brand equity from both a theory testing (deductive) paradigm using confirmatory factor analysis (CFA) and/or structural equation modelling (SEM) and theory building (inductive) approach using exploratory factor analysis (EFA) because of three main reasons. One, nation branding is an exciting, complex and controversial area in which there is little existing theory but a huge amount of real world activity (Dinnie, 2008; Donner, Fort & Vellema, 2014; Rojas-Me´ndez, 2013) hence it was reasonable to initially subject the study's conceptual framework to EFA before testing its hypotheses through CFA and/or SEM. Secondly, compared to other

outcome areas of country branding such as tourism and public diplomacy, the FDI outcome area is barely researched (Dinnie, 2008; Szondi, 2007; van den Akker, 2011; Wilson, Baack & Baack, 2014). Consequently, the researcher could not guarantee that as he tested theory new propositions could not emerge (**see 7.7.2 below, research approach**). Third, the fact that the the conceptual framework was partly validated through conference proceedings (**see section 7.7.2.6**) prove that his research philosophy was pragmatic and research approach abductive.

Research principles informed by positivism extend from the natural sciences. **Positivists** assume that the social world of business exists externally and is viewed objectively, research is value-free, and researchers are independent or objective analysts (Collis & Hussey, 2009; Blumberg, Cooper & Schindler, 2011; Saunders, Lewis & Thornhill, 2012). Inspired by positivism, Blumberg, Cooper and Schindler (2011:17) argue that knowledge is developed by studying social reality through observing facts. They further claim that the social world can be reduced to simple elements, which are then further reduced into fundamental laws to study social phenomena. It was possible to undertake this study from a positivist philosophy given that there is a considerable amount of literature on nation branding and, by extension, studies on FDI determinants done in economics under the standard foreign trade approach to FDI (see Kalamova & Konrad, 2010:431). Drawing from that huge mass of literature, this study built and defined the concept of SON-FDIBE and generated constructs, attributes and hypotheses to measure it quantitatively focusing on the FDI sub-brand. However, the study was not entirely positivist in character. Data to fulfil its objectives were gathered from a voluntary or self-selecting sample because the study's population was undefined hence there was no sampling frame. A representative sample is critical to quantitative studies rooted in the positivist philosophy (Blumberg, Cooper & Schindler, 2011:167) although a positivist philosophy is also not necessarily quantitative (Yu, 2001; Knox, 2004; Poon, 2005).

In contrast, the phenomenological philosophy grew from the social sciences. Thus it believes that the social world of business cannot be accurately interpreted using research principles of natural sciences. **Phenomenology** refers to the way people interpret the world around them (Saunders, Lewis & Thornhill, 2012:137). The basic assumptions of phenomenology are that the social world is constructed and interpreted subjectively, the researcher is part of what is observed, and research is driven by interests (Blumberg, Cooper & Schindler, 2011:17). Hence the interpretive philosophy also guided this study regarding the research approach and research

design adopted, particularly the sampling techniques used to select respondents. Furthermore, the study followed a phenomenological philosophy because of the perceptual nature of the construct measured—stakeholder-oriented nation FDI brand equity (SON-FDIBE). The study also had an interpretive orientation because in its factor extraction or exploration (PCA) and confirmation (SEM with CFA) that tested theory it simultaneously generated theory or propositions. However, Nudzor (2009:114) argue that pragmatism is unrealistic in that it is similar to arguing that the world is both round and flat at the same time. But, if a study tests hypotheses and generates propositions in the process, as the current study did, is that not supporting the hypothesis that the world is both round and flat?

7.2.2 Research approach: Abduction with bias towards deduction

A study's research approach has to be aligned with the chosen research philosophy if sound research methodology is to be designed. There are three approaches to research, i.e. deduction, induction (Bryman & Bell, 2015; Gray, 2014; Saunders, Lewis & Thornhill, 2012) and abduction (Kovács & Spens, 2005; Saunders, Lewis & Thornhill, 2012; Reichertz, 2004; Richardson & Kramer, 2006). A **deductive approach** is an experimental approach that relies on questions or hypotheses defined before data is collected that the study will test (Gray, 2014:682). Gray's opinion is echoed by several theorists who argue that deduction stipulates that a researcher must deduce hypotheses from existing knowledge about the domain, which should then be tested through empirical analysis (e.g. Bryman & Bell, 2015; Kovács & Spens, 2005). This study followed the deductive approach in that the researcher reviewed literature, constructed a conceptual framework, and defined hypotheses before collecting data to validate the theoretical model. Thus the deductive paradigm is aligned with the positivist philosophy.

Gray (2014:684) defines an **inductive approach** as the gathering of evidence on which theories or concepts are then built, moving from specifics to generalisations. In fact, induction is the opposite of deduction hence, in an inductive approach, the researcher draws generalisable conclusions out of the evidence gathered (Bryman & Bell, 2015:25). Nevertheless, an inductive process may involve some deduction given that once a researcher has generated propositions after initial data gathering, she may want to collect additional data to verify the propositions (Bryman & Bell, 2015:25). Zikmund *et al*. (2013:43-44) concur with the definitions of deduction and induction given by research methodologists cited above. An

inductive approach is associated with qualitative studies and the phenomenological approach. While researchers following an inductive approach rarely define hypotheses after reviewing literature, some in the field of nation branding design *a priori* theoretical frameworks (e.g. Khalifa, 2010; Lee, 2009; Rainisto, 2003). The practice of designing an *a priori* conceptual framework when one carries out a qualitative study (i.e. rooted in the phenomenological philosophy) reduces the distinction between the inductive and deductive approaches.

Then there is a mixed deductive and inductive approach—the abductive paradigm. Saunders, Lewis and Thornhill (2012:147) cite Suddaby (2006) who argue that instead of moving from theory to data (as in deduction) or data to theory (as in induction) an abductive paradigm moves back and forth hence blends deduction and induction. An **abductive** research approach involves gathering data to investigate a phenomenon, identify themes and explain patterns, to create a new or amend a current theory, which is subsequently tested (Saunders, Lewis & Thornhill, 2012:665). Abduction is an essential concept within pragmatism by which useful explanations are developed (Richardson & Kramer, 2006:499). Abduction is "a cerebral process, an intellectual act, a mental leap, which brings together things one had never associated with another" (Reichertz, 2004:162).

This study was guided by the abduction approach in that its research design has characteristics of both deductive-quantitative and inductive-qualitative approaches as already explained above. The researcher could not rule out that there could be fewer or more than the eight factors in his conceptual framework (**Chapter 6**) explaining stakeholder-led nation FDI brand equity before he conducted the empirical study to test hypothesis $\mathbf{H_2}$. However, he did not return to the field to gather additional data to test the new propositions that emerged from data he gathered to test the original hypotheses of the conceptual framework—i.e. $\mathbf{H_1}$ through $\mathbf{H_{10}}$. A topic that has substantial information in one context but far less in the context being investigated may lend itself to an abduction approach empowering the investigator to modify an existing theory (Saunders, Lewis & Thornhill, 2012:148). This is precisely what the current study did. There is considerable amount of literature on nation branding from an umbrella perspective (Anholt, 2013b; Fetscherin, 2015; Kasabov & Sundaram, 2011; Kemming, 2009; Lambrea, 2014; Lee, 2011; Mariutti & Tench, 2015; Rojas-Me´ndez, 2013), FDI determinants from a foreign trade approach (e.g. Anyanwu, 2012; Chellaraj & Mattoo, 2015; Ledyaeva, Karhune & Whalley, 2013; Mohamed & Sidiropoulos, 2010; Andrés, Nunnenkamp & Busse,

2013), and general business administration (Sahgal, 2011; Salem, 2015; Sukhoruchenko, 2007) but not as much from an FDI destination brand management perspective (see e.g. Jacobsen, 2009; Kalamova & Konrad, 2010). Abductive research can help to generate hypotheses or propositions that can later be tested in a deductive phase of study (Kovács & Spens, 2005:138). Therefore, adopting an abductive approach leads to new insight about existing phenomena by examining these from a new perspective, Kovács and Spens add.

7.2.3 Research design

A study's research philosophy and research approach influence decisions concerning the research design. A **research design** is a master plan that details how the research problem will be solved or research objectives fulfilled (Creswell, 2014; Kumar, 2014; Malhotra & Dash, 2011; Saunders, Lewis & Thornhill, 2012; Zikmund & Babin, 2013). It identifies and justifies decisions on sources of data, research strategy, data collection methods, and analysis, the above-cited research methodology theorists suggest. So the research design is an element of research methodology. Research design provides a framework upon which the quality of a study's findings can be evaluated (McGivern, 2013:61). Kumar (2014:123) argues that a research design has two main functions: (i) to identify or develop procedures and logical arrangements needed to conduct a study and (ii) to ensure that the adopted procedures guarantee validity, objectivity and accuracy of the results.

A research design also enables the study to be suitably classified as exploratory or conclusive, i.e. descriptive and causal researches (Malhotra & Dash, 2011:70). This study typically followed a **multiple, cross-sectional descriptive designs** in that it gathered data only once from two samples (i.e. South Africa and Zimbabwe) each with some subsamples (Malhotra & Dash, 2011:76). According to Malhotra and Dash, multiple cross-sectional designs are part of the descriptive research, which also is part of conclusive research designs. **Conclusive research**, typically more formal and structured than exploratory research, is designed to help decision-makers generate, assess, and choose the best option within a defined context (Malhotra & Dash, 2011:71). This kind of research is based on huge, representative samples, the data collected are analysed quantitatively, and the findings are regarded as conclusive because they inform managerial decision making. Nonetheless, Malhotra and Dash (2011:71) acknowledge that "from the perspective of the philosophy of science, nothing can be proven

and nothing is conclusive". A **descriptive study** describes or explains the characteristics of the construct or object concerned (Malhotra & Dash, 2011; Zikmund & Babin, 2013). An **exploratory design** enables a researcher to gain insights into, and appreciation of the problem facing the researcher (Malhotra & Dash, 2011; Zikmund & Babin, 2013). This study was predominantly exploratory in the sense that it sought to validate the conceptual framework. The study was also exploratory in that, as far as the researcher knows, it is likely to be the first of its kind to have compared South Africa and Zimbabwe. Notwithstanding that it quantified the nature and extent of nation FDI brand equity in the panel countries, the study followed an exploratory and descriptive research design in that it collected data from a convenience sample. While exploratory research is the starting point, it need not be. Hence it may follow a descriptive or causal research design (Malhotra & Dash, 2011:82). This study has also followed a causal research design because it measured the relationship between factors and their constituent attributes (independent variables) and SON-FDIBE (the dependent variable) using standardised regression weights generated by SEM.

7.2.3.1 Research strategy: Mixed case study and survey strategy – The justifications

A **research strategy** is a plan of how a researcher will answer the research question (Saunders, Lewis & Thornhill, 2012:173) or fulfil the research objective. Up to 10 research strategies can be identified in the literature—i.e. experiment, survey, archival research, case study, ethnography, action research, grounded theory, narrative enquiry, interview, and observation (Blumberg, Cooper & Schindler, 2011; O'Leary, 2010; Saunders, Lewis & Thornhill, 2012). This study adopted a mixed case study and survey strategy given the nature of data and sample size needed to attain the research objectives, and also the fact that it was underpinned by a pragmatist philosophy and an abduction approach **(sections 7.2.1 & 7.2.2 above)**. Case studies involve an intensive examination of a few selected cases of the phenomenon of interest and the cases could be firms, consumers, stores, websites and other units (Maholtra & Dash, 2011:41) or an individual, a community, an instance, an episode, an event, a subgroup of a population, a town or city (Kumar, 2014:155). So, a case study can focus on a country or even countries. The importance of the background is essential in case studies (Collis & Hussey, 2009:82) and that was dealt with in Chapters 2 and 3 of this thesis. The phenomenon studied in this study was SON-FDIBE and cases studied were South Africa and Zimbabwe. While the concept

measured could have benefitted from multiple cases, the study focused on only two countries because of its exploratory nature and resource limitations.

Surveys and questionnaires can be used to collect data in case studies (Saunders, Lewis & Thornhill, 2012:179). Case study methodology can be applied by interpretivists and positivists (Collis & Hussey, 2014:68) or in qualitative and quantitative researchers (Kumar, 2014; Yin, 2009 cited in Saunders, Lewis & Thornhill, 2012). The value of case study can be that it is theoretically representative and explanatory (Rainisto, 2003:94) or theoretically generalisable (Blumberg, Cooper & Schindler, 2011:256). The case you select becomes the basis of a thorough, holistic and detailed examination of the aspect(s) you are investigating (Kumar, 2014:155). A case study provides an impression and in-depth understanding of a case(s), process and interactional dynamics within a unit of study but cannot claim to be generalisable to a population beyond cases similar to the one(s) studied (Kumar, 2014:155). Case study strategies may be a single case or multiple cases (Collis & Hussey, 2014; Saunders, Lewis & Thornhill, 2012; Yin, 2003). A research design based on multiple case studies can be referred to as a comparative case study (Collis & Hussey, 2014:68). The basis for using multiple cases, i.e. more than one case, centres on whether findings can be replicated across cases (Saunders, Lewis & Thornhill, 2012:180). Case studies can be a worthwhile strategy of exploring existing theory, can enable a researcher to challenge the extant theory, and can generate new research questions, the trio add. The other advantage of case study research strategy is that it enables an in-depth analysis of a phenomenon. Moreover, because a combined survey and case study research strategy was adopted in this study, data analysis followed within-case analysis and cross-case analysis (Collis & Hussey, 2009:83). In the within-case analysis, South Africa and Zimbabwe are analysed and reported as individual cases (Chapter 8 and 9 respectively) while in the cross-case analysis the two nations are contrasted regarding the findings (Chapter 10). Cross-case analysis enables an investigator to draw out any similarities and differences to help him identify common patterns (Collis & Hussey, 2014:69). The disadvantages of case study research strategy are that it can be difficult to negotiate access, is time-consuming and it may be difficult to decide the scope of the study, the duo added. Researchers must reveal if they managed to interview all persons they were interested in (Blumberg, Cooper & Schindler, 2011:262) and, as stated later in this chapter, that was not feasible in this study.

Surveys collect data by asking respondents open-end, closed-end, or both open- and closed-end questions. While surveys are commonly associated with a deductive research approach, they can also be used for descriptive and exploratory research (Saunders, Lewis & Thornhill, 2012:177). Surveys using questionnaires are common because they can gather standardised (quantifiable) data from a large population, are cost-effective and allow easy comparison (O'Leary, 2010; Saunders, Lewis & Thornhill, 2012) of responses among individuals and clusters. Additional strengths of surveys are the ability to generate qualitative data through open-end questions, confidentiality and anonymity (O'Leary, 2010:183) and versatility (Blumberg, Cooper & Schindler, 2011:207). Surveys are associated with challenges such as capturing quantifiable data needed, collecting in-depth data, getting a representative sample to respond, getting anyone at all to respond, demanding statistical analysis skills, getting answers to questions you have asked only, and going back to your respondents if more data is required (O'Leary, 2010:183). In this study, the survey method was chosen because of its ability to collect standardised quantitative data on a perceptual concept, SON-FDIBE, in a cost-effective way.

At the same time, the case study strategy was chosen to enable the concept measured to be looked at from a cross-national perspective. "If the case will produce similar results, the selection is based on literal replication, and if contrasting results for predictable reasons, theoretical replication is used" (Rainisto, 2003:93). South Africa and Zimbabwe were chosen for inclusion in this multiple case research design for some reasons including the possibility of offering literal and theoretical replication (defined in the data analysis section of this chapter). The researcher anticipated some degree of literal replication (similarities in findings) because the two countries are all members of one regional economic integration bloc, the South African Development Community (SADC); they are affected by the African regional negative stereotype; they are both occupying untenable FDI brand propositions; and are endowed with considerable commercial natural resources **(see Chapters 2 & 3)**. Also, there was a possibility for theoretical replication (differences in some findings) because each of the cases is a unique political, economic, and social system.

7.2.3.2 Research instrument: Questionnaire

Once a research strategy has been chosen, a researcher proceeds to select a suitable research instrument(s) to gather data to answer the research question. A research goal may be fulfilled by primary data, secondary data, or a mix of the two. Since this study adopted the mixed survey and case study strategy, it employed a questionnaire to collect primary data to fulfil its objectives. **Primary data** refer to specific data collected first-hand by the researcher on the variables of interest to the specific purpose of the study (Malhotra & Dash, 2011; Sekeran & Bougie, 2013). The common research instruments suggested in the literature to gather primary data are interviews, questionnaires, and observation (Saunders, Lewis & Thornhill, 2012; Sekeran & Bougie, 2013). Nonetheless, Sekeran and Bougie (2013:115) add to this list "unobtrusive methods", which are methods that ensure that respondents are not aware that they are being studied (Bryman, 2012; Bryman & Bell, 2015). Considering its research strategy, this study collected data through a questionnaire. Questionnaires are a suitable tool for gathering data for survey and case study research designs (Collis & Hussey, 2014; Blumberg, Cooper & Schindler, 2011).

Because of the study's quantitative character, a self-administered questionnaire was deemed the most suitable data collection instrument for this research. A **questionnaire** is a structured, written set of questions for collecting data from respondents (Collis & Hussey, 2014; Gray, 2012; Malhotra & Dash, 2011; Saunders, Lewis & Thornhill, 2012; Sekeran & Bougie, 2013). Questionnaires share some of the same advantages as those of the survey research strategy, as already given above. For example, one of the advantages of both questionnaires and surveys is that they are a cost-effective method of gathering primary data from a large sample. Questionnaires tend to be used in descriptive and explanatory studies (Saunders, Lewis & Thornhill, 2012:419) and this study was underpinned by both these research designs. A questionnaire was deemed a suitable data collection tool for the study because data were collected from a considerably large sample and was analysed with statistical tools—two characteristics consistent with quantitative studies. Q**uantitative research** is a structured research methodology that attempts to quantify the data and, normally, uses some technique of statistical analysis (Malhotra & Dash, 2011:135). Malhotra and Dash also define **qualitative research** as an unstructured, exploratory research methodology based on small samples that give insights and understanding of the problem set. Considering that nation branding research

now dates back over 20 years, there is sufficient literature supporting researchers investigating this field from a quantitative approach.

7.2.3.3 Questionnaire structure and content

The study's questionnaire had two sections covering respondents' demographics and perceptions on nation FDI brand equity in respect of South Africa and Zimbabwe **(Appendix 1)**. It had 120 questions in total, i.e. 15 covering demographics of respondents and 105 focusing on SON-FDIBE—the conceptual framework. As far this researcher knows, the number of variables in the theoretical model section of this questionnaire makes it one of the most comprehensive academic research instruments ever designed to measure nation FDI brand equity from a stakeholder standpoint. Most existing academic place brand scales reviewed in this study comprise 20 to 40 items in their conceptual frameworks (e.g. de Queiroz & Gilradi, 2015; Hakala, Lemmetyinen & Kantola, 2013; Passow, Fehlmann & Grahlow, 2005; Ruzzier & Petek, 2012; Sartori, Mottironi & Corigliano, 2012; Pike *et al*., 2010). Existing academic studies in this domain thus have too few variables; they can all only be "considered a starting point for more complete and complex measurements" (Fetscherin, 2010:476). Perhaps, this makes the questionnaire for this study a better starting point for measuring stakeholder-driven nation FDI brand attractiveness regarding comprehensiveness than many of the existing models.

Nation brands are more complex than product, service or corporate brands (Dinnie, 2008; Fetscherin, 2010; Lasso & Esquivel, 2014; Sun, 2009) because the determinants of nation branding are many and complex (Fetscherin & Marmier, 2010; Lee, 2009, 2011). As such, a comprehensive questionnaire, like one used in this study, while it does not cover all attributes of nation FDI brand equity, should be more ideal for countries. The limitation in extant academic models regarding dimensions and attributes covered, perhaps, explain why proprietary nation reputation indices are more popular with policymakers and destination managers than academic studies. Examples of private indices popular with policymakers are the Global Competitiveness Index (GCI) of the World Economic Forum (WEF), the World Bank's Doing Business, and the World Competitiveness Scoreboard/Yearbook (WCS/Y) of the Institute of Management Development (IMD). The GCI has 114, and the WCS/Y has 253 attributes of nation competitiveness of which 79 and 118 variables respectively are assessed

through an executive opinion survey (see WEF, 2015:373-381; IMD, 2014:471). Another strength of these proprietary country branding indices is that they are longitudinal because they are conducted and published annually, which enable policymakers and destination managers to track country performance over time. A **longitudinal study** provides a series of pictures that, when viewed together, portray a vivid illustration of the situation and the changes that are taking place over time (Malhotra & Dash, 2011:77).

7.2.3.3.1 Demographic questions and the hypothesis for group differences in perceptions

Section One of the questionnaire had 15 closed-end questions covering demographic characteristics of respondents and the organisations where they were affiliated. For instance, some respondents were staff members of statutory economic development agencies (i.e. responsible for promoting investment, trade and tourism), others were full-time university students (i.e. studying towards honour's degrees), or both students and employees (in respect of master's students and participants in executive education almost all of whom were employed). The questions sought to profile the respondents by demographic variables thereby providing a basis for analysis to establish if there were statistically significant differences in perception among the respondent stakeholder groups. Some questions in this section went beyond the usual personal data of respondents collected in surveys. They asked respondents to indicate where they were affiliated as employees or directors, i.e. private or public sector; the organisation's sector defined by nature of business; and if privately-owned, whether the business was owned by locals or foreigners. The goal was to isolate public from private organisations and local- from foreign-owned or international firms and then to draw on respondents from international companies to proxy foreign investors. This was important because foreign investors were not directly targeted in this study due to resource limitations and the broad range of stakeholders needed to test a theory of stakeholder-oriented nation FDI brand competitiveness. Besides, the section separated respondents who had travelled abroad from those who had not, assuming they had different perceptions of the construct measured. Persons who travel a lot are often excited to learn about foreign countries in general (Hakala, Lemmetyinen & Kantola, 2013:548) and their views on the world may be different.

Data generated by questions in this section were used to describe and profile respondents and to assess the study's major argument that stakeholder-oriented brand equity (SOBE) moderates company-based brand equity (COBBE) (see Hypothesis **H_1**). The SOBE perspective (Jones, 2005; Rojas-Me´ndez, 2013; Sartori, Mottironi & Corigliano, 2012), with its underpinning on Freeman's (1984) stakeholder theory of management, takes into account the interests and support of an inclusive range of stakeholders (Aronczyk, 2008; Kasabov & Sundaram, 2011; Kavaratzis, 2012; Dinnie & Fola, 2009; Mbaiwa, 2016; Tatevossian, 2008; Temporal, 2014; Tiberghien, Garkavenko & Ashirbekova, 2013). The COBBE approach, with its underpinning on shareholder value theory (see, e.g. Atilgan, Aksoy & Akinci, 2005; Dinnie, 2008; Laforet, 2010) can be equated with the elite theory of public policy making (see e.g. Anderson, 2015; Birkland, 2007; Cochran & Malone, 2005; Dye, 2014; Kotzé & Steenekamp, 2008; Vergara, 2013) that prioritises the interests of ruling elites. Resource allocation decisions, under the elite theory, are often fuelled by political power and rarely have anything to do with the interests of other stakeholders (Levy & Mitschow, 2009:6). Nonetheless, experiences from Eastern Europe have shown that nation branding campaigns executed by politicians alone frequently fail (Moilanen & Rainisto, 2009:75). As a result, this study hypothesised that:

> ***H_1:*** *There are statistically significant differences in stakeholder perceptions on determinants of SON-FDIBE in South Africa and Zimbabwe.*

7.2.3.3.2 Stakeholder-driven nation FDI brand equity attributes: Conceptual framework, hypotheses of variable relationships and Likert scale

Section Two of the questionnaire consisted of 105 questions or country brand attributes for assessing stakeholder perceptions on nation FDI brand equity competitiveness. While the attributes were far from exhaustive, their large number facilitated a fairly comprehensive measurement of the complex notion of SON-FDIBE (the dependent variable). This thesis regards the terms "attribute", "item" and "variable" as synonyms. A **variable** is a characteristic or attribute of an individual or organisation that is capable of being measured and varies from one example to another (Creswell, 2014; Bryman & Bell, 2015; Zikmund *et al*., 2010, 2013). Zikmund *et al*. (2013:299) further argue that "an **attribute** is a single characteristic or fundamental feature of an object, person, situation or issue". If an attribute does not change, it is a "constant" and business researchers are rarely interested in constants. Variables can be classified into independent and dependent variables. An **independent variable** is a variable that causes changes to the dependent variable hence explains its variance (Bryman & Bell,

2015; Blumberg, Cooper & Schindler, 2011; Gray, 2014; Kumar, 2014; Malhotra & Dash, 2011; O'Leary, 2010; Saunder, Lewis & Thornhill, 2012; Sekeran & Bougie, 2013; Zikmund *et al*., 2013).

A **dependent variable** is the variable of primary interest to the researcher that should be understood in respect of other (or independent) variables that influence it (Creswell, 2014; Blumberg, Cooper & Schindler, 2011; Gray, 2014; Malhotra & Dash, 2011; Saunders, Lewis & Thornhill, 2012; Sekeran & Bougie, 2013; Zikmund *et al*., 2013). Sekeran and Bougie (2013:69) intimate that by finding what other variables influence the dependent variable, it is possible to find solutions to the research problem. This echoes Kumar (2014:85) who defines a **dependent variable** as an outcome or change(s) that happen because of the introduction of an independent variable. The distinction between dependent and independent variables becomes fundamental to comprehending how the researcher can model business processes (or research designs) and correctly employ specific statistical techniques like multiple regression analysis (Zikmund *et al*., 2013:119) and structural equation modelling (SEM) through confirmatory factor analysis (CFA). High-level statistical analysis tools employed in this study were exploratory factor analysis, *t*-tests, analysis of variance (ANOVA), effect sizes, and CFA. As already stated, the large number of attributes in the conceptual framework positioned this study's questionnaire as one of the most comprehensive academic scales so far developed and validated to measure nation FDI brand attractiveness from a stakeholder standpoint. There is hardly any existing studies on country branding in general and FDI destination branding in particular that employed effect size analysis to demonstrate the practical implications of nation branding studies. Therefore, this study is a significant methodological contribution to this area.

All 105 questions in this section were informed by the eight constructs of study's SON-FDIBE conceptual framework and their respective attributes— i.e. Society (SOC) = 15, Technology (TECH) = 8, Ecology (ECOL) = 4, Economy (ECON) = 16, Markets (MARK) = 18, Infrastructure (INFRA) = 14, Organisation (ORG) = 5, and Government (GOVT) = 25; which were all substantiated by existing literature as shown in Table 6.1 **(see Chapter 6)**. Therefore, the study posited that:

H_2: *There are eight determinants of SON-FDIBE in South Africa and Zimbabwe.*

A rationally designed theoretical framework is informed by **literature** (emphasis added), observation and interviews (Baalbaki, 2012; Malhotra & Dash, 2011; Sekeran & Bougie, 2013). Nevertheless, no observation or interviews were conducted to build the conceptual model for this study. As already stated, the eight dimensions of the conceptual framework, also known as SON-FDIBE octagon, or STEEMIOG (being the acronym of the eight constituent constructs) were underpinned by extant literature hence the study also hypothesised that:

H_3: *Society is a determinant of SON-FDIBE in South Africa and Zimbabwe.*
H_4: *Technology is a determinant of SON-FDIBE in South Africa and Zimbabwe.*
H_5: *Ecology is a determinant of SON-FDIBE in South Africa and Zimbabwe.*
H_6: *Economy is a determinant of SON-FDIBE in South Africa and Zimbabwe.*
H_7: *Market is a determinant of SON-FDIBE in South Africa and Zimbabwe.*
H_8: *Infrastructure is a determinant of SON-FDIBE in South Africa and Zimbabwe.*
H_9: *Organisation is a determinant of SON-FDIBE in South Africa and Zimbabwe.*
H_{10}: *Government is a determinant of SON-FDIBE in South Africa and Zimbabwe.*

For the SON-FDIBE theoretical framework to be recommended to the case study countries and/or any other developing countries with similar environments as a basis for designing sustainable inward FDI policies, its underlying hypotheses had to be validated. The idea of sustainability is founded on the assumption that the citizens of a destination must be involved in the manner that the destination is managed (Zouganeli *et al*., 2012:753).

All except one of the 105 questions in this section, seaports, were worded the same in the South African and Zimbabwean editions of the questionnaire. This was important to enable cross-national comparison of the two case studies. The "seaports" variable was adapted to fit the unique circumstances of each case study country. So the item was changed to "quality of ports" in the South Africa questionnaire because the country has a coastline and seaports. In the Zimbabwean questionnaire, the attribute was adapted to "proximity to quality ports" because the country is landlocked.

Respondents drew on the 105 variables to rate the SON-FDIBE of the country relevant to them on a 7-point Likert scale ranging from 1 = Very Weak, 2 = Weak, 3 = Somewhat Weak, 4 = Neither Weak Nor Strong, 5 = Somewhat Strong, 6 = Strong to 7 = Very Strong. Lasso and Esquivel (2014:2) argue that nation branding is a relatively new concept that has been oversimplified by some proponents to a commodity that can be evaluated in a linear mode, i.e. bad reputation to good reputation, which fails to recognise that reputations are much more

complicated. However, Likert-type scales are a suitable research instrument for country reputation studies that follow a quantitative research design. Consequently, proprietary nation branding indices (e.g. Anholt-GfK Roper, 2016b; Deloitte Global & US Council on Competitiveness, 2016; IMD, 2014b; WEF, 2015) and academic country branding studies (e.g. Hakala, Lemmetyinen & Kantola, 2013; Passow, Fehlmann & Grahlow, 2005; Pike *et al*., 2010; Ruzzier & Petek, 2012) use or have used Likert scales to gather data. Besides, this study gathered data from "expert" respondents only, i.e. those with an understanding of issues underlying country competitiveness, so there was no question of complexity. Moreover, the letter of introduction (**Appendix 2**) that accompanied the questionnaire defined the concept measured. The research design advocated by Lasso and Esquivel (2014) is only suitable for qualitative studies exploring attributes for measuring country reputation rather than quantifying them. With the challenges facing contemporary FDI destinations, the value of studies quantifying rather than simply qualifying policy issues destinations must address can no longer be trivialised two decades after the emergence of country branding theory. Policymakers and destination managers need comprehensive nation brand policy diagnostic tools if they are to address the complex challenges faced by countries hence this study.

A 7-point Likert scale was thought suitable for this study because psychometric tests have proven that seven response categories are the most optimal regarding reliability and validity (Lozano, García-Cueto & Muñiz, 2008; Preston & Colman, 2000; Willits, Theodori & Luloff, 2016). In fact, Lozano, García-Cueto & Muñiz (2008:73) argue that the reliability and validity of scales decrease with fewer than four alternatives and scarcely increases from seven options onwards. Nevertheless, many theorists admit that there is no standard for the number of points on rating scales because common practice varies widely (Krosnick & Presser, 2010; Willits, Theodori & Luloff, 2016). For rating scales up to seven points long, it may be easy to specify intended meanings of points with words [such as "Very Weak" to "Very Strong" in the case of the current scale] but once the number of scale points increases beyond seven, point meanings may become noticeably less clear (Krosnick & Presser, 2010; Willits, Theodori & Luloff, 2016). The second reason for the choice was that a scale with up to seven points reflects many existing brand equity scales for product, service or corporate brands (e.g. Baalbaki, 2012; Rego, Billet & Morgan, 2009; Yoo & Donthu, 2001) or places, countries included (e.g. Anholt-GfK Roper, 2016b; IMD, 2015; Hakala, Lemmetyinen & Kantola, 2013; Passow, Fehlmann & Grahlow, 2005; Sartori, Mottironi & Corigliano, 2012; Pike *et al*., 2010; Ruzzier & Petek,

2012; WEF, 2016). In fact, the third reason the researcher settled for a 7-point scale was to align the conceptual framework specifically with the executive opinion survey scale of the WEF's GCI, also a 7-point Likert scale. That was done enable variable-by-variable comparison of the two scales as far as practicable since they all measure one underlying concept, the nation brand. Moreover, many governments use the GCI as a basis for assessing their global competitiveness. Of course, the two models differ in their scope. The GCI is an umbrella nation competiveness index, i.e. it measures the whole nation brand. In contrast, the SON-FDIBE conceptual framework is unique in that it focuses on only one sub-brand of a nation brand, FDI. However, given the variety of measures in the SON-FDIBE theoretical model, the measurement scale should also be largely relevant to umbrella country brands.

7.2.3.4 Pretesting questionnaire: Content and/or face validity

A questionnaire should be pretested (David & Sutton, 2011; Kim, 2016; Malhotra & Dash, 2011) or pilot-tested (Bryman, 2012; McGivern, 2013; Rattray & Jones, 2007; Saunders, Lewis & Thornhill, 2012) before it is used in a survey (Krosnick & Presser, 2010:294). Ideally, a questionnaire should be pretested on a small sample from the targeted population to identify and eliminate weaknesses in the data collection instrument (David & Sutton, 2011; Krosnick & Presser, 2010; Malhotra & Dash, 2011) such as "question content, wording, sequence, form and layout, question difficulty and instructions" (Lamelas, 2011:156). The pilot test aim to refine the questionnaire so that respondents will have no difficulties in answering the questions and there will be no challenges in recording data (Saunders, Lewis & Thornhill, 2012:451). A pilot test or pretest enables the researcher to obtain some assessment of reliability and validity of the data to be gathered (Saunders, Lewis & Thornhill, 2012:451; Qu, Kim & I'm, 2011:469) or the research instruments (Kim, 2016:14) hence the pretest should be sufficient for performing a systematic appraisal of a questionnaire's performance (Rattray & Jones, 2007:237). **Validity** is an indication of the extent to which a study's instrument measures what it is supposed to measure (Bhattacherjee, 2012; Blumberg, Cooper & Schindler, 2011; Collis & Hussey, 2014; Langdridge & Hagger-Johnson, 2009; Sekeran & Bougie, 2013). Malhotra and Dash (2011:280) argue that the validity of a scale can be defined as the degree to which differences in observed scale scores mirror real disparities among objects on the characteristic being measured, rather than systematic or random error.

Content (sometimes called **face**) **validity** is a subjective but systematic assessment of the suitability of scale items to the construct (Blumberg, Cooper & Schindler, 2011; Malhotra & Dash, 2011; Sekeran & Bougie, 2013). **Face validity** implies that the professionals in the area agree that the variables that are proposed to measure a concept are, indeed, confirmed to be measuring the concept (Bhattacherjee, 2012; Sekeran & Bougie, 2013; Zikmund *et al*., 2013). The judgement of what is "adequate coverage" and "essential measurement" can be made in a number of ways including careful definition of the study through the literature reviewed and discussion with other people (Saunders, Lewis & Thornhill, 2012:429) who are "experts in the field" (Bryman, 2012; Zikmund *et al*., 2013). The researcher or someone else assess the degree to which scale items sufficiently cover the scope of the construct being measured (Malhotra & Dash, 2011:280). The content validity of this study's research instrument was assessed in two ways before conducting the main study: (i) by the researcher through the literature he reviewed and (ii) through discussions with the researcher's two study promoters and four independent experts (three of these six experts were economists, and the other three were marketing specialists). Economists were included in the pre-survey validation team because "fundamental data which explain FDI in the standard foreign trade approach to FDI" (Kalamova & Konrad, 2010:431) comes from economics. Country brand attributes suggested by the experts or study promoters were added to the questionnaire and the theoretical framework, provided supporting literature was available. The questionnaire was adjusted by all other recommendations of the pilot study.

The study's questionnaire was pretested on a cross-section of stakeholders from South Africa and Zimbabwe. Elements for the pre-testing sample were drawn from students and lecturers in faculties of commerce and management sciences in two selected large universities—one from each country, and staff of a national tourism destination marketing organisation. While at pretesting phase, a soft copy of the draft questionnaire was emailed to almost the entire breadth of target stakeholder groups in South Africa in the last two weeks of August 2015, no responses were received from any of the clusters except undergraduate students and lecturers in the selected university. This was despite that the researcher followed up the stakeholder organisations with some emails and telephone calls to enlist responses. Hence by default, the pretesting sample was biased in favour of stakeholders in Zimbabwe, i.e. students and lecturers from the selected large university and a national tourism agency. The goals of the pilot survey were to pick any unclear statements, check the questionnaire for reliability and validity, and

any issues that could be raised by respondents and, lastly, to refine the instrument suitably. The goal of subjecting the research instrument to reliability and validity tests using Cronbach's alpha and exploratory and confirmatory factor analyses was deferred to the full-scale survey since the pretest sample for the two countries combined fell below the rule of thumb determined minimum sample of 30 elements for any large sample (David & Sutton, 2011; Saunders, Lewis & Thornhill, 2012). Only 21 completed pilot questionnaires were received from the two-panel countries most of them from Zimbabwe including those from the four experts who checked if the questionnaire was measuring what it was supposed to measure—face validity.

Following McGivern (2013:204), the researcher used the pilot survey to pre-notify prospective respondent stakeholders about the survey. This goal was met to a reasonable extent in Zimbabwe in respect of stakeholders outside of the chosen university since three of them responded positively within a week of receiving the application for research access. This was so in the case of the national tourism agency, the national investment agency, and the national export promotion agency. In South Africa, attainment of the same intermediate goal was limited to the national trade and investment department and national tourism promotion agency. As in Zimbabwe, most stakeholders such as societies of economists and trade associations including chambers of mines did not respond.

7.3 POPULATION, SAMPLING AND SAMPLE SIZE

The term **population** in a research context refers to organisations, regions, cities, or any object(s) of interest to a researcher (Bryman, 2012; McGivern, 2013) but not necessarily a human population. A **population** is the full set of elements from which some inferences can be made (Blumberg, Cooper & Schindler, 2011:167). It is the universe of units from which a sample can be chosen (Bryman, 2012; Bryman & Bell, 2015). Collis and Hussey (2014:62) argue that "a population is a **precisely defined** (emphasis added) body of people or objects under consideration for statistical purposes". This study partly followed a survey research strategy thus it was critical to collect data from a representative sample. The fundamental objective of survey research is to draw a representative sample of a study population (Boyer, Whipple, Cadigan & Henderson, 2012:511). A population may be classified as defined (finite) or undefined (infinite) (Boyer *et al*., 2012; Finch & Gordon, 2013; Kozak, 2008). Inferring from these authors, a **defined** or **finite population** is a universe with a known number of units,

and an **undefined** or **infinite population** is a universe whose total number of units is not known. Experts agree that there is controversy on whether or not infinite populations exist and that debate is beyond the scope of this thesis. "Whether or not infinite populations exist is a topic for a broad discussion" (Kozak, 2008:59). "The whole idea of an infinite population is quite abstract" (Finch & Gordon, 2013:18).

It is clear from existing place branding literature that the list of stakeholder groups that should participate in nation brand development and management is long and far from exhaustive. Zouganeli *et al*. (2012:753) contend that the first step to sustainable place brand development and management is the identification of stakeholders who must participate in the process. Their views are echoed by Zeinalpour, Shahbazi and Ezzatirad (2013:1401) who advance that "building a coherent country branding program at international level requires a strong coordination between the government, the business sector, the decision makers from educational and cultural sector, the civil society and, the mass media representatives in any country". Other equally important stakeholder groups in a country FDI branding process include foreign investors (Dinnie, 2008; Fetscherin, 2010), higher education students (Dinnie, 2008; Fetscherin, 2010; Rojas-Me´ndez, 2013; Sun, 2009), journalists (Bermúdez & Bohórquez, 2012; Dinnie, 2008; Kadasah, 2006; Pasquier, 2008), the government and public sector organisations (e.g. tourism boards, inward investment agencies, economic development agencies), private sector organisations (e.g. trade associations, chambers of commerce, and companies), and citizens (e.g. non-governmental organisations, diaspora), country analysts, academia, and the average citizen (Dinnie & Fola, 2009; Dinnie, 2008). Zouganeli *et al*. (2012:740) mourn that citizens or residents of a destination constitute a crucial but often overlooked stakeholder group in place branding. "When co-creation is applied to places and destinations, it also includes stakeholders such as citizens or residents" (Knott, 2014:56).

Given the long and yet not exhaustive list of stakeholder groups that should participate in a nation branding exercise, particularly one that is underpinned by the SOBE approach, it was not easy to define the population of this study in the precise manner suggested by Collis and Hussey (2014:62) above so as to be able to draw a representative sample (e.g. Boyer *et al*., 2012:511). Moreover, considering the resource limitations the researcher had, the population was trimmed to staff of investment promotion agencies, export promotion agencies, tourism promotion agencies, trade associations, umbrella nation branding agencies and members of

professional associations (limited to economics societies only), and university students studying towards honours and master's degrees in commerce and economics. Save for the university cluster; there were no sampling frames for all the other stakeholder groups. Consequently, despite that the stakeholder groups were trimmed to a seemingly manageable number, the study's population remained characteristically "undefined" because there were no sampling frames. Of course, it is feasible to come up with a random sample for an infinite or undefined population (see, e.g. Finch & Gordon, 2013; Kozak, 2008). However, this study turned to non-random sampling following David and Sutton (2011:628) who argue that where there is no reasonably comprehensive sampling frame to draw a sample from, the researcher may use a non-probability sample to access members of the population of interest.

7.3.1 Undefined population, sampling techniques and sample size

Once a study's population has been defined, a researcher should then decide whether to go on to gather primary data from a census or sample. A "census" entails gathering data from all elements in a population (Blumberg, Cooper & Schindler, 2011; Bryman, 2012; Malhotra & Dash, 2011). A census is feasible where the population is small that it would not be sensible to sample. A census was considered possible in the university cluster only since data was collected from masters and final-year honours students in commerce or economic and management sciences faculty in one large university per country (see, e.g. Bryman & Bell, 2015:721). Nevertheless, considering the wide range of stakeholder groups constituting the study's population, which literally qualified it as an undefined population, the researcher proceeded by way of a non-random sample.

7.3.2 Sampling techniques adopted: Quota, convenience and self-selection sampling

"Sampling" is the choice of elements of a universe that will be included in the study (David & Sutton, 2011; O'Leary, 2010). A "sample" is a subset of a population chosen for participation in a study (Collis & Hussey, 2014; Malhotra & Dash, 2011; Zikmund *et al*., 2013). Samples should ideally be representative regardless of the chosen research approach (i.e. quantitative, qualitative or mixed) and sampling technique(s) chosen (i.e. random or non-random sampling). In "random sampling" each element of the population has an equal chance of being selected (Blumberg, Cooper & Schindler, 2011; David & Sutton, 2011; Sekeran & Bougie, 2013;

Zikmund *et al*., 2013) and the researcher has no influence on the units chosen (McGivern, 2013:234). Probability sampling should yield representative samples (McGivern, 2013; O'Leary, 2010) hence is regarded to be the "gold standard" for sampling (Langdridge & Hagger-Johnson, 2009:516). Techniques of random sampling include simple random, stratified random, cluster, systematic random and multistage random sampling.

Although the researcher had originally intended to select samples from stakeholder clusters apart from universities using stratified random sampling, this was not possible because there were no sampling frames. "Stratified random" sampling entails dividing a study's population into strata from which probabilistic samples are chosen by selecting a suitable proportion of each stratum of the population (Collis & Hussey, 2014:344). Instead, the researcher switched to non-probability sampling but targeted each organisation with as many questionnaires as possible given the study's quantitative nature. Non-probability sampling may be the only alternative if the suitable population remains unclear and difficult to define (Blumberg, Cooper and Schindler 2011:194), which was the case in this study as already explained.

In non-random sampling, the chance of each element in the universe to be chosen for inclusion in the sample is not known. Thus it is impossible to attain research objectives that make statistical inferences about the characteristics of the population (Saunders, Lewis & Thornhill, 2012:262). A representative sample is only critical in quantitative studies rooted in a positivistic research approach (Blumberg, Cooper & Schindler, 2011:167) hence this study was rooted in a pragmatism approach though biased heavily towards positivism. Researchers can still generalise findings from non-probability samples but not on statistical grounds (McGivern, 2013; Saunders, Lewis & Thornhill, 2012). This is what is referred to as "qualitative generalisation" (Creswell, 2014:246), i.e. generalising findings to theories or case studies in a study area. The conditions on which results of a study may be generalised include interviewers, **samples** (emphasis added), items, and situations of observation (Malhotra & Dash, 2011:281). Consequently, this study's findings can be generalised in respect of items and constructs or theory only but not on sample terms (see, e.g. Creswell, 2014; Malhotra & Dash, 2011; McGivern, 2013; Saunders, Lewis & Thornhill, 2012; Sekeran & Bougie, 2013).

Techniques of non-probability sampling include purposive sampling, quota sampling, volunteer sampling (snowball and self-selection), and convenience sampling. This study

adopted a mix of quota sampling, self-selection sampling, and convenience sampling to select respondents. Quota sampling can produce results that closely resemble those of a random sample (McGivern, 2013:234).

Quota sampling entails conveniently selecting elements following some predefined characteristics of a population that reflect or represent the population regarding the relative proportions of people in different clusters or quotas (Bryman, 2012; Collis & Hussey, 2014; David & Sutton, 2011; Saunders, Lewis & Thornhill, 2012). Quota sampling has similar requirements for sample size as random sampling techniques (Saunders, Lewis & Thornhill, 2012:284) but the actual selection of respondents is non-random and left to the interviewer (Bryman, 2012; David & Sutton, 2011). Broadly quota sampling helped to identify the stakeholder groups that had to be included in the sample but not the specific sub-clusters within each group because there were no sampling frames. So, a flavour of quota sampling was only present in how respondents were selected within stakeholder groups. Data were gathered from a mix of managerial and professional staff who could complete the questionnaire without assistance thus self-selection, and convenience sampling techniques were also used. The study employed self-selection sampling because its introduction letter gave prospective respondents the right to opt out of the survey. Convenient sampling was used in the sense that the researcher focused on stakeholder groups he could access relatively easily in Harare (Zimbabwe) and Johannesburg, Pretoria and Potchefstroom (South Africa).

7.3.3 Deciding sample size from an undefined population: Factor analysis

Given the diversity of stakeholders that should participate in a strategic country branding exercise (Temporal, 2014; Tiberghien, Garkavenko & Ashirbekova, 2013; Kavaratzis, 2012; Kasabov & Sundaram, 2011; Donner, Fort & Vellema, 2014; Zouganeli *et al*., 2012), the undefined nature of the population and the lack of sampling frames, the sample size for this study was not determined by a mathematical formula but instead the techniques that were employed to analyse data—i.e. exploratory and confirmatory factor analysis. The kind of analysis that will be conducted on the data will determine the size of sample required for a study (Langdridge & Hagger-Johnson, 2009:520). Hence a sample of at least 200 elements per country or 400 for the two countries combined was thought adequate taking into account expert counsel from North-West University (NWU) Statistical Consultancy Services and what the

literature says about minimum samples for studies employing factor analysis. In factor analysis datasets, a sample of 200 is considered good (Malhotra & Dash, 2011; Wang & Ahmed, 2004). Comrey and Lee (1992) cited in Tabachnick and Fidell (2007:613) offer as a guide that regards sample sizes of 50 as very poor, 100 as poor, 200 as fair, 300 as good, 500 as very good, and 1000 as excellent. As a rule of thumb, it is reasonable to have a sample of at least 300 cases for factor analysis (Tabachnick & Fidell, 2007:613). Citing some authors such as Tabachnick and Fidell (2012) and also Comrey and Lee (1992) and statistical output from factor analysis, i.e. factor loadings and communalities, Field (2013:684) argue that:

> "What is clear from this work is that a sample of 300 or more will probably provide a stable factor solution, but a wise researcher will measure enough variables to measure adequately all of the factors that theoretically they would expect to find."

Furthermore, Malhotra and Dash (2011:590 & 608) argue that, in formulating a research problem to be analysed with factor analysis, in particular, principal component analysis (PCA) or exploratory factor analysis (EFA), the sample size should be at least 4 to 5 times the number of variables in the theoretical model. Accordingly, the minimum sample for the research should have been 420 units per country (i.e. 105×4) or 840 for the two countries combined as the questionnaire had 105 scale attributes. Such a huge sample size, while ideal, would have been overambitious given the deterring challenges the researcher encountered in convincing stakeholder groups outside the university cluster to participate in the study, especially in South Africa. Nonetheless, the sample size of 200 elements per country was also still justified considering that the study instrument was also validated with Confirmatory Factor Analysis (CFA). Where CFA or structural equation modelling (SEM) is used to validate a scale, a reasonable sample size decided using the maximum likelihood estimation (MLE) method should be in the range 200 to 400 elements (Malhotra & Dash, 2011; Wang & Ahmed, 2004). A minimum sample of 200 looks sensible for anything above a basic CFA model (Hoyle, 2000:472).

Lastly, the researcher also settled for the minimum sample of 200 assuming that this would generate at least three respondent stakeholder clusters with 30 or more units required to test the study's group differences' hypothesis $\mathbf{H_1}$. Where a study needs to compare perceptions among clusters, the sample size should be large enough to facilitate treating each subset independently (McGivern, 2013; Saunders, Lewis & Thornhill, 2012). Ideally the sample size should be more than 30 elements. Otherwise the observations when exploring relationships between two variables will be small (David & Sutton, 2011:236).

7.4 ETHICAL CONSIDERATIONS

Ethical considerations that should be expected in any study are extensive and apply to all phases of the research process (Creswell, 2014; Saunders, Lewis & Thornhill, 2012). Ethical considerations begin from the college where a researcher is affiliated and extend to the field where data will be collected. Given the stakeholder-driven nature of this study, its ethical dynamics were defined from the perspective of stakeholder organisations and then the prospective individual respondents within them such as employees, members, and students. Nation branding is controversial because it is an extremely politicised activity that produces strongly held and often conflicting viewpoints and opinions (Dinnie, 2008:13; Fetscherin, 2010:467; Rojas-Me´ndez, 2013:462). Consequently, the researcher predicted that the decision to give research access at organisational level could be affected not only by bureaucratic and genuine ethical concerns but also gatekeeper perceptions on the political sensitivity of the topic. To reduce the risk of the forecasted challenges affecting research access and response rate, the researcher's communications to gatekeepers and prospective respondents stated categorically that the study sought the personal views of individuals and not the official position of their organisations on the subject matter. So, the study is an aggregation of personal viewpoints.

7.4.1 Meeting institutional ethical requirements

While the duty for keeping ethical standards lies with the individual researcher, the supervisor also takes responsibility for the conduct of his scholars (Singh, 2007:220) and so does the college where a researcher is studying. Research at NWU follows a defined ethical protocol. At the time the research proposal for the thesis was approved for full registration in May 2014, almost a year after preliminary registration by the university, the researcher completed the NWU ethical form that year and another one in 2015. These forms were countersigned by the study leader before being filed with the department for on-sending to the university's ethical committee. This protocol was in line with Creswell (2014:95) who argue that a researcher must apply with an institutional review committee so that the extent to which his study exposes participants to risk can be assessed.

7.4.2 Obtaining research access from target respondent organisations

The researcher applied for and obtained research access from stakeholder organisations where he collected data (see Creswell, 2014; Saunders, Lewis & Thornhill, 2012). Each application was accompanied by a letter of introduction on an NWU letterhead a copy of which is reproduced in Appendix 2 (with the name and contact details of the study leader). The introductory letter stated the study's objectives or benefits and the right of prospective respondents to opt out of the survey if, for some reason, they did not want to participate. The letter also stated clearly that respondents completed the questionnaire in their capacity and that their responses were confidential.

7.4.3 Respondents' right to informed consent, confidentiality and anonymity

Despite the fact that research access had been secured officially from gatekeepers in respondent stakeholder organisations, every questionnaire distributed was accompanied by the same introduction letter in Appendix 2 to ensure that individual respondents were informed about their rights. Thus the study adhered to the principles of informed consent, confidentiality and anonymity (Bryman, 2012; Bryman & Bell, 2015; Creswell, 2014; Collis & Hussey, 2014; David & Sutton, 2011; Piper & Simons, 2005; Singh, 2007; Zikmund *et al*., 2013). Singh (2007:220) suggests that, where feasible, the names of institutions where sample subjects have selected to provide data should not be stated even in the appendix of a study's report. This study also observed that important ethical principle because the thesis does not mention names of research participants, whether organisations or individuals.

7.4.4 Complexities of ethical requirements: The researcher's personal experience

Notwithstanding the detailed ethical arrangements followed in this study, some stakeholder organisations still followed their extensive research clearance procedures and some denied research access. In its approval letter, one government department in South Africa categorically stated the following conditions:

> "(a) That you complete a Confidentiality Declaration form to ensure compliance with the Departmental policies; (b) That you participate in a briefing discussion with the Vetting Unit before the commencement of the research; (c) That you provide the …**[name of agency written in bold**] with a detailed research plan and draft questionnaires, surveys and/or interview questionnaires (where applicable); and (d) That you submit a copy of your research report once you have published the final document."

An officer within the agency who the director general directed the researcher to work with in meeting these conditions also made additional demands. Those demands included that the study leader confirms in writing that the researcher was, indeed, a registered doctoral student at NWU Potchefstroom Business School; the researcher supplies an abridged curriculum vitae and copy of either his national identity document or passport; and provides a summary research plan indicating the steps needed to complete the remaining parts of the study from data gathering to the submission of the report (including the nature of papers to be published in the process). It took almost one-and-half months to fulfil these bureaucratic requirements. From the outset, however, that government department distinguished itself with the assurance it gave the researcher that it would provide him "with the necessary support to make the project a success as we trust that its recommendation will contribute to the body of knowledge on FDI in South Africa".

However, another South African parastatal with sectoral nation branding mandate denied access after keeping the researcher waiting for almost six months. The agency suggested that the researcher could instead go and survey staff in its parent ministry if given access. This was despite that the researcher kept the agency informed of progress in the study on the Zimbabwean side, i.e. when he was given access by a similar agency in Zimbabwe and surveyed its staff. Getting data from the South African agency could have enabled him to contrast perceptions in the two entities, which was critical for the study. Another South African branding agency kept the researcher hanging for more than eight months without denying or giving him access. Each time he followed up the organisation, he was informed that the chief executive had forwarded the request to the responsible departmental head but eventually nobody replied him. The same was also the case for business associations in Zimbabwe and South Africa.

Many organisations receive several student applications for access and find it infeasible to respond positively to all or even some of those requests (Saunders, Lewis & Thornhill, 2012:210). The trio also observes that, in some cases, student requests for research access and cooperation fail to impress the **gatekeepers** who receive them. Saunders, Lewis and Thornhill (2012:210) note that the reasons for declining research access include lack of perceived value of the study about the organisation's core business, nature of topic because of its potential sensitivity, and perceptions and doubts about the student's credibility and competence.

Perhaps, the researcher's request may have been turned down or ignored by some organisations because of one or more of these reasons. Nevertheless, it is incredible that some universities, trade associations and sectoral nation branding agencies might have denied access because they did not see the value of the study.

7.5 DATA COLLECTION

Data to fulfil the study's objectives were collected through a pre-corded respondent-administered questionnaire as explained above. Questionnaires can be distributed to target respondents in many ways such as personally by the researcher or agents (drop and pick), post, telephone, email (Malhotra & Dash, 2011; Saunders, Lewis & Thornhill, 2012; Sekeran & Bougie, 2013; Zikmund & Babin, 2013) and/or through the internet (Bryman, 2012; Malhotra & Dash, 2011; Zikmund & Babin, 2013). After securing research access, the researcher used the drop and pick method to distribute and collect questionnaires as clarified below. A total of 1020 questionnaires in all: 415 in South Africa and 605 in Zimbabwe, was distributed forecasting that at least 200 useable questionnaires were going to be received per country. This figure excludes questionnaires that were emailed to some trade associations and nation branding agencies in the two countries that requested soft copies.

7.5.1 Data collection from university cluster in South Africa and Zimbabwe

Data were collected from honours', and master's students in faculties of commerce or management and economic sciences from two selected large universities, one per country, using the questionnaire. The universities were selected by their size, location and approval of the researcher's request for access. Data gathering in the selected universities lasted two months in Zimbabwe (i.e. from mid-September 2015 to mid-November 2015) and two-and-half months in South Africa running from mid-January 2016 to mid-February 2016 and then from early July 2016 to early August 2016. The estimated time for completing the questionnaire was about 30 minutes.

Once access was granted by gatekeepers (i.e. chairpersons of departments targeted in the faculties of the selected universities), the researcher distributed the questionnaires to students through lecturers he approached for this purpose. Some lecturers preferred distributing and

collecting completed questionnaires in one lecture. Others gave students time to complete the questionnaires at their own time and return them on an agreed date. Although each questionnaire was accompanied by a letter of introduction stating the study's objectives and rights of prospective respondents to opt out of the study or ignore any question(s) in the questionnaire, the researcher (if present) or lecturer distributing explained the same details to respondents in person.

Commerce students were deemed suitable respondents for the study because their qualifications cover business issues of which investment is one key component. In both South Africa and Zimbabwe, master's degree students were practising managers pursuing mainly the Master of Business Administration (MBA) degree. Also, honours students in Zimbabwe had already completed 12 months of internship where some of them worked for international firms or alongside managers dealing with investment issues. At the same time, the perceptions of master's students who were managers in industry and commerce, some of them working for foreign companies, were drawn on as proxy foreign investors in the two countries. Foreign investors had not been directly targeted for inclusion in the sample.

Data gathering in the two universities followed a mixed census and self-selection sampling, as already explained above. The census angle manifested in that every student present in a lecture was given the questionnaire, but completed questionnaires were only collected from those who elected to complete them (self-selection sampling). However, because of the known weaknesses associated with studies based on students only samples (Baalbaki, 2012; de Queiroz & Giraldi, 2015; Outhavong, 2007; Rojas-Me´ndez, 2013) the sample of this study included part-time master's degree students in full-time management positions and respondents drawn from other key stakeholder groups as already stated in order to meet the criterion of stakeholder inclusiveness. Baalbaki (2012:40) mourns that most existing scales lack methodological rigour and applicability because they were validated using students' samples only. Students are younger and more educated than the general population and are a more homogenous group, which makes their sample present small variance in answers (de Queiroz & Giraldi, 2015:1198). The disadvantages associated with student-only convenience samples include concerns with age, desire to please professors, and even the limitations of their experiences while in college (Outhavong, 2007:30). In this study, those concerns should only hold true to some extent since master's students in full-time managerial jobs and respondents

from outside universities were included in the sample. Moreover, all respondents, student or non-student, had the right to opt out of the study. The response rate recorded in the next chapter is evident of respondents who largely exercised their right to opt out of the survey.

7.5.2 Data collection from non-academic stakeholders in South Africa and Zimbabwe

Data collection in trade associations, economic societies, and national agencies promoting investment, tourism, and exports in both countries took more time than was the case in the university cluster. Gathering of data was slightly more efficient in Zimbabwe than it was in South Africa; economic development agencies in the former were supportive of the study. Completed questionnaires from economic development agencies, except only one of them, were received between October and November 2015. Nevertheless, efforts to collect data from trade associations and the national economic society continued until March 2016 but yielded no responses. This was despite that the application letter for research access and the pilot survey questionnaire had been sent to all stakeholder organisations in South Africa and Zimbabwe between August 2015 and September 2015. Only one South African economic development agency gave research access although initially, most organisations that had been approached in the country indicated that they would consider the researcher's application.

The researcher failed to get through to the society of economists in Pretoria, and none of his several telephone calls and emails to the society was answered. Since the society was holding an annual conference at the University of Cape Town (UCT) in September 2015, he wanted to take advantage of the event to collect data from participants there, but the plan failed due to the said communication challenges. Only the third email he sent to the conference administrators at UCT was replied a day after the three-day conference had started indicating that he would be welcome to attend the conference if he paid the appropriate student's fee for that purpose. The researcher did not take up the offer because it came late. He could not book a flight to Cape Town and work out a strategy to collect data in the two remaining days of the conference. However, he kept calling and emailing the society's office in Pretoria but never got to receive a reply. In the same way, the researcher failed to make use of an Annual Gala Dinner and Convention of a business association held in Johannesburg in September 2015 because the association did not reply his application for research access. This was also the case with most of the stakeholder organisations in South Africa up until the end of 2015.

Given the challenges the researcher encountered in South Africa in the first four months of data gathering ending December 2015, he intensified his data collection effort in the country between mid-January 2016 and mid-February 2016. The concerted effort was in vain except in only one agency where he was able to collect data. This followed his fulfilling of the agency's requirements for completing a Confidentiality Declaration form and participating in a briefing discussion with its Vetting Unit on 18 January 2016, as already discussed. He eventually managed to distribute 60 questionnaires to one section of that agency and 15 to its other section.

Data gathering in South Africa in respect of the originally intended non-academic stakeholder organisations eventually ended mid-February 2016 with completed questionnaires only having been received from one government agency. Given these challenges, the researcher extended the university sample in South Africa to include participants of senior management development programmes offered at the selected large university, who were also practising managers in the country. This happened in July 2016, which then marked the end of data collection in this study. Overall, data collection in this study lasted 11 months ending the first week of August 2016.

7.6 DATA CAPTURING AND CLEANING

Data were inputted into the Statistical Package for Social Sciences (SPSS) Version 23 for analysis with exploratory factor analysis (EFA). The same data were then imported into SPSS AMOS Version 23 for analysis with confirmatory factor analysis (CFA) or structural equation modelling (SEM). The Roadmap for research methodology (Figure 7.1 above) shows how the questionnaire was designed, data collected, captured, cleaned and analysed. Before data capturing began, the questionnaires were sorted into useable and non-useable batches by country. A returned questionnaire was classified as non-usable if it had at least ten questions from Section 2, the conceptual framework, not answered. Data from such unusable questionnaires were not captured. The usable questionnaires from each country were then sequentially numbered from 1 upwards and captured in that order into a country sample dataset in SPSS. Data collected by questions in Section One of the questionnaire, demographics, were coded with numeric codes ranging from 1 upwards depending on the number of optional

answers on each of the 15 questions in this section before capturing. All 105 questions in Section Two, variables affecting nation FDI brand competitiveness, were pre-coded because they were measured by a 7-point Likert scale ranging from 1 = Very Weak to 7 = Very Strong as already explained. This means that the optional answers in each scale or question on this section were already there in numerical form. Data from the section were captured under suitable numerical points or codes of the Likert scale.

Next, the data were cleaned. Data cleaning involved checking the data inputted in SPSS for errors or inconsistencies in variable names and numerical codes. Since questionnaires from each country were numbered and captured sequentially, it was relatively easy to trace and correct inconsistencies. For example, there were a few cases where the numerical codes captured on some variables were not within the seven points in the scale.

7.7 DATA ANALYSIS

Data on demographic variables, i.e. from Section One of the questionnaire, were analysed using frequencies and percentages, which enabled the segmenting and profiling of the respondents. The segments were drawn on to test the study's first hypothesis ($\boldsymbol{H_1}$) that focused on statistically significant differences in stakeholder perceptions on factors affecting nation FDI brand equity. Data from the Likert scale section of the questionnaire or the conceptual framework were analysed with a mix of descriptive (i.e. mean scores and standard deviations) and inferential statistical (exploratory factor analysis, confirmatory factor analysis, and structural equation modelling) tools as shown in the research methodology roadmap (Figure 7.1 above). In particular, univariate, bivariate and multivariate analyses were employed to analyse data in this study. The three statistical analyses differ in the number of variables they include in the analysis.

Univariate analysis is the analysis of single variables in a study to understand their distribution (Malhotra & Dash, 2011; Tabachnick & Fidell, 2007; Zikmund *et al*., 2013). It is the simplest of all three variate analysis and delivers general information (Lamelas, 2011:167). In this study, univariate statistics used are frequencies, mean scores, and standard deviations **(see section 7.7.1 below)**. Bivariate analysis is the simultaneous analysis of two attributes to establish the association between them (Tabachnick & Fidell, 2007:2). Examples of bivariate

analysis techniques applied in this study are Pearson's correlation analysis, *t*-tests, analysis of variance, and effect sizes **(see sections 7.7.2.1 & 7.7.3 below)**. Multivariate analysis simultaneously analyses multiple dependent and independent variables – for instance, more than two – in a study (Hair *et al.*, 2010; Malhotra & Dash, 2011; Tabachnick & Fidell, 2007). Three multivariate techniques employed in this study are exploratory factor analysis, confirmatory factor analysis, and structural equation modelling **(see 7.7.2 below)**. Multivariate analysis is the most demanding of all these three types of statistical analysis. As shown in the research methodology roadmap, the choice of the statistical technique applied at a particular stage of data analysis depended on the empirical objective being addressed.

7.7.1 Stakeholder perceptions on nation FDI brand competitiveness: Why descriptive statistics were employed to analyse Likert-type data

The first empirical secondary objective of this study was "to measure South Africa's and Zimbabwe's FDI brand competitiveness using the conceptual framework". This goal was fulfilled by analysing attitudinal or perceptual data gathered by the 7-point Likert scale, as already described. Because the measurement scale consisted of 105 scales, it produced a considerable mass of data. The volume of data necessitated the use of descriptive statistics, i.e. mean scores and standard deviations, to present findings for this secondary objective. The goal of descriptive statistics is to define and condense the characteristics of the sample (O'Leary, 2010:240).

Nonetheless, over the last 80 years, the use of mean scores to analyse categorical or Likert-type data has been characterised by controversy. Many research methodology theorists argue that Likert scale data cannot be analysed with mean scores and standard deviations (e.g. David & Sutton, 2011; Collis & Hussey, 2014) because such data are ordinal or nominal. Others argue that the mean must be used when data are normally distributed because mean is sensitive to extremely small or large values (e.g. Malhotra & Dash, 2011:440). Yet several other theorists maintain that descriptive statistics (i.e. means and standard deviations) and parametric techniques such as analysis of variance, regression, Pearson's correlation, and *t*-tests can be applied to analyse Likert scale data (e.g. Brown, 2011; Carifio & Perla, 2007; Joshi, Kale, Chandel & Pal, 2015; Norman, 2010; Willits, Theodori & Luloff, 2016). Consequently, researchers questioning the suitability of mean scores and standard deviations as a basis for

analysing Likert-type data need to be reminded of what Rensis Likert, the inventor of the Likert scale, said (see Likert, 1932:22-33). Moreover, the insistence that mean scores and parametric statistics should not be used to analyse Likert-type data unless the data are normally distributed appears synonymous with demanding that respondents' perceptions must always congest around the scale's mid-point! Thus some researchers and statisticians might have hurried to cast in stone their opinion on this emotive issue. Norman (2010:7) fittingly summarises this controversy:

> "Parametric statistics can be used with Likert data, with small sample sizes, with unequal variances, and with non-normal distributions, with no fear of ''coming to the wrong conclusion''. These findings are consistent with empirical literature dating back nearly 80 years. The controversy can cease (but likely won't)."

Creswell (2014:13) contends that surveys offer a quantitative or numeric description of opinions, trends, or attitudes of a sample of the population. If surveys produce numeric data on attitudes, then the debate on the suitability of mean scores to analyse Likert-type data reduces to an academic one. Such debate, perhaps fuelled by irreconcilable academic ideologies, tends to lose relevance among time-constrained practitioners such as policymakers and destination managers looking for simple but practical solutions to solve real-world problems like weak nation FDI brand equity. Brown (2011:13) concurs with Creswell: "Likert scales are totals or averages of answers to multiple Likert items … and Likert scales contain multiple items and can be taken to be **interval scales** [emphasis added] so descriptive statistics can be applied, as well as correlational analyses, factor analyses, analysis of variance procedures, and so on (if all other design conditions and assumptions are met)." Interval scales possess both nominal and ordinal characteristics, but they also record data on variations in quantities of a concept (Zikmund & Babin, 2013:252). If nominal or qualitative variables lack mathematical properties, then factor analysis should not be used to analyse Likert-type data. Nonetheless, only 12 percent of papers applying CFA to validate scales reported checking for multivariate normality (Jackson, Gillaspy & Purc-Stephenson, 2009:7).

Brown's and Creswell's views are supported by Boone and Boone (2012:4) who assert that if you have defined a series of questions that combine to measure a particular trait, you have designed a Likert scale hence you use means and standard deviations to explain the scale. Boone and Boone's claim is supported by Joshi *et al*. and Willits, Theodori and Luloff (2016:133) who, like Brown and Creswell, contend that Likert-type scales can be taken as interval scales. If the objective is to combine the items in order to generate a composite score (Likert scale) of a set of items for different participants, then the assigned scale is an interval

scale hence the measures of central tendency and dispersion for an interval scale (i.e. mean and standard deviation) are used (Joshi *et al*., 2015:401). Furthermore, Norman (2010:5) argues that while, theoretically, a Likert scale is ordinal to the extent that one cannot conceptually assure that the real distance between 1 = ''Definitely disagree'' and 2 = ''Disagree'' is the same as 4 = ''No opinion'' and 5 = ''Moderately agree'', for example, this is immaterial to the analysis since the computer has no way of confirming or refuting it. Norman's position is supported by Brown (2011:10) who claims that:

> "From a Likert scale perspective, even if we were to accept the **erroneous** idea that Likert items are ordinal, saying that the resulting data must be analyzed as though they too are ordinal is like saying that test items that are scored right or wrong are nominal, so data based on them must be analyzed as though they are nominal. Test scores are usually based on nominal right/wrong items, yet the total scores are always treated as interval data in our field [i.e. languages]. If the single argument (that Likert item options are ordinal) is wrong, then the compound argument (that Likert scales are ordinal [sic] because Likert items are ordinal [sic]) is doubly wrong."

Of course, some research methodology theorists dismiss Brown's argument above, and Bhattacherjee is one such example. The satisfaction scale [which is a typical Likert scale] "is not strictly an interval scale, because we cannot say whether the difference between 'strongly satisfied' and 'somewhat satisfied' is the same as that between 'neutral' and 'somewhat satisfied' or between 'somewhat dissatisfied' and 'strongly dissatisfied'" (Bhattacherjee, 2012:46). He maintains that social science researchers usually "pretend" (wrongly) that these differences are equal so that statistical techniques for analysing interval data can be used to analyse ordinal scaled data. However, in marketing research, of which this study falls, attitudinal or Likert scale data are treated as interval data (Malhotra & Dash, 2011; Zikmund & Babin, 2013). Likert scales possess the characteristics of description, ordinal, and distance (Malhotra & Dash, 2011:268). By saying this Malhotra and Dash are, in fact, withdrawing their earlier argument stated above, that the mean should be used if Likert-type data are normally distributed (see Malhotra & Dash, 2011:440). Furthermore, by stating that the satisfaction scale "**is not strictly** [emphasis added] an interval scale" Bhattacharjee (2012:46) is admitting that it is to some extent, which suffices for the use of mean scores in the current study.

In the field of branding, place branding included, mean scores and standard deviations are used to analyse Likert scale data (see e.g. Anholt, 2013; Baalbaki, 2012; de Queiroz & Giraldi, 2015; IMD, 2015; Pike *et al*., 2010; Passow, Fehlmann & Grahlow, 2005; Sartori, Mottironi & Corigliano, 2012; Ruzzier & Petek, 2012; Rego, Billet & Morgan, 2009; WEF, 2016; Yoo & Donthu, 2001). The National Economic Consultative Forum (NECF), a Zimbabwean

economic think tank, argues that the GCI is the most authoritative source of competitiveness data hence has earned credibility and acceptance in many countries (NECF, 2015:3). So has the GCI earned that credibility despite its methodological shortcoming of using the arithmetic mean or is its data always normally distributed (so as to legitimise use of the mean)? The same question must also be raised in respect of the IMD's WCS/Y.

In any case, the mean was used to analyse the data because the definition of the term "nominal variable" applied within the context of "scales" or "indices" contradicts the argument that "nominal variables are qualitative variables because they have no mathematical properties" (see e.g. David & Sutton, 2011; Collis & Hussey, 2014). A **scale** or **index** is a multiple-indicator measure in which the scores for each indicator are used to provide a composite score for the sub-constructs and/or construct (Bryman, 2012; Saunders, Lewis & Thornhill, 2012; Zikmund *et al*., 2013). For instance, the executive survey of the GCI partly relies on a 7-point scale and uses arithmetic means to aggregate individual variables within each pillar or dimension (WEF, 2015:39). The WEF also aggregates the dimension means to compute the composite mean for a country. A composite measure gives a value of an observation based on a mathematical derivation of multiple variables (Zikmund & Babin, 2013:255; Zikmund *et al*., 2010:303). Considering that the GCI has 114 variables, the Global Competitiveness Report could have been longer than it actually is if the WEF relied on frequencies and percentages to analyse and present data from its 7-point scale. Composite indices aggregate sets of attributes to condense huge quantities of information in a meaningful way (Fetscherin, 2010:471). Thus Rensis Likert provided a simple basis for such unweighted composite indexes through his seminal study in 1932 that popularised the Likert scale as a technique for measuring attitudes. Each statement becomes a scale in itself, and a respondent's rating to each statement is given a score, and these scores are subsequently aggregated by using a **mean** (emphasis added) or a median (Likert, 1932:24). Mean ratings were employed as a unit of analysis and data presentation in the current study to summarise the findings and also enable, and simplify, direct variable-by-variable comparison with existing studies and indices in the same area.

Nonetheless, to be meaningful, any study based on a Likert scale and presenting its findings using mean scores should define a threshold point below which the mean denotes negative perception or above which opinion is positive. Hirschfeld and Thielsch (2015:311) argue that "many scientific domains have to cope with the fact that tests yield continuous outcomes while

practical decisions take a 'yes or no' form." A mean cut-off score does not only help to interpret the meaning of a Likert scale regarding a "yes or no" decision required by policymakers and other decision-makers but also informs policy and managerial decisions. Customer satisfaction literature suggests that customers or users should decide a scale's cut-off point for measurement scales (e.g. Hirschfeld & Thielsch, 2015; Rodrigo-Rincón, Reyes-Pérez & Martínez-Lozano, 2014). Unfortunately, the current study did not seek respondent opinion on this important aspect. Therefore, given the study's 7-point Likert scale characteristic i.e. 1 = Very Weak to 7 = Very Strong, the researcher settled for threshold mean of 4. The cutoff point was decided using the formula for (and actually) calculating the mean for this study as follows:

$$m=\sum k/n$$

*Where **m** = mean score; **k** = individual ratings and n = the number of ratings **(7)***

$$m = (7+6+5+4+3+2+1)/7$$
$$=28/7$$
$$=4$$

Therefore, a country's item, factorial and composite FDI brand equity rating was considered somewhat strong or strong if it was equal to or greater than 4. This means that to interpret the study's findings, ≥4 does not any longer represent "Neither Strong Nor Weak" but "Somewhat Strong" SON-FDIBE.

7.7.2 Validity and reliability of conceptual framework: Exploratory and confirmatory factor analysis', Cronbach's alpha's, squared multiple correlations' perspectives

This study's second and third empirical secondary objectives were "to validate the conceptual model by measuring country FDI brand strength of South Africa and Zimbabwe" and "to empirically evaluate the conceptual framework as a measure of country FDI brand equity". These objectives dealt with the fundamental issue concerning the validity and reliability of the study's questionnaire (i.e. Likert scale) hence this, essentially, focused on the credibility of the underlying conceptual framework. Validity was defined in section 7.2.3.4 **(pretesting questionnaire)** above that clarified how the research instrument was checked for content or face validity. Data from the Likert scale were used to test reliability, and convergent and nomological validity through exploratory factor analysis (EFA), confirmatory factor analysis (CFA) and/or structural equation modelling (SEM) following Cho (2011:65) and Fombrun, Ponzi and Newbury (2015:8). Researchers should be able to reasonably support their justification for using EFA or CFA in analysing their data (Hurley, Scandura, Schriesheim,

Brannick, Seers, Vandenberg & Williams, 1997:681). SEM has many advantages over more traditional techniques, especially when the model to be assessed is not directly observable (Hair *et al*., 2010; Fombrun, Ponzi & Newburry, 2015) such as the SON-FDIBE conceptual framework.

There are several techniques of factor analysis available in SPSS e.g. principal component analysis (PCA), principal factors, image factoring, maximum likelihood factoring, alpha factoring, unweighted least squares, generalised least squares (Tabachnick & Fidell (2007:633). The specific technique of EFA employed in this study was PCA because of its benefits as a data reduction technique. Another type of factor analysis, totally different from the group listed above, is CFA that is used to confirm factors from an existing scale or those that have just been extracted in a current study with EFA. CFA was performed with SPSS AMOS Version 23, an SEM package to confirm the validity and reliability of South Africa's and Zimbabwe's PCA-validated stakeholder-oriented nation FDI brand equity model. SEM is an assortment of statistical techniques that enable a set of relationships between one or more independent variables and dependent variables, either continuous or discontinuous, to be examined (Tabachnick & Fidell, 2007:676).

EFA through PCA was employed to validate the study's conceptual framework in line with the literature (Tabachnick & Fidell, 2007:608). The goals of PCA are to reduce many variables to few manageable factors (Green & Salkind, 2011; Hair *et al*., 2010; Malhotra & Dash, 2011; Tabachnick & Fidell, 2007; Zikmund *et al*., 2013), to provide a working definition or regression equation for an underlying process by using observed variables, or test a theory about the nature of underlying processes (Tabachnick & Fidell, 200:608). Data reduction was necessary for this study given the large number of variables (105) in the measurement scale. "PCA is concerned only with establishing which linear components exist within the data and how a particular variable might contribute to that component" (Field, 2013:674). The factors are not themselves measured but are identified by forming a variate or composite variables using the measured attributes (Zikmund *et al*., 2013:595&597). For that reason, the country factor solutions extracted by PCA and confirmed by CFA and SEM in this study should be viewed within the context of the mean ratings of their factors. All item means in the scale are presented in fulfilment of the study's first empirical secondary objective, i.e. in Chapter 8 for South Africa, Chapter 9 for

Zimbabwe, and Chapter 10—a comparison of the two countries. In addition, factor mean ratings were calculated and integrated into the empirical factor solutions to demonstrate what each factor implied regarding stakeholder perceptions. The factor mean scores are an aggregation of the mean scores of variables in each component divided by the number of variables.

Nevertheless, the results of factor analysis alone should not be used to decide what items to retain or delete from a scale but also what is known about the construct(s) that the items are measuring (Green & Salkind, 2011; Tabachnick & Fidell, 2007). Consequently, the decision to delete or retain an attribute from a country factor model or solution was not based on factor loadings alone but also what theory said about the variable, the item's suitability to the study country, and the attribute's internal consistency with other measures in the component. A **factor loading** shows how strongly a measured attribute is correlated with or contributes to that factor (Field, 2013; Malhotra & Dash, 2011; Yong & Pearce, 2013; Zikmund *et al*., 2013). Factor loadings were employed in this study to retain or delete variables constituting each factor. However, the decision on the cutoff point of factor loadings to be interpreted depends on the researcher's preference (Tabachnick & Fidell, 2007:614). Comrey and Lee (1992) cited in Tabachnick and Fidell (2007:649) suggest that factor loadings over 0.710 are considered excellent, 0.630 very good, 0.550 good, 0.450 fair, and 0.320 poor. Nonetheless, Field (2013:692) notes that some scholars agree that setting the threshold factor loading value at 0.300 is sensible. High factor loadings alone cannot be the basis for retaining variables in a factor solution (Green & Salkind, 2011; Tabachnick & Fidell, 2007). Moreover, given that this study was exploratory, some items were retained even if their factor loadings were less than or equal to 0.300 (see Field, 2013; Garson, 2012; Nunnally & Bernstein, 1994 cited in Cho, 2011:70). Field (2013:681) cites Stevens (2002) who suggest that factor loadings of greater than 0.210 and 0.162 are acceptable for samples sizes 600 and 1000 respectively. Nevertheless, to solve the difficult of non-significant loading, a researcher can delete the affected item and rerun the analysis or pick a lower cut-off if an attribute cannot be excluded from the study (Yong & Pearce, 2013:91). Sometimes the last few factors represent the most interesting and unexpected findings in a research area hence this is a good reason for retaining factors of marginal reliability (Tabachnick & Fidell, 2007:646).

CFA with SEM was employed as the second validation procedure for this study's conceptual framework and its hypotheses (Cho, 2011; Hurley *et al*., 1997; Wang & Ahmed, 2004; Zikmund *et al.,* 2013). In particular, Zikmund *et al.* (2013:595) claim that CFA is a suitable tool for evaluating construct validity since it offers a test of how well the researcher's theory about the factor structure matches the actual observation. Since the study's questionnaire was informed by a theoretical framework it was important to initially validate it by EFA through PCA before subjecting it to further validation through CFA with SEM. EFA output is valuable in designing theory that leads to a conceptual model that can be verified with CFA (Malhotra & Dash, 2011:701). You can run a CFA to validate the factorial validity of models derived from the results of EFA (Baalbaki, 2012; Yong & Pearce, 2013).

In CFA, the maximum likelihood estimates (MLE) method was used to confirm the validity and reliability of South Africa's and Zimbabwe's factor models using standardised regression weights as factor loadings (see Amin & Isa, 2008; Wang & Ahmed, 2004; Wicksell, Olsson & Melin, 2009), goodness-of-fit indices (Marsh, Hu & Wen, 2004:323) and squared multiple correlations respectively (Amin & Isa, 2008; Jackson, Purc-Stephenson & Gillaspy, 2009; Schreiber, 2008; Schreiber, Nora, Stage, Barlow & King, 2006; Segars & Grover, 1993).

7.7.2.1 Tests of factorability

Before undertaking PCA or CFA, the suitability of factor analysis as a tool for analysing data can be assessed through Pearson's correlation analysis (*r*), Kaiser's 1970 and 1974 Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy, and Bartlett's 1954 test of sphericity. Data can be analysed with factor analysis if variables have high correlations (Malhotra & Dash, 2011:591). The anticipated size of correlations vary, to some degree, on the sample size (larger samples tend to yield smaller correlations), but if no correlation is above 0.3, suitability of factor analysis is doubtful because there is possibly nothing factorable (Tabachnick & Fidell, 2007:614). This study employed factor analysis because many constructs had correlations equal or greater than 0.3 (Field, 2013:684). Factor analysis as a statistical technique requires a defined minimum sample to produce reliable results rather than the cases-to-variables ratio (Field, 2013:683-684). The researcher used the KMO measure of sampling adequacy, which ranges from 0 to 1, to determine if the study's samples were adequate for factor analysis. Acceptable values of KMO measure of sampling adequacy range from at least 0.5 (Malhotra

& Dash, 2011:592) to greater than 0.6 (Collis & Hussey, 2014; Tabanichnick & Fidell, 2007). Considering that nation branding has so far made little progress into the domain of FDI (Dinnie, 2009; Szondi, 2007), the current study adopted 0.5 as the minimum KMO measure of sampling adequacy following Malhotra and Dash although Field (2013:685) claims that such values are miserable.

The study also applied Bartlett's (1954) test of sphericity to assess factorability of the SOBE of nation FDI theoretical model dataset following Field (2013:685). Tabachnick and Fidell (2007:614) assert that: "Bartlett's test of sphericity is a notoriously sensitive test of the hypothesis that the correlations in a correlation matrix are zero." However, due to its sensitivity and reliance on sample size, the test may still be significant in large samples even if correlations are low (Field, 2013:685; Tabachnick & Fidell, 2007:614). It is for that reason that the study concurrently used the KMO measure of sampling adequacy.

7.7.2.2 Optimum factors extracted, rotation method (i.e. Oblimin), interpretability and multicollinearity of factors from country sample datasets

The optimum number of factors to be extracted from a dataset can be decided based on the eigenvalues, a *priori*, or scree plot technique. In this study, a combined eigenvalue and a priori technique were used to decide the optimum number of factors extracted in each case study. An **eigenvalue** is a comparative importance of, or variance explained by, each factor (Kothari, 2004; Malhotra & Dash, 2011; Singh, 2007; Zikmund *et al*., 2010). In line with the eigenvalue option, the minimum value at which a factor is considered important hence retained in an empirical model is at least 1. Eigenvalues vary from the highest for the first factor, the most important, to the least, for the least significant factor. Using the default eigenvalue decision rule, the country sample datasets offered a 17-factor solution with total variance explained of 74.3 percent for the South African sample (Appendix 3) and an 18-component model with a total variance of 66.6 percent for the Zimbabwean sample (Appendix 4). The default eigenvalues offered too many components many of which were of marginal significance. The rule of parsimony submits that an explanation consisting of fewer factors is better than one comprising more (Zikmund *et al*., 2010:595). As a result, the researcher turned to the *a priori* method to decide the number of factors to extract from the datasets. He experimented with factor solutions ranging from a minimum of six and 13 factors for the countries to come up

with an optimum factor model for each country. While there is no minimum commonly accepted cumulative variance for factor solutions, the researcher settled for total variance explained of at least 60 percent suggested by some theorists (e.g. Hair *et al*., 2010; Maholtra & Dash, 2011).

Because factors extracted without rotation are usually difficult to interpret, the factors have to be rotated to increase their interpretability (Brown, 2009; Field, 2013; Tabachnick & Fidell, 2007; Zikmund *et al*., 2013). A fundamental test of factor analysis is the interpretability of the factors (Tabanichnick & Fidell, 2007:608). Nonetheless, the naming of factors is a subjective process. A factor can be named by linking its constituent variables that account for large factor loadings (Green & Salkind, 2011; Hair *et al*., 2010; Malhotra & Dash, 2011). A good PCA solution makes sense, and a bad one does not (Tabanichnick & Fidell, 2007:608). Rotation refines an extracted factor solution to make it easy to name its factors. There are two main methods of factor rotation—orthogonal and oblique (Brown, 2009; Field, 2013; Green & Salkind, 2011; Hair *et al*., 2010). Oblique rotation methods suppose that the factors in the study are interrelated and orthogonal rotation methods presume that the factors are unrelated (Brown, 2009; Field, 2013; Hair *et al*., 2010; Tabanichnick & Fidell, 2007). Each of these broad methods has some techniques, for example, orthogonal methods include varimax, orthomax, equamax, and quartimax and oblique methods include promax and oblimin. Considering that the constructs and independent variables of the study's theoretical framework were correlated **(see Chapter 6)**, the researcher chose the Oblimin with Kaiser Normalisation rotation method to refine and increase the interpretability of extracted factors.

Since the country factor models extracted by PCA were also validated with CFA and used as a basis for verifying weighted SON-FDIBE indices, the researcher subjected the factor solutions to multicollinearity checks. **Multicollinearity**, also known as **collinearity**, refers to how strongly independent or predictor variables in a model interrelate (Liao & Valliant, 2012; Pallant, 2005; Sekeran & Bougie, 2013; Yong & Pearce, 2013; Zikmund *et al*., 2010). Rules of thumb on unacceptably high levels of multicollinearity or correlations vary from equal to or greater than 0.7 (Sekeran & Bougie, 2013; Yoo, Mayberry, Bae, Singh, Qinghua & Lillard Jr., 2014), ≥0.8 (Farrar & Glauber, 1967; Hair, Black, Babin, Anderson & Tatham, 2006; Pallant, 2005; Tabachnick & Fidell, 2007; Yoo *et al*., 2014) to ≥0.9 (Green, Tull & Albaum, 1988; Farrar & Glauber, 1967; O'Brien, 2007; Tabachnick & Fidell, 2007; Yoo *et al*., 2014). Thus

in this study, multicollinearity was not considered a problem because there were no factor correlations $r \geq 0.9$ regarding Pearson's correlation (in PCA) and squared multiple correlations (in CFA). Multicollinearity causes logical and statistical challenges, which may weaken the analysis (Tabachnick & Fidell, 2007:89). Hence if collinearity exceeds an agreed limit (e.g. $r \geq 0.9$), there would need to treat it.

7.7.2.3 Reliability of research instrument: Cronbach's alpha (PCA) and squared multiple correlations (CFA)

Reliability is the capability of a measurement instrument to produce consistent results each time it is used (Blumberg, Cooper & Schindler, 2011; Bryman, 2012; Collis & Hussey, 2014; Hair *et al*., 2010; Saunders, Lewis & Thornhill, 2012; Sekeran & Bougie, 2013; Zikmund *et al*., 2013). In fact, the reliability of an instrument is evidence of the stability and consistency with which the tool measures the concept and assists to assess the "goodness" of the measure (Sekeran & Bougie, 2013:228). Reliability is an essential, but not adequate, condition for validity (Blumberg, Cooper & Schindler, 2011; Malhotra & Dash, 2011). While the absence of reliability comprises negative evidence for validity, reliability does not on its own indicate validity (Malhotra & Dash, 2011:281). Thus validity in this study was tested with PCA and CFA as already explained above and also below **(subsection 7.7.2.4 and 7.7.2.5)**. Replication is vital in positivist studies (Collis & Hussey, 2014:53). This study was partly positivist in philosophy because it followed a pragmatist philosophy hence its data collection instrument was tested for reliability. This also indirectly or directly implies that the study's conceptual framework was tested for the same because it informed the questionnaire.

Three common approaches to evaluating reliability are test-retest, internal consistency, and alternative- or parallel-form reliability (Malhotra & Dash, 2011; Saunders, Lewis & Thornhill, 2012; Sekeran & Bougie, 2013). The reliability of this study's questionnaire was assessed with the internal consistency approach, in particular, the Cronbach's (1951) coefficient alpha (α). **Internal consistency** entails correlating the responses to questions in the questionnaire with each other (Saunders, Lewis & Thornhill, 2012:430) to measure the reliability of the summated scale (Malhotra & Dash, 2011:279). There are some methods for calculating internal consistency such as split-half and interim consistency or Cronbach's coefficient alpha (Malhotra & Dash, 2011; Sekeran & Bougie, 2013). The often-used technique is the

Cronbach's coefficient α (Organisation for Economic Cooperation and Development, 2008; Zikmund *et al*., 2013), which ranges from 0, meaning no consistency, to 1, meaning complete consistency (Malhotra & Dash, 2011; Zikmund *et al*., 2013). According to the Organisation for Economic Cooperation and Development (OECD), the Cronbach's coefficient alpha is a coefficient of reliability based on the correlation between individual variables, or indicators hence is not a statistical test (OECD, 2008:72). Thus if the correlation among a set of indicators is high, then this is confirming that the individual variables are measuring the same underlying construct, OECD says. Saunders, Lewis and Thornhill (2012:430) agree that the Cronbach's alpha statistic is frequently employed to assess the consistency of responses to a set of questions (scale variables) that form a scale for measuring a defined concept. In general, a scale with coefficient alpha between 0.8 and 0.950 is considered to have very good reliability, a scale with a coefficient value of 0.700 to 0.800 is regarded as having good reliability, and a scale with Cronbach alpha between 0.600 and 0.700 is seen as having fair reliability (Zikmund *et al*., 2013:302). In this study factors with Cronbach's α coefficients of 0.600 were accepted following existing literature (Hair *et al*., 2010; Zikmund *et al*., 2013) but factors with alpha coefficients at least 0.500 were also retained considering the exploratory nature of the research and that the fact that 0.500 is the mid-point of the Cronbach's α.

A noteworthy characteristic of Cronbach's alpha is that its value tends to inflate with an increase in the number of scale items hence the coefficient alpha may be deceitfully and unsuitably increased by the inclusion of many trivial scale items (Field, 2013; Malhotra & Dash, 2011; Outhavong, 2007; Saunders, Lewis & Thornhill, 2012). Consequently, following Field (2013:709), the reliability of the questionnaire was tested per factor instead of all items in the country factor solutions at once.

The reliability of the scale was also checked using squared multiple correlation (SMC) coefficients (Outhavong, 2007; Schreiber, 2008; Schreiber *et al*., 2006; Segars & Grover, 1993). CFA or SEM can be used to test the reliability of a scale (Cho, 2011:65). In CFA, the reliability between items and their corresponding underlying construct is shown by SMC coefficients (Schreiber, 2008; Schreiber *et al*., 2006; Segars & Grover, 1993) ranging between 0 and 1 (Kwan & Chan, 2014:226). Squared multiple correlations, the threshold value of which is ≥ 0.5, also indicate convergent validity (Segars & Grover, 1993:523) although some authors propose SMCs ≥ 0.4 (e.g. Amin & Isa, 2008:202). Since SMCs were only used to confirm the

reliability of the scale after testing for the same with Cronbach's α at PCA stage, no items were deleted from the factor solutions for having SMC (R^2) coefficients below 0.4.

7.7.2.4 Assessment of construct validity of study instrument using PCA and CFA

The validity of a research instrument can be evaluated through content validity, criterion validity, and construct validity (Langdridge & Hagger-Johnson, 2009; Malhotra & Dash, 2011; Saunders, Lewis & Thornhill, 2012) i.e. convergent validity and discriminant validity (Cho, 2011; Malhotra & Dash, 2011; Pallant, 2007). In this study, content or face validity was dealt with in the pilot survey phase **(see 7.2.4 above),** so the focus in the empirical phase was construct validity. Factor analysis is one multivariate procedure that can be used to establish construct validity of a scale (Rattray & Jones, 2007; Zikmund *et al.,* 2013). Construct validity is related to content validity clarified above because "constructs" are rooted in the literature. **Construct validity** needs sound theory of the nature of the construct being evaluated and how it connects to other constructs (Malhotra & Dash, 2011; Sekeran & Bougie, 2013) and is the most sophisticated and challenging type of validity to establish (Malhotra & Dash, 2011:280). Nonetheless, some theorists also contend that construct validity focuses on the degree to which a researcher's instrument measures the constructs the study intends to gauge (Malhotra & Dash, 2011; Saunders, Lewis & Thornhill, 2012) and this brings the meaning of the concept close to content validity. Collis and Hussey (2014:53) claim that construct validity relates to the problem that there are some phenomena or *hypothetical constructs* that are not directly observable, which are presumed to exist as factors that explain observable phenomena. The two theorists further argue that with observable constructs, a researcher should be able to demonstrate that the research findings can be explained by the construct.

Construct validity confirms how well the findings from the application of the measurement scale fits the theories around which the test is underpinned (Sekeran & Bougie, 2013:227). In attempting to appraise construct validity, both the theory and measuring instrument are considered (Blumberg, Cooper & Schindler, 2011:347). When evaluating construct validity, the investigator tries to answer theoretical questions concerning why the instrument works and what assumptions can be made about the underpinning theory (Malhotra & Dash, 2011:280). Construct validity can be assessed through correlational analysis (Sekeran & Bougie,

2013:227), convergent and discriminant validity (Malhotra & Dash, 2011; Pallant, 2007; Sekeran & Bougie, 2013), nomological validity (Malhotra & Dash, 2011:280) and face and content validity (Zikmund *et al*., 2010:308). Langdridge and Hagger-Johnson (2009:569) claim that construct validity normally takes several years to establish. Hence the construct validation of the SON-FDIBE scale done in this study should only be regarded as a baseline; further validation of the framework should continue in the years to come. Perhaps that is why proprietary nation branding indices such as the WEF's GCI, Anholt-GfK Roper's NBI^{SM}, World Bank's Doing Business, UNDP's Human Development Index, IMD's WCS/Y to name but a few, are popular with policymakers and destination managers. The research instrument for this study was evaluated for construct validity through convergent, nomological, and discriminant validity. Multivariate data analysis tools such as factor analysis [e.g. PCA and CFA or SEM] are useful for verifying construct validity (Sekeran & Bougie, 2013; Zikmund *et al*., 2010).

Correlational analysis, i.e. Pearson's correlations in PCA, squared multiple correlations in CFA, and goodness-of-fit or badness-of-fit indices explained below were also employed to validate the research instrument hence conceptual framework. In PCA factor loadings (explained above) were drawn on to validate the research instrument. While this study primarily sought to identify (through PCA) and confirm (through CFA and SEM) the factor structure affecting stakeholder-oriented nation FDI brand equity to validate the conceptual framework, Zikmund *et al*. (2010:566) argue that standardised regression (SRW) coefficients (β) show the strength of correlation between an independent variable and dependent variable expressed on a standardised scale where higher absolute values denote stronger relationships (range is from –1 to 1). Standardised regression weights describe the extent of the association between the construct(s) and the underlying variables (Amin & Isa, 2008:203). SEM enables answering research questions that concern multiple regression analysis of factors (Tabachnick & Fidell, 2007:676). The application of SEM in this study is a significant methodological contribution because there are hardly any studies on nation branding in general and FDI destination branding in particular that have applied CFA to confirm factors and generate component weights to calculate composite indices. This study draws on factor percentage of variance explained or eigenvalues and standardised regression β coefficients as sub-index weights.

7.7.2.4.1 Convergent and discriminant validity of study instrument

These two are closely related but different concepts of construct validity. In fact, convergent and discriminant validity are usually measured jointly for a set of constructs (Bhattacherjee, 2012:59). **Convergent validity** is the degree to which a scale or measure correlates positively with other measures of the same construct (Bhattacherjee, 2012; Hair *et al*., 2010; Malhotra & Dash, 2011; Sekeran & Bougie, 2013; Pallant, 2007; Zikmund *et al*., 2010). **Discriminant validity** is confirmed when, based on theory, a measure does not correlate with other constructs which it is expected to differ (Bhattacherjee, 2012; Hair *et al*., 2010; Sekeran & Bougie, 2013). Cho (2011:64) argues that discriminant validity is applied to evaluate the extent to which a measure of a construct may be proven to be distinct from measures of other constructs that are theoretically related. So it is expected that related concepts display significant correlations (convergent validity) but not to be so highly correlated that they are not independent concepts (discriminant validity) (Zikmund *et al*., 2010:309). Given the preceding explanations, this study applied correlational analysis as a measure of discriminant validity drawing on standards of collinearity or multicollinearity as a basis. In this study, convergent and discriminant validity was established in two ways. The first one entailed checking if the items significantly loaded into the constructs predicted in theory (Cho, 2011; Hair *et al*., 2006). Although a factor loading of 0.500 is normally taken as the cutoff point for accepting variables in factor solutions, this study considered 0.300 as its threshold (see, e.g. Field, 2013; Garson, 2012; Nunnally & Bernstein, 1994 cited in Cho, 2011:70) for convergent and discriminant validity given the study's exploratory nature and the importance of the variables to the case study countries. The second involved assessing the extent to which the empirical constructs were interrelated, i.e. by examining the factor correlation coefficients. Minimum correlation coefficients of ≥0.300 that is evidence of suitability for factor analysis (e.g. Hair *et al*., 2010; Tabachnick & Fidell, 2007), were adopted as acceptable evidence of the presence of convergent validity in the study's instrument. At the same time, correlation coefficients ≥0.900 were considered unhealthy multicollinearity (e.g. see Green, Tull & Albaum, 1988; Farrar & Glauber, 1967; O'Brien, 2007; Yoo *et al*., 2014) hence were regarded as evidence of poor discriminant validity in this study. In other words, correlations between ≥0.300 and <0.900 were taken as evidence of both convergent and discriminant validity. Furthermore, convergent validity was tested with squared multiple correlations following extant literature (e.g. Segars & Grover, 1993:523; Amin & Isa, 2008:202) who suggest threshold values of ≥0.5 and ≥0.4 respectively. Convergent validity was also verified by calculating Cronbach's alpha coefficients (Krešić

& Prebežac, 2011:508) for factors. The study adopted the usual minimum Cronbach's α value of 0.600 for reliability (Hair *et al*., 2010; Zikmund *et al*., 2013) as the threshold measure of convergent validity.

7.7.2.4.2 Nomological validity of study instrument

Nomological validity is the degree to which the scale correlates in conceptually projected ways with measures of different but related constructs (Malhotra & Dash, 2011:280). This type of validity seeks to establish if, as theorised, there are significant correlations between constructs. Hence nomological validity in this study was also evaluated through correlation analysis and factor loadings generated by both PCA and CFA. Also, goodness-of-fit indices were used to test for nomological validity in the measurement model (Cho, 2011:86). The fit indices are explained below as a different way of validating a conceptual framework.

7.7.2.5 Validating conceptual framework using goodness-of-fit indices

Goodness-of-Fit Indices (GFIs) help to establish the validity of models although many other issues such as adequacy, interpretability of parameter estimates, and model complexity are also important (Marsh, Hau & Wen, 2004:323). They assess how well a measurement model fits the sample data. Four GFIs, i.e. Chi-square statistic, Comparative Fit Index (CFI), Root Mean Square Error of Approximation (RMSEA), and Hoelter were employed to test validity in this study. CFI and RMSEA are among the measures commonly used, but it is good practice to use at least three to four indices of different kinds (Hair *et al*., 2010; Malhotra & Dash, 2011). In addition to the Chi-square statistic, Imandin, Bisschoff & Botha (2016:95) suggest that the CFI, RMSEA and Hoelter indices must "be reported and considered because they provide different information about the model fit". GFIs offer "rules of thumb"—recommended threshold values for assessing fit in structural equation modelling (Marsh, Hau & Wen, 2004:320).

Some researchers carry out a second-order CFA or SEM to check the extent to which the model fits the sample data after deleting delinquent scale items (e.g. Cho, 2011; Wang & Ahmed, 2004). Hurley *et al*. (1997:681) argue that, at the minimum, a new sample would be required to collect data for verification of a model using goodness-of-fit indices generated by CFA. Following Hurley *et al*., this researcher did not modify both the South African and Zimbabwean first-order structural models as he did not go back to the field to gather new data. Furthermore,

Amin and Isa (2008:202) argue that the effect of high squared multiple correlation values indicates the acceptance of model fit. So, in this study squared multiple correlations were considered as an additional indication of how well the SEMs were explained by the sample data. Schreiber (2008:90) points out that abuse of fit indices happens when the researcher becomes overexcited with improving the fit. Moreover, it is critical that each modification effected based on statistical principles is also acceptable theoretically (Schreiber, 2008:90). Given the extensive literature supporting the hypothesised model, the researcher did not consider it necessary to modify the model without gathering new data.

7.7.2.5.1 Chi-square statistic

Chi-square difference test is used where there are nested models, i.e. one model is a subset of another. The Chi-square value for the large model is subtracted from the Chi-square for the nested smaller model and the difference, also a Chi-square, is assessed with degrees of freedom equal to the difference between the degrees of freedom in the two models (Tabachnick & Fidell, 2007:721). A rule of thumb related to the Chi-square value is that a good model fit is implied when the ratio of the Chi-square to the degrees of freedom (*df*) is less than 2 (Tabachnick & Fidell, 2007:715) or less than 5 (Schreiber, 2008:90). In a broad sense, smaller Chi-square values are suggestive of better-fitting models (Cheung & Rensvold, 2002; Schreiber, 2008; Segars & Grover, 1993). The Chi-square statistic is sensitive to large sample sizes and models with a large number of variables (Hair *et al*., 2010; Segars & Grover, 1993). Considering that the hypothesised SON-FDIBE model has 105 attributes, its empirical equivalents for the case study countries may exceed the standard number of items in studies in this area. This may inflate the Chi-square values.

7.7.2.5.2 Root Mean Square Error of Approximation (RMSEA)

RMSEA assesses the differences between the actual and forecasted covariance, i.e. residual or, precisely, the square root of the mean of the squared residuals (Malhotra & Dash, 2011:700). RMSEA estimates the lack of fit in a model compared to a perfect (saturated) model (Tabachnick & Fidell, 2007:717). It is equally a badness of fit index, in which the higher the RMSEA estimate, the poorer the data suits the model (Schreiber, 2008:88). In reality, RMSEA is not a good index for appraising goodness-of-fit in studies with small samples (Tabachnick & Fidell, 2007:717). Lower RMSEA values i.e. ≤ 0.08 indicate better model fit (Malhotra & Dash, 2011; Marsh, Hau & Wen, 2004; Tabachnick & Fidell, 2007). Nonetheless, other

theorists argue that RMSEA values under 0.08 are suggestive of a sufficient fit and values under 0.05 are regarded a good fit (Fombrun, Ponzi & Newburry, 2015; Wicksell, Olson & Melin, 2009). Thus in this study, RMSEA estimates below 0.08 were regarded as denoting adequate fit, and those below 0.05 were considered indicative of good fit.

7.7.2.5.3 Comparative Fit Index (CFI)

"The CFI is based on a ratio of the Chi-square of the tested model and the independent or null model" (Schreiber, 2008:88). "The range of values for the CFI is 0 to 1, but a value of 1 does not indicate a perfect fit, just that the Chi-square of the model is less than the degrees of freedom of the model tested" (Schreiber, 2008:88). "For the CFI, values above .90 represent an acceptable fit and values above .95 a close fit" (Wicksell, Olson & Melin, 2009:762). Therefore, in this study, a CFI value of 0.90 represents satisfactory model fit and a value greater than 0.95 represents good fit.

7.7.2.5.4 Hoelter Index

In accordance with the Hoelter index, the goodness-of-fit of a model is evaluated on the critical sample size (N), which denotes whether the sample size is sufficient (Eliuz, 2014; Fan & Sivo, 2005; Imandin, Bisschoff & Botha, 2016; Lance, Butts & Michels, 2006; Shadfar & Malekmohammadi, 2013). Hoelter values equal to or greater than 200 are considered adequate sample size and values ranging from 75 to 200 are regarded as acceptable sample size (Eliuz, 2014; Shadfar & Malekmohammadi, 2013). Thus the Hoelter index helped to evaluate the degree to which the case studies in this study had adequate sample sizes to enable the assessment of model fit.

7.7.2.6 Validating conceptual framework through Ease of Doing Business in Tourism Sector Conference

While a sensible conceptual framework can be designed after reviewing existing literature and undertaking interviews and observations (Baalbaki, 2012; Malhotra & Dash, 2011; Sekeran & Bougie, 2013), the theoretical model for this study was constructed after reviewing literature only. As a result, the researcher sought every opportunity to supplement the PCA and CFA validation methods explained above with participatory validation techniques. In that endeavour, he attended the Ease of Doing Business in the Tourism Sector Conference held in Harare, Zimbabwe, in September 2016. The World Bank's Doing Business Index and WEF's

Travel & Tourism Competitiveness Index were reviewed in Chapter 5 and some of their variables incorporated in the study's conceptual framework in Chapter 6. Although the conference focused on the tourism industry, its proceedings and discussions provided a perfect opportunity for further validating the conceptual framework. The conference drew participants from not just tourism businesses but also the national destination marketing organisation—Zimbabwe Tourism Authority (ZTA), policymakers (i.e. permanent sectaries from government ministries), the Zimbabwe Republic Police (ZRP), academics, and tourism and hospitality students. As evident in the findings in Chapters 8 through 10, the researcher noted all variables in the conceptual framework or questionnaire that were discussed at the conference. The variables included taxation, police roadblocks, licensing of businesses (e.g. duration of licenses, fragmentation of offices processing licenses, fees for licenses), and attitudes of civil servants working in the offices providing public services. The fact that the conceptual framework was partly validated through the Doing Business conference proceedings shows that the study followed a pragmatic research philosophy and an abductive approach biased towards positivism and deduction respectively (**see section 7.2.1 and 7.2.2 above**).

7.7.3 Hypotheses confirmation, proposition generation, and model modification: Eigenvalues, standardised regression weights, *t*-tests, ANOVA, and effect sizes

This study was inspired by pragmatism and abduction although it was predominantly positivist and deductive in its philosophy and approach respectively. While the study was principally theory-testing, it was also theory-generating to some extent. Rattray and Jones (2007:237) argue that the item and factor analysis stages of the questionnaire development process can be employed to prove if the items in the conceptual model are illustrative of the expected subscale or factor. Hence following Tabachnick and Fidell (2007:611) the study employed PCA and CFA to test the hypotheses concerning the number and structure of hypothesised factors in the empirical factor solutions extracted from the case study countries. The PCA technique is the simplest and preliminary of these two techniques. Following Tabachnick and Fidell (2007:644) the conceptual framework's eight hypothesis, each linked to a theoretical construct, were tested in preliminary form using eigenvalues. Citing literature, Tabachnick and Fidell (2007:644-646) suggest other techniques of testing theory in a preliminary form such as the scree test, parallel analysis, and minimum average partial correlation. This researcher preferred the eigenvalues technique given its simplicity and ready comparability to standardised regression

weights generated in SEM. A component with an eigenvalue greater than one (1) can be retained in a factor solution (Malhotra & Dash, 2011; Tabachnick & Fidell, 2007) provided it has at least two variables (Tabachnick & Fidell, 2007:646). The SEM technique (performed in this study using CFA) is the most-advanced and accepted of the two hypotheses-testing choices. CFA is employed when the researcher has strong conceptual anticipation about "the factor structure (number of factors and which variables relate to each factor) before performing the analysis" (Zikmund *et al*., 2010:593). Standardised regression weights were used to test the same hypotheses, H_2 to H_{10}, from an SEM standpoint and this, could be interpreted as retesting or confirmation of theory already accepted tentatively on the basis eigenvalues generated by PCA. Tabachnick and Fidell (2007:644) argue that the more factors are extracted, the better the fit and the greater the percentage of variance in the data "explained" by the factor solution. Nonetheless, they also argue that the more factors extracted, the less parsimonious is the solution. Thus PCA was used to test the study's hypotheses, i.e. those based on the total number and interpretation of the factors that were to be extracted from the country sample dataset. Eigenvalues and standardised regression weights were used to confirm the study's hypotheses and anchor propositions for those factors that were not in the conceptual model but empirical factor solutions. This is why the research approach of this study is also, to an extent, described as abductive or theory generating.

While theorists agree that PCA can be employed to test an underlying theory about a factor structure (e.g. Tabachnick & Fidell, 2007, Rattray & Jones, 2007), few suggest how eigenvalues can be applied to test definitive hypotheses in exploratory form (e.g. Tabachnick & Fidell, 2007:644). Hypotheses testing in PCA at construct level can draw on eigenvalues or sums of squared loadings, since the two always have the same coefficients, while at item level it can rely on factor loadings. In either case, the decision rule for accepting or rejecting hypotheses should be based on the underlying assumption of each of the two types of coefficients, i.e. ≥ 1 for eigenvalues and whatever level the researcher selected as the threshold for factor loadings taking into account the reasons for retaining variables with low factor loadings in a factor structure. In this study, hypotheses testing in respect of the number and nature of factors explaining stakeholder-oriented nation FDI brand equity were accepted by the default eigenvalue of ≥ 1 or any standardised regression weight. The same evidence was also accepted for new propositions if the factor extracted or confirmed did not fit any one of the eight constructs in the conceptual framework.

In CFA, choice of the number of factors is actually a selection of the number of theoretical processes motivating a research area (Tabachnick & Fidell, 2007:644). The researcher partially validated the hypothesised factor structure by verifying the extent to which the number of conceptual factors adequately fitted the data as explained by Tabachnick and Fidell. Four goodness-of-fit indices explained above were applied to test the theory hence standardised regression weights for the country factor components were cited to confirm the conceptual framework's hypotheses. To the best knowledge of this researcher, CFA with SEM has so far hardly been used in nation branding studies (Lamelas, 2011 is among a few exceptions) and more barely so in stakeholder-driven FDI destination brand management researches.

The researcher also employed independent sample *t*-tests, analyses of variance (ANOVA) and effect sizes to test the study's main hypothesis (H_1) on group differences. Tests of theory (in which theoretical factor loadings are compared with those derived from a sample) and comparison among groups are currently the area of SEM (Tabachnick & Fidell, 2007:651). Hypothesis H_2 was confirmed regarding the number and nature of factors extracted from the South African and Zimbabwean datasets vis-à-vis the eight factors in the conceptual framework. Standardised regression weights, alongside eigenvalues, were applied to verify hypotheses H_3 to H_{10}. As already stated, the main hypothesis of this study, H_1, was verified by *t*-tests, ANOVA, and effect sizes. The main hypothesis was to be accepted by at least one *p*-value that is less than or equal to 0.05 (Field, 2013:75; Pallant, 2007:246) and one small effect size either Cohen's *d*, *f* or both. Nonetheless, Field (2013:75) argue that researchers should not be fooled by the phrase "statistical significance" because even if the *p*-value is smaller than or equal to 0.05, it does not necessarily imply that the effect is important. Therefore, following *t*-tests and ANOVA, the researcher calculated effect sizes to explore the practical implications of statistically significant differences.

An effect size is "the difference between the treatment and control means, divided by the pooled standard deviation" (Means, Toyama, Murphy, Bakia & Jones, 2009:14). Effect size is "a quantitative reflection of the magnitude of some phenomenon that is used to address a question of interest" (Kelley & Preacher, 2012:138). It is frequently associated with the notion of substantive significance (e.g., practical, clinical, medical, or managerial importance) that may be understood to be the extent to which interested parties (scientists, practitioners, politicians,

managers, consumers, decision-makers, the public in general, etc.) would consider a finding crucial and justify attention and maybe action (Kelley & Preacher, 2012:138). Effect sizes may be computed (a) from the means and standard deviations for the two groups or (b) drawing on information from statistical tests such as *t*-tests and ANOVA (Means *et al*., 2009:14). Many theorists suggest Cohen's (1988) *d* benchmark or rule of thumb to interpret the effects in respect of *t*-tests, i.e. 0.2 represents small, 0.5 represents medium, and 0.8 represents large effects (Field, 2013; Fritz, Morris & Richler, 2012; Kotrlik, Williams & Jabor, 2011; Vacha-Haase & Thompson, 2004). Kotrlik, Williams and Jabor (2011:138) cite Cohen's (1988) *f* rule of thumb to interpret effect sizes based on ANOVA and analysis of covariance (ANCOVA) i.e. 0.10 = small effect, 0.25 = medium effect, and 0.40 = large effect.

Effect size statitics should be considered in the context of effects established in related previous studies (Fritz, Morris & Richler, 2012; Kotrlik, Williams & Jabor, 2011; Vacha-Haase & Thompson, 2004). Nonetheless, that was not possible in this study because the researcher's attempt to find previous studies in nation branding that reported effect sizes was futile. When researchers have conducted groundbreaking studies in domains of research with no or few previous studies, effect sizes cannot be evaluated in the context of related prior effects hence the application of rules of thumb like Cohen's benchmarks are recommended (Vacha-Haase & Thompson, 2004:478). Current literature suggests that if existing similar previous studies did not publish effect sizes but descriptive statistics, i.e. means and standard deviations, effect size statistics can be calculated and such statistics can be used to as a basis of comparison. Means *et al*.'s (2009:14) definition of effect sizes given above suggests a basic formula for calculating effect size statistics. However, rules of thumb and previous studies are still not a sufficient basis for interpreting effect size statistics. In practice, the size of an effect should be interpreted in the context of the variable concerned and not just the rules of thumb (e.g. Fritz, Morris & Richler, 2012; Kelley & Preacher, 2012; Nakagawa & Cuthill, 2007) or previous related studies. In any case, bonafide nation branding literature is scarce, and especially that focusing on FDI destination brand management, which has calculated and reported effect sizes. Since the researcher avoided computing own effect size statistics from existing studies reporting group means and standard deviations, this study used Cohen's *d* and *f* to interpret the effects.

7.8 CALCULATING AND INTERPRETING STAKEHOLDER-ORIENTED NATION BRAND EQUITY (SON-FDIBE) INDICES OF CASE STUDY COUNTRIES

The fifth or last, empirical objective of this study was "to calculate the SON-FDIBE indices of the case study countries". Models should not have complex mathematics because decision makers usually prefer simple models that everyone can readily comprehend over complicated models that are challenging to understand (Zikmund & Babin, 2013; Zikmund *et al*., 2010). Consequently, the SON-FDIBE Index computation methodology simply builds on variable mean scores (Zikmund & Babin, 2013:255) to calculate indices for the case study countries drawing on basic regression equations or factor models extracted by PCA and confirmed by CFA with SEM. A composite index aggregates sets of variables to condense huge quantities of information in a meaningful manner (Fetscherin, 2010:471) basing on a mathematical derivation of multiple variables (Zikmund & Babin, 2013:255). However, aggregation has always been an area of potential methodological controversy in the construction of composite indexes (Fetscherin, 2010:471). In nation branding studies, one of the controversies may be arising from arguments concerning whether or not Likert scales have mathematical properties or whether they are ordinal or interval. Moreover, several aggregations (e.g. additive, multiplicative) and weighting (e.g. equal, regression) methods are available, and the choice of the suitable method is influenced by the field being measured and the goal of the composite indicator (Fetscherin, 2010:471). Deciding the components of the index and their weights is an important step in the aggregation process hence may also be controversial because of the variety of options available. Some weighting methods are derived from statistical models like factor analysis (e.g. PCA), data development analysis and unobserved components models, or from participatory methods like budget allocation processes, analytic hierarchy processes, and conjoint analysis (OECD, 2008:31). In this study, the PCA and, by extension, CFA methodology were explored to calculate the SON-FDIBE index alongside an unweighted methodology informed by the conceptual framework. Composite indices are much like mathematical or computational models hence their construction depends more on the craftsmanship of the modeller than to the universally accepted scientific rules for encoding (OECD, 2008:14).

Because of the variety of methods for computing indexes, controversies on how to calculate them, and the exploratory nature of this study, four alternative index calculating methodologies were test-driven and contrasted before one of them, offering the best fit

with the overall objective of the study, was recommended as a starting point. The first two index methodologies are unweighted or equal weighted, and the last two are weighted or differentially weighted. Making a suitable choice about the dimensions of composite indexes and their weights is a fundamental part of the aggregation procedure (Fetscherin, 2010:471).

7.8.1. Equal-weighted SON-FDIBE indices: Eight constructs (1st) and empirical factor solutions (2nd)

The first two index computation techniques have equal weights across the sub-indices or dimensions and are based on simple logic. Following Fetscherin (2010:471), the two indexes are premised on "an additive rather than a multiplicative approach". If mean ratings of stakeholders are acceptable at variable level, then the sum of the means at construct, and the sum of means of all constructs cannot be, at a basic level, rejected as a composite index. The first index in this cluster is based on the eight constructs and the 105 variables in the conceptual framework and the second is based on composite factorial models extracted from the country dataset by PCA. Its basic regression equation is as follows:

$$SONFDIBE = \frac{1}{x}(\mu Factor1 + \mu Factor2 + \mu Factor3 + ... + \mu Factorx)...(1)$$

$$\forall f(SONFDIBE) \in \square \ (1 \leq x \leq 7)$$

Where μ is factor mean score

$$\therefore SONFDIBE = \frac{1}{8}(\mu SOC + \mu TECH + \mu ECOL + \mu ECON + \mu MARK + \mu INFRA + \mu ORG + \mu GOVT)....(1)$$

Where

$$\mu(Factor1) = \frac{\sum_{i=1}^{i=n}(Factor1)}{n}$$

i.e.

$$SONFDIBE = \frac{1}{8}\left(\frac{\sum_{i=1}^{n_{soc}} SOC_i}{n_{soc}} + \frac{\sum_{i=1}^{n_{tech}} TECH_i}{n_{tech}} + \frac{\sum_{i=1}^{n_{ecol}} ECOL_i}{n_{ecol}} + \frac{\sum_{i=1}^{n_{econ}} ECON_i}{n_{econ}} + \frac{\sum_{i=1}^{n_{mark}} MARK_i}{n_{mark}} + \frac{\sum_{i=1}^{n_{infra}} INFRA_i}{n_{infra}} + \frac{\sum_{i=1}^{n_{org}} ORG_i}{n_{org}} + \frac{\sum_{i=1}^{n_{govt}} GOVT_i}{n_{govt}}\right)...(2)$$

where,

$$\sum_{i=1}^{n} Factor1 = V_1 + V_2 + V_3 + V_4 + V_5 + ... + V_n$$

thus,

$$\sum_{i=1}^{15} SOC_i = V_{soc1} + V_{soc2} + V_{soc3} + V_{soc4} + V_{soc5} + ... + V_{soc15}$$

$$\sum_{i=1}^{18} TECH_i = V_{tech1} + V_{tech2} + V_{tech3} + V_{tech4} + V_{tech5} + ... + V_{tech8}$$

$$\sum_{i=1}^{4} ECOL_i = V_{ecol1} + V_{ecol2} + V_{ecol3} + V_{ecol4}$$

$$\sum_{i=1}^{16} ECON_i = V_{econ1} + V_{econ2} + V_{econ3} + V_{econ4} + V_{econ5} + ... + V_{econ16}$$

$$\sum_{i=1}^{18} MARK_i = V_{mark1} + V_{mark2} + V_{mark3} + V_{mark4} + V_{mark5} + ... + V_{mark18}$$

$$\sum_{i=1}^{14} INFRA_i = V_{infra1} + V_{infra2} + V_{infra3} + V_{infra4} + V_{infra5} + ... + V_{infra14}$$

$$\sum_{i=1}^{5} ORG_i = V_{org1} + V_{org2} + V_{org3} + V_{org4} + V_{org5}$$

$$\sum_{i=1}^{25} GOVT_i = V_{govt1} + V_{govt2} + V_{govt3} + V_{govt4} + V_{govt5} + ... + V_{govt25}$$

The first index computation methodology provides the foundation for the second index calculation technique. The second index differs from the first in that it draws on the factors extracted from each country, or country factor solutions, to calculate the composite index. Its basic regression equation is similar to the one given above but only differs in that it is calculated using actual country empirical factor models for South Africa and Zimbabwe. The second index is the foundation for computing the last two indices in the second cluster.

Most composite indices rely on equal weighting, i.e. all variables are given the same weight (OECD, 2008:31). In calculating his country brand strength index (CBSI) Fetscherin

(2010:471) used an additive rather than a multiplicative approach because any negative or zero value could bias the results. He also gave each component the same weight in the index as he was the first to develop such a standardised index to measure the strength of a country brand using objective secondary data and the Anholt's (2005) Nation Brand Index (NBI) as the underpinning theoretical framework. It is reasonable to start with a simplified version of the model that can be further refined in the future (Fetscherin, 2010:471). However, equal weighting does not mean 'no weights' but implicitly implies that the weights are equal (OECD, 2008:31). OECD argues that the weakness is that if variables are grouped into dimensions, and those are further aggregated into the composite, then giving equal weighting to the attributes may imply an unequal weighting of the dimension since the dimensions with the largest number of variables will have higher weights. This may lead to an unbalanced structure in the composite index.

7.8.2 Weighted SON-FDIBE indices: Eigenvalues (3rd) and standardised regression weights (4th)

To address the weaknesses of the unweighted index calculation methodologies explained above, the researcher designed two weighted index computation techniques explained below. Their calculation methodology relies on a combined additive and multiplicative approach (Fetscherin, 2010:471) with their factor mean ratings moderated by eigenvalue percentage variances (from EFA) and standardised regression weights (from SEM). In other words, the composite or overall weighted SON-FDIBE index is computed by multiplying each sub-index mean score with the corresponding standardised weight and then adding the weighted sub-indices. The eigenvalue percentage variances and/or standardised regression weights are first standardised i.e. converted to standardised weights that add to 100% so that the index is expressed as if it captures all factors underlying the concept it measures. The two indices are related in that they all, like the second index in this set of four, build up from respective country empirical factor solutions but differ from the second in that they are weighted, in fact differentially weighted. As already stated, the two weighted indices are different in that each relies on a unique weighting method.

The first or 3rd index is based on eigenvalue percentage variance weights from country PCA factor solutions. The second, last or 4th index relies on standardised regressions weights generated by CFA. The decisions on the weighting and aggregation should be made taking

into account the underlying theoretical framework (OECD, 2008:21). A review of existing literature shows that factor analysis, for instance, PCA (Cornell University, Institut Européen d'Administration des Affaires & World Intellectual Property Organization, 2015; OECD, 2008; Social Progress Imperative, 2016b; Steenkamp & Viviers, 2012) and CFA or SEM (Hugo, Squalli & Wilson, 2006) is a basis for calculating composite indices. According to PCA or factor analysis, weighting intervenes only to correct for overlapping information between two or more correlated indicators and is not a measure of the theoretical importance of the associated indicator (OECD, 2008:89). But if no correlation between indicators is found, then weights cannot be estimated with the PCA method, OECD argues. Since CFA was used to confirm the factors extracted by exploratory factor analysis, by extension, this study also drew on SEM to generate standardised regression weights to construct the second index in this cluster. Hugo, Squalli and Wilson (2006:18) draw on standardised regression weights to compute a weighted market access index.

Basing on the eight constructs of the conceptual framework, the regression equation of the last two indices is as follows:

$$SONFDIBE_w = k + \alpha_1(\mu Factor1) + \alpha_2(\mu Factor2) + \alpha_3(\mu Factor3) + ... + \alpha_x(\mu Factorx)...(1)$$

$$\forall f(SONFDIBE) \in \square \ (1 \le x \le 7)$$

Where:

w = weighted index

k = constant (for unmeasured variables)

μ = mean score

α_x = weight for xth factor

$$\therefore SONFDIBE_w = k + \alpha_1(\mu SOC) + \alpha_2(\mu TECH) + \alpha_3(\mu ECOL) + \alpha_4(\mu ECON) + \alpha_5(\mu MARK) + \alpha_6(\mu INFRA) + \alpha_7(\mu ORG) + \alpha_8(\mu GOVT)....(2)$$

Where:

W = weighted index

K = constant (for unmeasured variables)

μ = mean score

α_x = weight for xth factor

$$SONFDIBE_w = k + \alpha_1(\frac{\sum_{i=1}^{n_{soc}} SOC_i}{n_{soc}}) + \alpha_2(\frac{\sum_{i=1}^{n_{tech}} TECH_i}{n_{tech}}) + \alpha_3(\frac{\sum_{i=1}^{n_{ecol}} ECOL_i}{n_{ecol}}) + \alpha_4(\frac{\sum_{i=1}^{n_{econ}} ECON_i}{n_{econ}}) + \alpha_5(\frac{\sum_{i=1}^{n_{mark}} MARK_i}{n_{mark}}) + \alpha_6(\frac{\sum_{i=1}^{n_{infra}} INFRA_i}{n_{infra}}) + \alpha_7(\frac{\sum_{i=1}^{n_{org}} ORG_i}{n_{org}}) + \alpha_8(\frac{\sum_{i=1}^{n_{govt}} GOVT_i}{n_{govt}})...(2)$$

$$\sum_{i=1}^{n} Factor1 = V_1 + V_2 + V_3 + ... + V_n$$

thus,

$$\sum_{i=1}^{n_{soc}} SOC_i = V_{soc1} + V_{soc2} + V_{soc3} + ... + V_{socn}$$

$$\sum_{i=1}^{n_{tech}} TECH_i = V_{tech1} + V_{tech2} + V_{tech3} + ... + V_{techn}$$

$$\sum_{i=1}^{n_{ecol}} ECOL_i = V_{ecol1} + V_{ecol2} + V_{ecol3} + ... + V_{techn}$$

$$\sum_{i=1}^{n_{econ}} ECON_i = V_{econ1} + V_{econ2} + V_{econ3} + ... + V_{econn}$$

$$\sum_{i=1}^{n_{mark}} MARK_i = V_{mark1} + V_{mark2} + V_{mark3} + ... + V_{markn}$$

$$\sum_{i=1}^{n_{infra}} INFRA_i = V_{infra1} + V_{infra2} + V_{infra3} + ... + V_{infran}$$

$$\sum_{i=1}^{n_{org}} ORG_i = V_{org1} + V_{org2} + V_{org3} + ... + V_{orgn}$$

$$\sum_{i=1}^{n_{govt}} GOVT_i = V_{govt1} + V_{govt2} + V_{govt3} + ... + V_{govtn}$$

7.8.3 SON-FDIBE index interpretation key

Since all four SON-FDIBE index computation methodologies proposed above utilise variable mean scores as a basis for calculating indices for the two-panel countries, it follows that the study's 7-point Likert scale, where *1* = Very Weak and *7* = Very Strong, offers a basis for presenting and interpreting the composite indices. The indices are calculated in mean scores with the researcher-determined mean of ≥4 being the threshold point above which a country's SON-FDIBE was strong. The NBI℠ (Anholt-GfK, 2014), GCI (WEF, 2016), and FSI (Fund for Peace, 2016) are presented in the same way. Nonetheless, for even simpler interpretation, the 7-point scale was transformed into a percentile scale ranging from 1 percent representing Very Weak FDI Brand Equity to 100 representing Very Strong FDI Brand Equity. Table 7.1 below shows how the 7-point Likert scale was converted into percentile scale and the mean percentage ranges or bands represented by each scale point. The mean of ≥57.14 percent, which corresponds to the mean of ≥4, is the percentage cutoff point below

which a country's SON-FDIBE is weak. Unlike in the real world where ≥50 percent is usually the benchmark, in this study that is not the case. The threshold point for the SON-FDIBE index was determined by the researcher since the research instrument did not have a question on this fundamental aspect. However, existing customer satisfaction literature suggests that customers or users should decide a scale's cutoff point for an index on an issue(s) that affect(s) them (Hirschfeld & Thielsch, 2015; Rodrigo-Rincón, Reyes-Pérez & Martínez-Lozano, 2014).

Table 7.1: Stakeholder-oriented nation FDI brand equity index interpretation key

Scale Points and Narration	Scale Point Percentage Calculation	Attractiveness Mean Percentage Ranges
1 = Very Weak	1÷7×100=14.29	≤14.29
2 = Weak	2÷7×100=28.57	14.29 – 28.57
3 = Somewhat Weak	3÷7×100=42.86	28.57 – 42.86
4 = Neither Strong nor Weak	4÷7×100=57.14	42.86 – 57.14
5 = Somewhat Strong	5÷7×100=71.43	57.14 – 71.43
6 = Strong	6÷7×100=85.71	71.43 – 85.71
7 = Very Strong	7÷7×100=100.00	85.71 – 100.00

A number of existing privately-owned nation branding indexes, bona fide and default, are presented as percentile scales, for instance, Austria's NBI^{SM} (Anholt, 2013a), CBI (FutureBrand, 2014), and Nation Brand Impact^{TM} Framework (Brand Finance, 2015), Digital Country Index (Bloom Consulting, 2017b), Corruption Perception Index (Transparency International, 2016), Ibrahim Index of African Governance (Mo Ibrahim Foundation, 2016), SPI (Social Progress Imperative, 2016a), Global Manufacturing Competitiveness Index (Deloitte Global & US Council on Competitiveness, 2016), Global Innovation Index (Cornell University, INSEAD and WIPO, 2016), Doing Business (World Bank, 2016), and Ibrahim Index of African Governance (Mo Ibrahim Foundation, 2016). Following existing literature, the four SON-FDIBE indices will be presented as both absolute means (i.e. 1 to 7) and mean percentages. However, the SON-FDIBE index is different from these indices in that it is based on an inventive and purposive conceptual framework, and focuses on FDI. Although its constructs and attributes can be adapted to measure the country brand as a whole, the SON-FDIBE index is a country FDI brand attractiveness model. Following the market access index computation methodology (Hugo, Squalli & Wilson, 2006:3-4), the SON-FDIBE index may facilitate the creation of a league table, or rank and order, of countries in respect of their FDI brand attractiveness, if relevant surveys are conducted.

7.9 CROSS-NATIONAL VALIDATION OF SON-FDIBE CONCEPTUAL MODEL: LITERAL AND THEORETICAL REPLICATION OF THE CASES

Replicability is a hallmark of scientific research that is facilitated by giving the details of the research in the study report (Sekeran & Bougie, 2013:21). Since the fifth, or last, secondary empirical objective of this research was "to contrast the stakeholder-oriented nation FDI brand reputations of South Africa and Zimbabwe", this permitted checking the cases for literal and theoretical replication (Blumberg, Cooper & Schindler, 2011; Rainisto, 2003; Yin, 2003) hence cross-national validity and reliability of the SON-FDIBE conceptual framework. A theory should be tested for replication in multiple-case studies (Rainisto, 2003:110). Consequently, the researcher wanted to establish the extent to which the study would produce similar or differing findings in the two countries. The essence of replication logic is that in line with theory, it is expected that the same phenomenon occurs under similar conditions or that the phenomenon varies if the conditions change (Blumberg, Cooper & Schindler, 2011:257). In this study, the researcher forecasted that the findings would reflect both literal and theoretical replication, given the facts about the background of the cases. Such replication would validate the researcher's suggestion to apply the research instrument hence conceptual framework to other developing countries with similar conditions.

7.9.1 Literal replication of South Africa and Zimbabwe case studies

A **literal replication** of case studies selects similar cases and predicts that the processes and findings in each are also similar (Blumberg, Cooper & Schindler, 2011; Rainisto, 2003; Saunders, Thornhill & Lewis, 2012; Yin, 2003). The researcher expected some literal replication of the findings on South African and Zimbabwean cases because the countries are members of the SADC and both occupy untenable FDI brand propositions **(see Chapters 2 & 3)**. Although the two economies are different regarding economic size (World Bank, 2017) and FDI inflows (World Bank, 2017; United Nations Conference on Trade and Development, 2017), they all belong in one competitive set – SADC – and have substantial mineral resource endowments. The two countries are also neighbours.

7.9.2 Theoretical replication of South Africa and Zimbabwe case studies

A **theoretical replication** chooses case studies that differ from each other on fundamental constructs (Blumberg, Cooper & Schindler, 2011; Yin, 2003; Saunders, Thornhill & Lewis, 2012). South Africa and Zimbabwe are unique political, economic and social systems **(Chapters 2 & 3)**. The researcher predicted that the two cases would differ in respect of empirical experiences although their FDI brand equities were measured with a scale underpinned by one theoretical framework. According to Yin (2009) cited in Collis and Hussey (2014:69), the cases must produce similar results (a literal replication) or contrasting results (a theoretical replication) as projected clearly at the beginning of the study.

7.10 PRESENTATION OF FINDINGS

This study had seven secondary objectives two of which were theoretical hence were fulfilled in the theory chapters of the thesis. The first theoretical secondary objective was "to perform an environmental analysis of South Africa and Zimbabwe by means of a literature study". This objective was attained in Chapters 2 and 3. The second conceptual objective was "to develop a stakeholder-oriented conceptual framework to measure the FDI brand equity of nations". This objective was fulfilled in Chapter 6 with Chapters 4 and 5 acting as pillars.

The empirical findings of this study are presented in the next chapter under themes informed by the research's empirical secondary objectives. Those objectives dealt with the measurement of stakeholder perceptions on nation FDI brand attractiveness in South Africa and Zimbabwe, the extraction and confirmation of factors affecting stakeholder-oriented nation FDI brand equity, comparison of stakeholder-oriented nation FDI brand competitiveness of the case study countries, and the calculation of stakeholder-oriented nation FDI brand reputation indices of the study countries.

7.11 SUMMARY

This chapter has described the research methodology adopted to collect primary data to fulfil the study's empirical objectives. It clarified the research philosophy (i.e. pragmatism with a heavy bias towards positivism) and research approach (abduction with a bias towards deduction) adopted in the study. Next, the chapter explained the research design adopted by the researcher to fulfil the study's main objective within the boundaries of a pragmatism research philosophy and an abduction paradigm. The research design was explained and

justified within the context of how the study's population was defined, the sampling techniques used to select the sample, and how sample size was determined considering the disparate nature of the population that qualified it as an "undefined population". Subsequently, the chapter illuminated the ethical considerations taken into account during the survey, especially how access was negotiated with respondent stakeholder organisations, and how the principles of informed consent and confidentiality were communicated to prospective individual respondents. It then explained where and how data were captured, cleaned and analysed with SPSS Version 23 and SPSS AMOS Version 23. The chapter has also explained how the study's findings would be presented in the next chapter i.e. under themes informed by the study's empirical objectives.

Notably, the chapter made original and significant methodological contributions to existing literature on nation branding by applying SEM with CFA to model the factors that affect brand equity of nation FDI and generate factor weights for calculating SON-FDIBE indices for case study countries. The chapter also made a noteworthy methodological contribution by employing effect sizes to assess the practical implications of the study's findings. SEM and effect sizes have hardly been applied in proprietary indices and academic studies on nation branding in general and FDI destination branding in particular. In addition, through critical analysis of its existing definitions, the chapter contributed to country branding literature by applying correlational analysis to assess discriminant validity. The next three chapters, 8 through 10, present the study's findings. In particular, Chapter 8 tabulates findings on the South African case.

CHAPTER 8

STAKEHOLDER-ORIENTED NATION FOREIGN DIRECT INVESTMENT BRAND EQUITY OF SOUTH AFRICA

8. STAKEHOLDER-ORIENTED NATION FOREIGN DIRECT INVESTMENT BRAND EQUITY OF SOUTH AFRICA

8.1 INTRODUCTION

The credibility of empirical studies is assessed on their research methodology and findings. The research methodology for this study was explained in the previous chapter. The current chapter and next two chapters present research findings under themes informed by the study's empirical secondary objectives. The primary objective of the study was to design and validate a stakeholder-oriented conceptual framework to measure brand equity of nation foreign direct investment (FDI). This principal objective was serviced by seven secondary objectives, namely, to (1) perform an environmental analysis of South Africa and Zimbabwe by means of a literature study; (2) develop a stakeholder-oriented conceptual framework to measure brand equity of nation FDI; (3) measure South Africa's and Zimbabwe's FDI brand competitiveness by means of the conceptual model; (4) validate the theoretical model by measuring country FDI brand strength of South Africa and Zimbabwe; (5) empirically evaluate the conceptual framework as a measure of country FDI brand attractiveness; (6) calculate and present the stakeholder-oriented nation FDI brand equity (SON-FDIBE) indices of South Africa and Zimbabwe; and (7) compare the stakeholder-oriented nation FDI brand reputations of South Africa and Zimbabwe. The tabulation of findings on each of these objectives is assumed to imply attainment of the respective secondary objectives hence the primary objective.

Secondary Objectives 1 and *2* were theoretical and fulfilled with the literature reviewed in Chapters 2 and 3 and Chapters 4 through 6 of this thesis respectively. Consequently, this chapter and Chapters 9 and 10 present the study's findings in respect of *Secondary Objectives 3* to *7* only. This chapter and Chapter 9 tabulate the findings on South Africa and Zimbabwe case studies respectively in fulfilment of *Secondary Objectives 3* through *6*—the study's first four secondary empirical objectives. Chapter 10 presents findings in fulfilment of *Secondary Objective 7*—the fifth, and last, empirical secondary objective. Combined, these five

secondary objectives necessitated the empirical element of this study. Since this chapter is the first in a series of three tabulating the findings, it starts by summarising how data was gathered for the South African case study and the response rate attained. Next, the chapter gives a snapshot of the demographic profile of study's respondents in South Africa. Subsequently, it tabulates the findings on South Africa in line with the first four empirical secondary objectives. The chapter makes significant managerial and methodological contributions to the theory and practice of FDI brand destination management. It validates the SON-FDIBE conceptual framework and demonstrates its usefulness to country management using South Africa as a case study.

8.2 DATA COLLECTION AND RESPONSE RATE IN THE SOUTH AFRICAN CASE STUDY

Data to fulfill the study's empirical objectives were collected with a questionnaire with two sections. The first section comprised 15 close-end questions exploring the demographic characteristics of respondents. Section Two had 105 questions or statements that were underpinned by the study's hypothesised framework, which itself was informed by extant literature. This section sought to measure the SON-FDIBE of South Africa on a 7-point Likert scale ranging from Very Weak = 1, Weak = 2, Somewhat Weak = 3, Neither Weak Nor Strong = 4, Somewhat Strong = 5, Strong = 6 to Very Strong = 7 as already explained in Chapter 7, research methodology.

Hard copies of the questionnaire were distributed to a convenience sample of the study's sample in South Africa. Questionnaires given out were accompanied by a letter of introduction (Appendices 1 and 2) that explained the purpose and benefits of the study and the rights of respondents. The target respondents were divided into two broad stakeholder groups each with some subgroups. The first cluster comprised professional and managerial employees of economic development agencies (i.e. responsible for promoting FDI, tourism, and exports), trade associations, and members of professional associations for economists. The second cluster consisted of full-time students pursuing honours degrees in economics and part-time postgraduate students pursuing master's degrees in business. The students were studying at one selected large university in South Africa. Master's level students held managerial positions in the private and public sectors. Due to somewhat lower than expected response rate in the

South African case study, target respondents from the university cluster were extended to include participants of senior management development programmes run at the same South African university. Like master's students, those respondents held managerial positions in the public and private sectors of the country.

By the end of the data collection period, at least 415 questionnaires had been distributed of which 209 useable ones were returned giving a response rate of 50.4 percent (Table 8.1 below). Any questionnaire with at least ten uncompleted questions in Section Two of the questionnaire, conceptual model, was deemed spoilt thus excluded from the response rate and data analysis. South Africa recorded one such spoilt questionnaire.

Table 8.1: Distribution of questionnaires and survey response rate for South Africa

Questionnaires Distributed	Questionnaires Returned	
	Frequency	Percentage
415	209	50.4

8.3 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS IN SOUTH AFRICA

Table 8.2 below shows the distribution of the study's respondents by demographic variables (some of the frequencies do not add up to the total due to missing cases and filter questions). Of the 209 respondents in the South African sample, males constituted 62.3 percent and females, 37.7 percent. Since data were collected from university students and other expert – professional or trade – respondent stakeholder groups, it is a concern that women comprised such a small percentage of the sample compared to men. Inferring from leading extant proprietary indices, gender is a critical component of nation performance and reputation (e.g. Mo Ibrahim Foundation, 2016; Social Progress Imperative, 2016b; United Nations Development Programme, 2016; World Economic Forum, 2016).

Table 8.2: Demographic characteristics of respondents in the South African sample

Demographic variable	South Africa (n=209)	
	Frequency	Percentage
1.1 Gender		
Male	129	62.3
Female	78	37.7
1.2 Age		
18–30 years	107	51.7
31–40 years	51	24.6
41–50 years	37	17.9

Demographic variable	South Africa (n=209)	
	Frequency	Percentage
51–60 years	11	5.3
61 years +	1	0.5
1.3 Nationality		
South African	198	96.1
Zimbabwean	2	1.0
Other	6	2.9
1.4 Employment status		
Full-time student	65	35.3
Part-time student	8	4.3
Self-employed	7	3.8
Employed	100	54.3
Business person	4	2.2
1.5 If student, qualification being studied		
Bachelor's degree	11	6.0
Honour's degree	64	35.0
Master's degree	71	38.8
Doctoral degree		
Other	37	20.2
1.6 If a student, location of university		
South Africa	170	95.0
Zimbabwe		
Other	9	5.0
1.7 Highest qualification held		
Professional Certificate	6	6.3
Diploma	13	13.5
Bachelor's degree	34	35.4
Honour's degree	23	24.0
Master's degree	13	13.5
Doctoral degree	1	1.0
Other	6	6.3
1.8 If employed, generic sector of employment		
Public sector	50	35.2
Private sector	92	64.8
1.9 If employed in public sector, nature of public sector		
Investment promotion	14	23.0
Export promotion	1	1.6
Tourism promotion	3	4.9
Government ministry	5	8.2
Local government	2	3.3
Parastatal	8	13.1
Education and training	17	27.9
Other	11	18.0
1.10 If employed in private sector, nature of private sector		
Manufacturing	18	17.6
Mining	24	23.5
Construction	6	5.9
Electricity/Gas/Water	4	3.9
Education and training	4	3.9
Catering & Accommodation	2	2.0
Wholesale & Retail	5	4.9
Finance/Insurance/Real Estate	12	11.8
Community/Social/Personal Services		
Agriculture/Hunting/Fishing/Forestry	14	13.7
Transport/Storage/Communication	1	1.0

Demographic variable	South Africa (n=209)	
	Frequency	Percentage
Trade/Business Association	3	2.9
Other	9	8.8
1.11 If employed, job position		
Operative/staff	21	14.8
Lower Management	26	18.3
Middle Management	62	43.7
Senior Management (Executive)	25	17.6
Senior Management (Board Member)	8	5.6
1.12 If employed, number of years worked		
Up to 5 years	38	26.0
6-10 years	42	28.8
11-15 years	25	17.1
16-20 years	17	11.6
21-25 years	10	6.8
26 years +	14	9.6
1.13 Firm international or foreign-owned		
Yes	48	34.0
No	93	66.0
1.14 Has been to another African country		
Yes	116	59.8
No	78	40.2
1.15 Has been overseas		
Yes	106	54.4
No	89	45.6

Note: Some variable frequencies do not add up to the respective total country samples due to missing values and filter questions.

Respondent distribution by age in the South African sample was dominated by those in the age clusters 18-30 (51.7 percent) followed by 31-40 (24.6 percent) and, lastly, 41-50 (17.9 percent). The percentage of those in the 51 years plus group was in the minority (5.8). In terms of respondent distribution by nationality, South African nationals dominated the country sample (96.1 percent). Zimbabweans and other nationalities constituted only 1 percent and 2.9 percent respectively of the sample.

With respect to respondent distribution by employment status, the majority (54.3 percent) were employed while fulltime students were the second largest group (35.3 percent) and only 4.3 percent indicated they were studying part-time. The huge variation in size of employed vis-à-vis fulltime students is, perhaps, accounted for by the fact the questionnaire was distributed to only one fulltime business-related honours degree programme – economics – at the chosen South African university. Most questionnaires in the country were distributed to Master of Business Administration (MBA) students and participants of senior management development programmes in the same university and other stakeholder groups outside of higher education. In addition, the small percentage of respondents who indicated they were studying part-time is

likely to be explained by the huge percentage of those employed who were on either the MBA programme or senior executive development programmes at the selected university. This is likely to be true considering that, when it came to the current qualification respondents were studying, most indicated a master's degree (38.8 percent) and other (unnamed) qualifications (20.2 percent). In comparison, only 35 percent indicated that they were studying towards an honours degree and the remainder, 6 percent, a bachelor's degree.

An analysis of respondents in the South African sample by the location of the university they were studying with indicated that the overwhelming majority (95 percent) were enrolled with universities in the same country. In respect to the question on the highest qualification held by respondents, the majority had a bachelor's degree (35.4 percent) followed by those with an honours degree (24 percent), master's degree (13.5 percent), and diploma (13.5 percent).

For respondents who were employed, 64.8 percent and 35.2 percent worked in the private and public sectors respectively. Moreover, the majority of those employed in the public sector were in education and training (27.9 percent), investment promotion (23 percent), other sectors (18 percent), parastatals (13.1 percent) and government ministry (8.2 percent). For respondents employed in the private sector in South Africa, the majority came from mining (23.5 percent), manufacturing (17.6 percent), agriculture/hunting/fishing/forestry (13.7 percent), finance/insurance/real estate (11.8 percent), and construction (5.9 percent) sectors.

In respect of job position, most of the respondents in the South African sample were in middle management (43.7 percent), lower management (18.3 percent), and senior executive management (17.6 percent), and operational staff (14.8 percent). The domination of the sample by respondents in managerial positions was probably explained by the fact that the researcher resorted to surveying participants in senior management development programmes in the selected university in addition to MBA students after realising that responses from other clusters were going to be insufficient. The domination of the sample by managerial-level respondents was a blessing in disguise. Managers may have a better understanding of the factors that influence foreign investment location decisions than operational staff.

Turning to the distribution of respondents regarding work experience, the majority were in the 6-10 years (28.8 percent), up to 5 years (26 percent), 11-15 years (17.1 percent), and 16-20

years (11.6 years) clusters. The fact that most respondents had work experience ≥6-10 years perhaps worked in favour of the quality of responses in the South African study. It was assumed that the more experienced and professionally mature respondents were the better would be the quality of their responses.

Of those respondents who worked in the private sector, 34 percent did so in international or foreign-owned firms while the remainder (66 percent) worked in companies owned by South Africans. In respect of respondents who answered the question about whether they had been to other African countries, 59.8 percent said "yes", and the remaining 40.2 percent replied "no". Furthermore, in reply to the question, whether they had visited overseas, 54.4 percent of respondents answered "yes", and 45.6 percent said "no". Overall, the demographic characterisation of respondents presented above assisted in providing the basis for testing the study's group differences hypothesis (H_1), which is also the overall argument of this thesis.

8.4 STAKEHOLDER PERCEPTIONS ON SOUTH AFRICA'S FDI BRAND COMPETITIVENESS

The first empirical secondary objective of this study was "to measure South Africa's and Zimbabwe's FDI brand competitiveness by means of the conceptual framework". This goal was fulfilled by the attitudinal or perceptual data collected with the 7-point Likert scale ranging from 1 = Very Weak to 7 = Very Strong with 4 representing Neither Weak nor Strong. The threshold mean score for the study, decided by the researcher using the formula for calculating mean, was equal to or greater than 4 below which a country's ratings denoted weak FDI brand equity. Because the measurement scale consisted of 105 questions or scales, it produced a considerable amount of data. This necessitated the adoption of descriptive statistics, i.e. mean scores and standard deviations as opposed to frequencies and percentages, to present findings on the first empirical secondary objective. While several research methodology theorists oppose the use of mean scores and standard deviations to analyse Likert scale data (e.g. Bhattacherjee, 2012; David & Sutton, 2011; Collis & Hussey, 2014; Malhotra & Dash, 2011) many others argue to the contrary (e.g. Brown, 2011; Carifio & Perla, 2007; Joshi *et al*., 2015; Likert, 1932; Norman, 2010; Willits, Theodori & Luloff, 2016). If the goal is to combine the items to create a composite score (Likert scale) of a set of items for different respondents, then the given scale is an interval scale thus the mean, and standard deviation is used (Joshi *et al*.,

2015:401). In marketing research, of which this study falls, Likert scale data are treated as interval data (Blumberg, Cooper & Schindler, 2011; Malhotra & Dash, 2011; Zikmund & Babin, 2013) hence mean, and standard deviation can be used to analyse them. Several proprietary country branding studies (e.g. Anholt-GfK Roper, 2016a; IMD, 2014; World Economic Forum, 2015) and academic ones (e.g. de Queiroz & Giraldi, 2015; Passow, Fehlmann & Grahlow, 2005; Pike *et al*., 2010; Rego, Billet & Morgan, 2009; Ruzzier & Petek, 2012; Sartori, Mottironi & Corigliano, 2012) use or have used mean scores to analyse Likert-type data.

South Africa had mean ratings above the cut-off point in 53 of the 105 variables in the scale (Table 8.3 below). This is suggestive of somewhat strong stakeholder-oriented FDI nation brand equity. Figure 8.1 below shows the distribution of items above and below the threshold regarding theoretical constructs or dimensions. South Africa posted excellent performance in the technology and ecology dimensions because all 8 and 3 out of 4 variables therein respectively had mean scores ≥4. The country also performed fairly well in the economy (9 out of 16), markets (13 out of 18), and infrastructure (9 out of 14) because mean scores of items in these constructs were above the cut-off point. South Africa's overall rating in the society construct fell below the threshold by a small margin since only 7 out of 15 attributes therein had mean scores above the cutoff point. South Africa's FDI brand attractiveness ratings were extremely negative in the organisation dimension (all five indicators therein had mean scores below the threshold) and the government component (only 4 out of 25 variables therein had mean ratings ≥4).

Table 8.3: Stakeholder perceptions on South Africa's stakeholder-oriented nation FDI brand equity

Dimension Variables	South Africa (n=209)	
	Mean	Std. Dev
3.1 Society	**4.04**	**1.695**
3.1.1 Population size	4.73	1.281
3.1.2 Quality of primary and secondary education	3.88	1.596
3.1.3 Quality of higher education and training	4.86	1.355
3.1.4 Attractiveness to foreign students	4.56	1.438
3.1.5 Foreign language skills (e.g. Chinese, French, Portuguese, etc.)	3.38	1.435
3.1.6 Quality of life (i.e. affordability of "basics" and "wants" of life)	4.38	1.462
3.1.7 Prevalence of poverty	3.98	1.695
3.1.8 Public healthcare (i.e. availability of practitioners, equipment and drugs)	3.54	1.769
3.1.9 Prevalence of HIV and AIDS	3.78	1.769
3.1.10 Risk of Tuberculosis, Cholera and Malaria	3.86	1.625
3.1.11 Frequency of violent crime	4.08	2.131

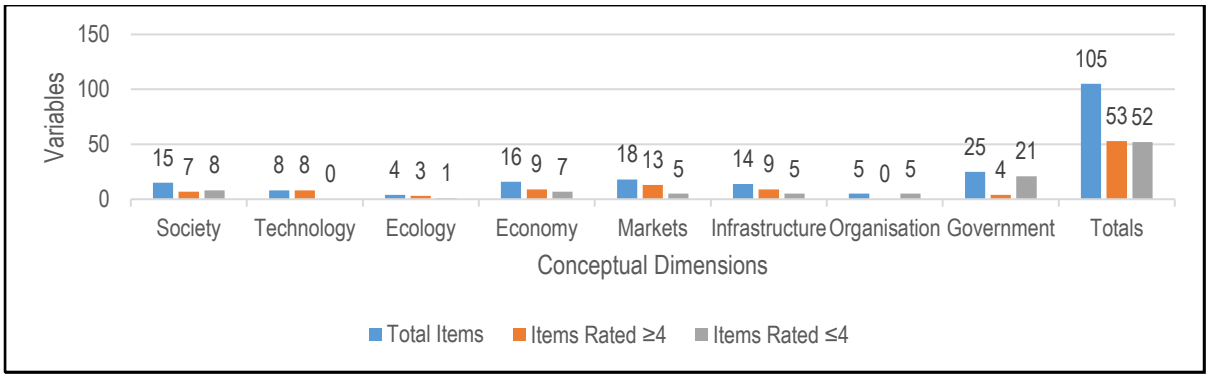
Dimension Variables	South Africa (n=209)	
	Mean	Std. Dev
3.1.12 Level of personal security	3.85	1.73
3.1.13 Risk of xenophobic or political violence	4.16	1.799
3.1.14 Level of corruption	4.46	2.327
3.1.15 Control of corruption (i.e. prosecutions, sentences, etc.)	3.12	2.012
3.2 Technology	**4.53**	**1.407**
3.2.1 Quality of technologies available in local firms	4.90	1.271
3.2.2 Quality of information technology in government institutions	4.32	1.453
3.2.3 Company investments in research and development (R&D)	4.64	1.295
3.2.4 Capacity to create successful new products/services & systems	4.74	1.316
3.2.5 Government funding for R&D (including universities)	4.09	1.545
3.2.6 Availability of quality R&D institutions (universities included)	4.51	1.44
3.2.7 Availability of scientists and engineers	4.46	1.506
3.2.8 Intensity of university-industry collaboration in R&D	4.58	1.43
3.3 Ecology	**4.75**	**1.421**
3.3.1 Favourability of climate and weather	5.32	1.362
3.3.2 Natural resource endowment (e.g. soils, minerals and metals)	5.40	1.207
3.3.3 Risk of natural disasters (e.g. droughts, floods, etc.)	4.37	1.63
3.3.4 Disaster preparedness	3.89	1.485
3.4 Economy	**4.09**	**1.505**
3.4.1 Economic size or Gross Domestic Product (GDP)	4.17	1.443
3.4.2 Economic (GDP) growth rate	3.68	1.553
3.4.3 Income distribution or GDP per capita	3.60	1.572
3.4.4 Country indebtedness	3.64	1.723
3.4.5 Country creditworthiness	3.41	1.579
3.4.6 Inflation rate	3.68	1.647
3.4.7 Interest rates	3.82	1.639
3.4.8 Exchange rate	3.54	1.762
3.4.9 Number of reputable industries (regardless of ownership)	4.59	1.327
3.4.10 Number of reputable brands (i.e. owned by or “made in” country)	4.56	1.331
3.4.11 Export performance	4.46	1.423
3.4.12 Country attractiveness to international tourists	5.11	1.381
3.4.13 Marketing of sectors open to foreign direct investment (FDI)	4.47	1.406
3.4.14 Significance of annual FDI inflows	4.34	1.423
3.4.15 Prospects for increasing FDI inflows	4.30	1.396
3.4.16 FDI incentives (e.g. tax holidays, special economic zones, etc.)	4.01	1.476
3.5 Markets	**4.27**	**1.474**
3.5.1 Intensity of domestic (or national) competition	4.37	1.140
3.5.2 Tax rates (corporate tax, customs duties and individual tax)	4.20	1.542
3.5.3 Effect of taxation on incentive to invest	3.99	1.545
3.5.4 Effect of taxation on incentive to work	3.98	1.458
3.5.5 Prevalence of foreign ownership	4.13	1.407
3.5.6 Nearness to markets	4.37	1.320
3.5.7 Availability of financial services	4.86	1.343
3.5.8 Abundance of low-cost unskilled workforce	4.61	1.589
3.5.9 Work ethic of workforce (i.e. motivation to work)	3.76	1.594
3.5.10 Capacity utilisation of local firms	4.07	1.274
3.5.11 Cost of financial services	4.42	1.356
3.5.12 Ease of access to loans	4.35	1.395
3.5.13 Effectiveness of financial sector supervision	4.43	1.451
3.5.14 Soundness of banks	5.03	1.444
3.5.15 Capability to retain qualified citizens	3.95	1.645
3.5.16 Capability to attract qualified foreign citizens	3.92	1.676
3.5.17 Strength of trade unions	4.34	1.81
3.5.18 State of industrial relations	4.06	1.534

Dimension Variables	South Africa (n=209)	
	Mean	Std. Dev
3.6 Infrastructure	**4.34**	**1.591**
3.6.1 Quality of roads	3.73	1.836
3.6.2 Quality of railroads	3.73	1.779
3.6.3 Quality ports (South Africa) Nearness to (Zimbabwe)	4.47	1.608
3.6.4 Ease of access to real estate	4.56	1.416
3.6.5 Water, sanitation & waste management	3.88	1.682
3.6.6 Quality of electricity supply (frequency of load shedding)	3.48	1.848
3.6.7 Domestic and international airline departures per day	4.87	1.488
3.6.8 Number and capacity of airports	4.79	1.416
3.6.9 Availability of fixed-line telephones	4.58	1.478
3.6.10 Accessibility of mobile phones	5.51	1.374
3.6.11 Availability of Internet services	5.07	1.451
3.6.12 Affordability of Internet including Broadband services	4.36	1.664
3.6.13 E-government effectiveness	4.14	1.604
3.6.14 Efficiency of public transport system	3.55	1.633
3.7 Organisation	**3.58**	**1.597**
3.7.1 Clear shared national vision	3.57	1.562
3.7.2 Clear shared national values	3.57	1.626
3.7.3 Effectiveness of national development plan	3.59	1.639
3.7.4 Stakeholder participation in policymaking	3.71	1.579
3.7.5 Stakeholder trust in country	3.45	1.579
3.8 Government	**3.66**	**1.68**
3.8.1 Political stability and unity	3.08	1.838
3.8.2 Competency of public institutions	3.08	1.830
3.8.3 Efficiency of government bureaucracy	3.11	1.789
3.8.4 Fairness of public institutions	3.32	1.659
3.8.5 Transparency of government policymaking	3.36	1.736
3.8.6 Stability of legal system (i.e. public confidence in the system)	3.89	1.704
3.8.7 Efficiency of legal system in challenging regulations	3.96	1.74
3.8.8 Resolving insolvency and retrenchment	3.57	1.634
3.8.9 Extent to which FDI policy allows foreign ownership	3.94	1.453
3.8.10 Quality of environmental regulation	3.98	1.538
3.8.11 Enforcing environmental regulation	3.86	1.552
3.8.12 Foreign currency regulations	4.11	1.469
3.8.13 Tax regulations	4.20	1.636
3.8.14 Reliability of police services	3.28	1.767
3.8.15 Enforcing property rights	3.95	1.634
3.8.16 Enforcing citizens' rights	3.96	1.646
3.8.17 Carefulness of government spending	2.90	1.933
3.8.18 Protection of intellectual property rights	4.06	1.700
3.8.19 Enforcing competition laws	4.09	1.642
3.8.20 Flexibility of labour laws	3.62	1.631
3.8.21 Policy clarity on ownership of agricultural real estate (land)	3.64	1.609
3.8.22 Readiness to adapt national character to fit global economy	3.53	1.601
3.8.23 Policy consistency	3.54	1.681
3.8.24 Rule of law	3.93	1.659
3.8.25 Country risk (i.e. political, financial, expropriation, etc.)	3.68	1.912

Irrespective of their underlying theoretical constructs, the six items that were highly rated by respondents in South Africa, i.e. mean scores ≥5 thus demoting somewhat strong FDI brand equity, were 3.6.10 Accessibility of mobile phones, 3.3.2 Natural resource endowment, 3.3.1 Favourability of climate and weather, 3.4.12 Country attractiveness to international tourists,

3.6.11 Availability of Internet services, and 3.5.14 Soundness of banks. All but one of the six variables with the lowest mean scores, i.e. ≤3.28, were in the government dimension—i.e. 3.8.14 Reliability of police services, 3.8.3 Efficiency of government bureaucracy, 3.8.1 Political stability and unity, 3.8.2 Competency of public institutions, and 3.8.17 Carefulness of government spending. The sixth lowest rated indicator was 3.1.15 Control of corruption (i.e. prosecutions, sentences, etc.), which was in the social component of the conceptual model (μ = 3.12).

Figure 8.1: Distribution of South Africa stakeholder-oriented FDI brand competitiveness mean ratings by dimensional items

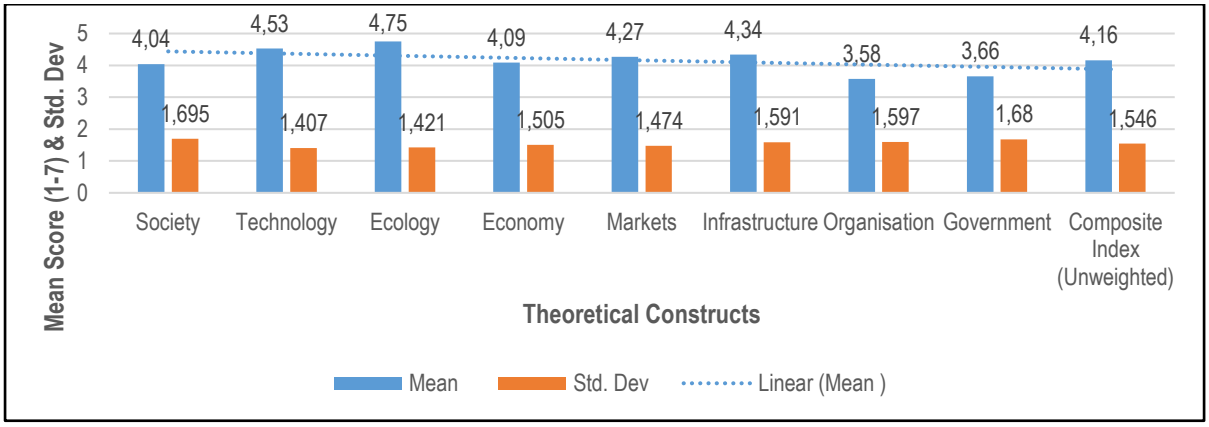


Among the 105 variables, South Africa's item standard deviations (SD) ranged from a highest of 2.327 for 3.1.14 Level of corruption to a lowest of 1.140 for 3.5.1 Intensity of domestic competition. Six attributes with the highest standard deviations were 3.6.6 Quality of electricity (SD = 1.848), 3.8.25 Country risk (SD = 1.912), 3.8.17 Carefulness of government spending (SD = 1.933), 3.1.15 Control of corruption (SD = 2.012), 3.1.11 Frequency of violent crime (SD = 2.131), and 3.1.14 Level of corruption (SD = 2.327). The six attributes with the lowest standard deviations were 3.2.3 Company investments in research and development (R&D) (SD = 1.295), 3.1.1 Population size (SD = 1.281), 3.5.10 Capacity utilisation of local firms (SD = 1.274), 3.2.1 Quality of technologies available in local firms (SD = 1.271), 3.3.2 Natural resource endowment (SD = 1.207), and 3.5.1 Intensity of domestic competition (as reported above). Standard deviation denotes the distribution of perceptions on a measurement scale, in this case, the 7-point Likert scale. A high standard deviation signifies a wide distribution of respondents' views across the scale, and a low standard deviation denotes a narrow dispersion of perceptions. Save for the few variables with standard deviations ≥2, the

standard deviations in the South African survey were low. This shows that respondents generally had similar perceptions on the country's SON-FDIBE.

Figure 8.2 below shows the dimension mean ratings and standard deviations for South Africa. The country's mean ratings were ≥4.04 in six out of the eight dimensions in the study's theoretical framework. Only two constructs had mean scores below the threshold, i.e. government (μ = 3.66) and organisation (μ = 3.58). The country's overall mean score was 4.16, which denotes a somewhat strong stakeholder-led FDI brand equity. This overall score could be taken as an unweighted or crude composite index for the country based on the eight dimensions and 105 variables in the conceptual model. The mean score trend line in the figure shows that South Africa's FDI brand equity dimension mean ratings decline after the mean scores for society, technology and ecology constructs.

Figure 8.2: Dimension mean scores and standard deviations of South Africa's stakeholder-oriented FDI brand competitiveness



South Africa's dimension mean standard deviations in this study ranged from a lowest of 1.407 for technology to a highest of 1.695 for society. Therefore, it appears that the standard deviations of the individual theoretical constructs were moderated by ratings of respective dimension variables. The country's overall standard deviation was 1.546. Both the dimension and overall standard deviations were low enough to justify concluding that respondents' perceptions on items in each construct were generally similar or somewhat narrowly distributed on the measurement scale.

8.5 VALIDITY AND RELIABILITY OF CONCEPTUAL FRAMEWORK AS A MEASURE OF COUNTRY FDI BRAND STRENGTH: A PRINCIPAL COMPONENT ANALYSIS (PCA) AND CRONBACH'S ALPHA PERSPECTIVE

The fourth, or second empirical, objective of this study was "to validate the conceptual model by measuring country FDI brand strength of South Africa and Zimbabwe". This section tabulates the findings on this objective in respect of South Africa. The validity of a study's conceptual framework can be assessed with factor analysis (Baalbaki, 2012; Cho, 2011; Rattray & Jones, 2007; Zikmund *et al*., 2013), i.e. convergent, discriminant, and nomological validity. Factor analysis was used as a data reduction technique in this study (Cho, 2011; Green & Salkind, 2011; Malhotra & Dash, 2011; Tabachnick & Fidell, 2007; Zikmund *et al.,* 2013) given that the hypothesised model had a large number of attributes—105. Existing literature accepts variable factor loadings of 0.320 although considered poor (Comrey & Lee, 1992 cited in Tabachnick & Fidell, 2007:649), 0.400 (Aaker cited in Outhavong, 2007:68), 0.450 considered fair (Comrey & Lee, 1992 cited in Tabachnick & Fidell, 2007:649) and 0.500 considered good (Comrey & Lee, 1992 cited in Tabachnick & Fidell, 2007; de Queiroz & Giraldi, 2015). However, the cutoff point for factor loadings depends on the researcher's preference (Tabachnick & Fidell, 2007:614) so the results of factor analysis alone should not be used to decide what items to retain or delete from a scale but also what is known about the construct(s) that the items are measuring (Green & Salkind, 2011:314). Considering the exploratory nature of this study, the arguments raised by Green and Salkind and Tabachnick and Fidell above, and the contribution of each scale item to the factor Cronbach's coefficient alpha (α), this study settled for a minimum factor loading of ≥ 0.300. Field (2013:692) claims that the threshold value at 0.300 is sensible, a claim that is supported by other theorists (e.g. Garson, 2012; Nunnally & Bernstein, 1994 cited in Cho, 2011).

The technique of exploratory factor analysis (EFA) used in this study was principal component analysis (PCA). However, factor analysis is not a measure of any concept but only an extraction of determining factors (Zikmund *et al.,* 2010, 2013). So the researcher integrated factor mean scores and standard deviations in the factor solution to show what each component meant regarding respondent perceptions and dispersion. Factor mean scores are an aggregation of attribute mean ratings in each component divided by the number of items therein and so are

the standard deviations. Also, the factor Cronbach's alpha coefficients are presented to demonstrate the reliability or internal consistency of items in each factor.

8.5.1 Factorability of the South African dataset

The researcher carried out three statistical tests to verify the factorability of the data from the hypothesised model—i.e. Keiser-Meyer-Olkin (KMO) measure of sampling adequacy, Bartlett's (1954) test of sphericity, and correlation analysis. Since the first two tests yielded good results, the last method was employed after EFA/PCA to test for multicollinearity rather than merely the suitability of factor analysis. This was necessary because many of constructs and items in the study's conceptual framework had been declared to be correlated theoretically **(see Chapter 6)**. The KMO measure of sampling adequacy ranges from 0 to 1 and acceptable KMO values range from 0.500 (Malhotra & Dash, 2011:592) to greater than 0.600 (Collis & Hussey, 2014; Tabanichnick & Fidell, 2007). Factor analysis was applied in this study because the KMO measure of sampling adequacy for the South African study was 0.911 (Table 8.4 below), a value regarded as marvellous by Field (2013:685). In theory, thus the response rate of 209 achieved in the South African study was a fair sample for factor analysis (Comrey & Lee, 1992 cited in Tabachnick & Fidell, 2007:613) or a good sample (Malhotra & Dash, 2011; Wang & Ahmed, 2004). Since the study also employed confirmatory factor analysis (CFA) to analyse data, a minimum sample of 200 is sensible for anything above a basic CFA model (Hoyle, 2000:472).

Table 8.4: South Africa's KMO measure of sampling adequacy and Bartlett's test of sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.911
Bartlett's Test of Sphericity	Approx. Chi-Square	17478.622
	Df	4560
	Sig.	0.000

Legend: Df = Degrees of freedom; Sig. = Significance

The Bartlett's test of sphericity for the South African sample was significant *(Approx.* χ^2 = 17478.622, *df* = 4560, *p* = 0.000). Hence Bartlett's hypothesis for this study that *"Most SON-FDIBE factor correlations in the South African case study are zero"* was rejected. Instead, the test confirmed the theoretical argument raised in Chapter 6 that most dimensions and variables in the study's hypothesised framework were interrelated. Nonetheless, due to its sensitivity

and reliance on sample size, the Barlett's test of sphericity can still be significant in large samples even if correlations between variables are small (Field, 2013:685; Tabachnick & Fidell, 2007:614). Therefore, further correlation analyses of the South African empirical factor model to corroborate the result of the Bartlett's test presented above and establish the level of multicollinearity among the factors were performed. At PCA stage of validation, the Pearson's correlation analysis technique was applied **(see Table 8.6 in section 8.5.3.1 below)** while at SEM level the researcher drew on CFA correlation coefficients **(Appendix 5)** and squared multiple correlations **(Table 8.6 in section 8.6.1)**. Data can be analysed with factor analysis if variables have high correlations (Malhotra & Dash, 2011:591). The anticipated size of correlations vary, to some degree, on the sample size (larger samples tend to yield smaller correlations), but if no correlation is above 0.300, suitability of factor analysis may be doubtful because there may be nothing factorable (Tabachnick & Fidell, 2007:614). Because of a large number of items in the South African empirical factor model, factor instead of item correlation analysis was done following Green and Salkind (2011:320-321) and Tabachnick and Fidell (2007:609). A factor correlation threshold of ≥0.300 was adopted in this study in line with Tabachnick and Fidell, and the correlations coefficients are given in section 8.5.3 below.

8.5.2 Factors affecting South Africa's stakeholder-oriented FDI brand equity: Validity and reliability of research instrument

Ten (10) determining factors of nation FDI brand competitiveness, decided *a priori* after exploring the data for a robust model, were extracted with the PCA technique from the South African dataset and refined for interpretability with Oblimin with Kaiser Normalisation rotation method (Table 8.5 below). An oblique rotation method such as the Oblimin with Kaiser Normalisation is used where model variables are correlated (Brown, 2009; Green & Salkind, 2011; Tabachnick & Fidell, 2007). This was the case in respect of this study's conceptual framework as explained in Chapter 6. The researcher opted for the *a priori* method to decide the maximum number of factors to extract because the default eigenvalue ≥ 1 method (Green & Salkind, 2011; Malhotra & Dash, 2011) suggested 17 factors. While this model offered a high, thus more attractive, total variance explained of 74.3 percent, the number of factors involved was deemed too large given that many of them had eigenvalues ranging from 1.017 for Factor 17 to 1.755 for Factor 8 **(Appendix 3)**. So the researcher settled for the 10-factor model with a total variance explained of 65.9 percent after exploring the data for a stable and

interpretable model with six to 13 factors. Hence the total variance explained of the South African model is considered satisfactory following theorists who, although they admit that acceptable total variance depends on the research problem, recommend a total variance of at least 60 percent for factors extracted (Hair *et al*., 2010; Maholtra & Dash, 2011).

It was comforting that the South African factor solution consisted of 10 factors. Several existing proprietary and academic nation branding models have between four and 12 factors (e.g. Brand Finance®, 2015; Bloom Consulting, 2013; Cornell University, Institut Européen d'Administration des Affaires & World Intellectual Property Organization, 2015; FutureBrand, 2014; Fund for Peace, 2015; IMD, 2014; WEF, 2016; World Bank, 2016a; Mo Ibrahim Foundation, 2015; Passow, Fehlmann & Grahlow, 2005; Rojas-Me´ndez, 2013; Social Progress Imperative, 2016b). There is controversy on whether it is good to retain too many or too few factors if the number is unclear (Tabachnick & Fidell, 2007:646). Sometimes the last few factors represent the most interesting and unexpected findings in a research area hence this is a good reason for retaining factors of marginal reliability (Tabachnick & Fidell, 2007:646) and validity. For instance, out of the 96 items retained in the South African empirical model, only 11 had factor loadings between ≥ 0.300 and ≤ 0.400. Hence the model is considered robust since the factor loadings of 86 items in the model are above this low validity range (Table 8.5). A factor loading indicates the relationship between each variable and its corresponding factor (Field, 2013; Malhotra & Dash, 2011; Yong & Pearce, 2013; Zikmund *et al*., 2013).

The 10 factors in the South African model are Government (Factor 1), Ports and Telecommunications Infrastructure (Factor 2), Society (Factor 3), Economy (Factor 4), Technology (Factor 5), Organisation (Factor 6), Markets (Factor 7), Education and Training (Factor 8), Generic Infrastructure (Factor 9), and Ecology and Tourism (Factor 10). As shown in the table, the actual eigenvalues in the extracted factor solution range from a highest of 39.36 for Factor 1, the most important factor, to 1.42 for Factor 10, the least important factor. Thus the eigenvalue of the least important factor in the model was 0.42 above the minimum eigenvalue of 1 at which a factor is accepted (Green & Salkind, 2011; Malhotra & Dash, 2011; Tabachnick & Fidell, 2007; Zikmund *et al.,* 2013). Given the percentage total variance explained as already given above, it is clear that the South African stakeholder-oriented FDI brand reputation model cannot identify factors that explain for the remaining 34.1 percent of

the country's FDI brand equity. Interestingly, the empirical model has two factors more than the hypothesised eight dimensions in the conceptual framework. Hypotheses or theory can test in preliminary form with factor analysis by comparing the obtained empirical factor solution to the expected solution (Tabachnick & Fidell, 2007:611).

Table 8.5: Validity and reliability of factors affecting South Africa's stakeholder-oriented nation FDI brand equity (n = 209)

Variables	Components									
	1	2	3	4	5	6	7	8	9	10
Factor 1: Government										
3.8.16 Enforcing citizens' rights	.735									
3.8.18 Protecting intellectual property rights (e.g. copyrights, trademarks, patents, etc.)	.682									
3.8.15 Enforcing property rights	.677									
3.8.6 Stability of legal system (i.e. public confidence in the system)	.672									
3.8.19 Enforcing competition laws	.662									
3.8.24 Rule of law	.657									
3.8.7 Efficiency of legal system in challenging regulations	.638									
3.8.8 Resolving insolvency and retrenchments	.600									
3.8.9 Extent to which FDI policy allows foreign ownership	.567									
3.8.25 Country risk (i.e. political, financial, expropriation, etc.)	.526									
3.8.13 Tax regulations	.523									
3.8.23 Policy consistency	.519									
3.8.11 Enforcing environmental regulation	.507									
3.8.17 Carefulness of government spending	.501									
3.8.12 Foreign currency regulations	.498									
3.8.14 Reliability of police services	.497									
3.8.21 Policy clarity on ownership of agricultural real estate (land)	.487									
3.8.10 Quality of environmental regulation	.478									
3.8.4 Fairness of public institutions	.461									
3.8.5 Transparency of government policymaking	.456									
3.8.22 Readiness to adopt national character to fit global economy	.455									
3.8.20 Flexibility of labour laws	.432									
3.8.3 Efficiency of government bureaucracy (i.e. paperwork, procedures, agencies licensing one business, etc.)	.354									
3.6.5 Water, sanitation and waste management	.306									
Factor 2: Ports and Telecommunications Infrastructure										
3.6.8 Number and capacity of airports		.840								
3.6.9 Availability of fixed-line telephones		.789								
3.6.7 Domestic and international airlines departures per day		.765								
3.6.10 Accessibility of mobile phones		.728								
3.6.11 Availability of Internet services		.710								
3.6.4 Ease of access to real estate		.497								
3.6.3 Quality of ports		.412								

Variables	Components									
	1	2	3	4	5	6	7	8	9	10
Factor 3: Society										
3.1.11 Frequency of violent crime			.906							
3.1.13 Risk of xenophobic or political violence			.869							
3.1.14 Level of corruption			.840							
3.1.9 Prevalence of HIV and AIDS			.780							
3.1.10 Risk of Tuberculosis, Cholera and Malaria			.755							
3.1.7 Prevalence of poverty			.573							
3.1.12 Level of personal security			.569							
3.1.15 Control of corruption			.294							
Factor 4: Economy										
3.4.7 Interest rates				.796						
3.4.8 Exchange rate				.748						
3.4.6 Inflation rate				.689						
3.5.4 Effect of taxation on incentive to work				.599						
3.5.2 Tax rates (corporate tax, customs duties and individual tax)				.582						
3.4.14 Significance of annual FDI inflows				.567						
3.5.3 Effect of taxation on incentive to invest				.526						
3.4.15 Prospects for increasing FDI inflows				.519						
3.4.16 FDI incentives (e.g. tax holidays, special economic zones, etc.)				.497						
3.5.5 Prevalence of foreign ownership				.487						
3.4.5 Country creditworthiness				.482						
3.4.2 Economic (GDP) growth rate				.471						
3.4.13 Marketing of sectors open to FDI				.423						
3.4.9 Number of reputable industries (regardless of ownership)				.422						
3.4.11 Export performance				.394						
3.4.3 Income distribution or GDP per capita				.392						
Factor 5: Technology										
3.2.8 Intensity of university-industry collaboration in research and development (R&D)					.743					
3.2.6 Availability of quality R&D institutions (universities included)					.719					
3.2.3 Company investments in R&D					.716					
3.2.4 Capacity to create successful new products/services and systems					.693					
3.2.7 Availability of scientists and engineers					.671					
3.2.5 Government funding for R&D (universities included)					.620					
3.2.1 Quality of technologies available in local firms					.471					
3.2.2 Quality of information technology in government institutions					.401					
Factor 6: Organisation										

Variables	Components									
	1	2	3	4	5	6	7	8	9	10
3.7.2 Clear shared national values						.658				
3.7.1 Clear shared national vision						.641				
3.7.3 Effectiveness of national development plan						.606				
3.5.16 Capability to attract qualified foreign citizens						.534				
3.7.5 Stakeholder trust in the country						.518				
3.7.4 Stakeholder participation in policymaking (e.g. local businesses, foreign investors, labour, academia, media, general public, etc.)						.510				
3.6.14 Efficiency of public transport system						.508				
3.5.18 State of industrial relations						.447				
3.5.9 Work ethic of workforce (i.e. motivation to work)						.441				
3.5.15 Capability to retain qualified citizens						.428				
3.6.13 E-government effectiveness (availability of government documents on the Internet—statutes, Effectiveness of financial sector supervision						.329				
Factor 7: Markets										
3.5.13 Effectiveness of financial sector supervision							.637			
3.5.12 Ease of access to loans							.636			
3.5.10 Capacity utilisation of local firms							.493			
3.5.11 Cost of financial services							.457			
3.5.1 Intensity of domestic (or national) competition							.433			
3.5.7 Availability of financial services							.433			
3.5.8 Abundance of low-cost unskilled workforce							.422			
3.5.14 Soundness of banks							.402			
3.4.10 Number of reputable brands (i.e. owned by or “made-in” country)							.357			
Factor 8: Education and Training										
3.1.4 Attractiveness to foreign students								.729		
3.1.5 Foreign language skills (e.g. Chinese, French, Portuguese, etc.)								.600		
3.1.3 Quality of higher education training								.598		
3.1.2 Quality of primary and secondary education								.331		
Factor 9: Generic Infrastructure										
3.6.1 Quality of roads									.534	
3.8.1 Political stability and unity									.410	
3.6.2 Quality of railroads									.372	
3.8.2 Competence of public institutions									.353	
3.6.6 Quality of electricity supply (frequency of load shedding)									.328	
3.1.8 Public healthcare (i.e. availability of practitioners, equipment and drugs)									.312	
Factor 10: Ecology and Tourism										

Variables	Components									
	1	2	3	4	5	6	7	8	9	10
3.3.2 Natural resource endowment (e.g. soils, minerals and metals)										.640
3.3.1 Favourability of climate and weather										.620
3.4.12 Country attractiveness to international tourists										.608
Actual Eigenvalues	**39.36**	**5.58**	**3.54**	**3.00**	**2.59**	**2.41**	**2.05**	**1.69**	**1.63**	**1.42**
Eigenvalues – Percentages of Variance (Total Variance Explained = 65.878)	**40.99**	**5.807**	**3.683**	**3.124**	**2.697**	**2.508**	**2.136**	**1.755**	**1.695**	**1.478**
Factor Cronbach's Alpha Coefficients (Overall Mean Cronbach's α = 0.874)	**.971**	**.887**	**.895**	**.942**	**.916**	**.936**	**.859**	**.789**	**.915**	**.629**
Factor Mean Scores (Unweighted Composite μ = 4.222)	**3.731**	**4.834**	**3.963**	**4.054**	**4.517**	**3.762**	**4.521**	**4.168**	**3.454**	**5.263**
Factor Standard Deviations (Overall Mean SD = .912)	**1.297**	**1.120**	**1.806**	**1.119**	**1.144**	**1.246**	**.9419**	**1.149**	**1.536**	**1.046**
Factor Items in Empirical Model (Total Items Retained = 96)	**24**	**7**	**8**	**16**	**8**	**11**	**9**	**4**	**6**	**3**
Factor Loadings ≥0.300 but ≤0.400 (Total Factor Loadings ≥0.300 but ≤0.400 = 11)	**2**	**0**	**1**	**2**	**0**	**1**	**1**	**1**	**3**	**0**

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.[a]

a. Rotation converged in 46 iterations.

Legend: Factor 1 (Government), Factor 2 (Ports and Telecommunications Infrastructure), Factor 3 (Society), Factor 4 (Economy), Factor 5 (Technology), Factor 6 (Organisation), Factor 7 (Markets), Factor 8 (Education and Training), Factor 9 (Generic Infrastructure), Factor 10 (Ecology and Tourism).

As evident in the table above, the first factor, Government, accounts for 40.99 percent of the total variance explained for the empirical model, hence is the strongest component. The explanatory power of the remaining nine factors ranges from 5.807 percent for the second most important determinant, Generic Infrastructure, to 1.478 percent for the 10th factor, Ecology and Tourism. Only six out of the 10 factors have mean scores above the study's cutoff point of ≥ 4 and the composite mean score is 4.22. This implies that South Africa has somewhat strong nation FDI brand attractiveness. The overall mean standard deviation of the model is 0.912 and those of individual factors range from a lowest of 0.942 for Markets (Factor 7) to a highest of 1.805 for Society (Factor 3). This means that, generally, the respondents tended to have converging perceptions on the items on which South Africa's FDI competitiveness was measured.

The fact that the variables loaded distinctly and significantly into the 10 factors was evidence of validity, particularly construct validity, which was measured through convergent, discriminant, and nomological validity in this study. **Validity** is an indication of the extent to which a study's instrument measures what it is supposed to measure (Blumberg, Cooper & Schindler, 2011; Collis & Hussey, 2014; Langdridge & Hagger-Johnson, 2009; Sekeran & Bougie, 2013). Before the survey, the study's data gathering instrument was content validated through literature review (Saunders, Lewis & Thornhill, 2012:429), expert opinion (Fisher & Paul, 2011; Bryman, 2012; Saunders, Lewis & Thornhill, 2012; Zikmund *et al*., 2013) and pilot survey (Saunders, Lewis and Thornhill, 2012:451)—a type of validity known as content or face validity. **Content** or **face validity** assesses the extent to which variables that are proposed to measure a concept are, indeed, confirmed to be measuring the concept (Blumberg, Cooper & Schindler, 2011; Malhotra & Dash, 2011; Sekeran & Bougie, 2013; Zikmund *et al*., 2013).

At PCA level, the study's data gathering tool was also validated through **construct validity** that confirms how well the findings from the application of the measurement scale fits the theories around which the test is underpinned (Collis & Hussey, 2014; Malhotra & Dash, 2011; Sekeran & Bougie, 2013). Construct validity can be assessed through correlational analysis (Sekeran & Bougie, 2013:227), convergent and discriminant validity (Malhotra & Dash, 2011; Pallant, 2007; Sekeran & Bougie, 2013), and nomological validity (Malhotra & Dash, 2011:280). In this study, these three types of construct validity were established in two ways, i.e. factor loadings and factor correlations (see confirmatory factor analysis in 8.6). The first

technique entailed checking if the items significantly loaded into the constructs predicted in theory (Cho, 2011; Hair *et al*., 2006). In a bid to evaluate construct validity, both the theory and measuring instrument are considered (Blumberg, Cooper & Schindler, 2011:347). When evaluating construct validity, the investigator tries to answer theoretical questions concerning why the instrument works and what assumptions can be made about the underpinning theory (Malhotra & Dash, 2011:280). As evident in Table 8.5 above, seven of the 10 factors in the South African factor solution generally loaded significantly into seven of the eight factors as predicted in the conceptual framework—i.e. government, general infrastructure, society, economy, technology, organisation, and markets with item factor loadings equal to or greater than 0.300. This is evidence of construct validity.

Convergent validity is the degree to which a scale correlates positively with other measures of the same construct (Bhattacherjee, 2012; Malhotra & Dash, 2011; Sekeran & Bougie, 2013; Pallant, 2007; Zikmund *et al*., 2010). **Discriminant validity** is confirmed when, based on theory, a measure does not correlate with other constructs which it is expected to differ (Bhattacherjee, 2012; Cho, 2011; Malhotra & Dash, 2011; Sekeran & Bougie, 2013; Pallant, 2007; Zikmund *et al*., 2010). **Nomological validity** is the degree to the scale correlates in conceptually projected ways with measures of different but related constructs (Malhotra & Dash, 2011:280). In this study, convergent, discriminant, and nomological validity were tested through factor loadings generated by PCA and CFA and also through correlational coefficients.

Construct validity can also be assessed through correlational analysis (Sekeran & Bougie, 2013:227) in respect of convergent, discriminant validity (Malhotra & Dash, 2011; Pallant, 2007; Sekeran & Bougie, 2013), and nomological validity (Malhotra & Dash, 2011:280). As shown in Table 8.6 below, most of the 10 factors constituting the South African SON-FIBE model have significant correlations, ranging from ≥ 0.316 to ≤ 0.785, hence the research instrument has good convergent and nomological validity (**see section 8.6.3.1**) from a PCA and Pearson's correlation standpoint. The questionnaire also had good discriminant validity in that none of the component Pearson's correlations coefficients were above 0.900. Correlations equal to or greater than 0.900 depict evidence of multicollinearity (see e.g. Green, Tull & Albaum, 1988; Farrar & Glauber, 1967; O'Brien, 2007; Yoo *et al*., 2014) hence poor discriminant validity. It is expected that interrelated concepts exhibit significant correlations (convergent validity) but not to be so highly correlated that they are not independent concepts

(discriminant validity) (Zikmund *et al*., 2010:309). Given the above-stated findings, the study's measurement scale and its underpinning conceptual framework can be said to have a fairly good level of content and construct validity.

As evident in Table 8.5 above, the research instrument overall and eight of its ten factors have a very good level of reliability since their Cronbach's coefficients alpha are greater than 0.8. Only two factors in the South African factor solution, i.e. Education and Training (Factor 8) and Ecology and Tourism (Factor 10) had Cronbach's α coefficients of 0.789 and 0.629 respectively, which stand for good and fair reliability. A scale with coefficient alpha between 0.8 and 0.950 is considered to have very good reliability, a scale with a coefficient value of 0.700 to 0.800 is regarded as having good reliability, and a scale with Cronbach alpha between 0.600 and 0.700 is seen as having fair reliability (Zikmund *et al*., 2013:302). **Reliability** is the capability of a measurement instrument to produce consistent results each time it is used (Blumberg, Cooper & Schindler, 2011; Bryman, 2012; Collis & Hussey, 2014; Saunders, Lewis & Thornhill, 2012; Sekeran & Bougie, 2013).

8.5.2.1 Factor 1 – Government

The first factor drew all but one of its 24 variables from the conceptual model's government construct hence the name was retained. The odd item included in this factor is 3.6.5 Water, sanitation and waste management, which was in the infrastructure dimension of the theoretical framework and is, in any case, a public good. This variable and 3.8.3 Efficiency of government bureaucracy have the lowest factor loadings, i.e. 0.305 and 0.354 respectively. The factor loadings of all remaining items in this component range from 0.432 for 3.8.20 Flexibility of labour laws to 0.735 for 3.8.16 Enforcing citizens' rights. The factor has the highest percentage variance (40.99 percent) and highest Cronbach's alpha (0.971) in the model. However, the factor has the second lowest mean score (3.731), which is below the study's threshold. This implies that the government component of South Africa is poorly rated by stakeholders regarding its contribution to the nation's FDI brand equity. The factor also has the third highest standard deviation (1.297) among the ten determinants in the model. While this standard deviation is considerably low, the fact it is the third highest in the factor solution indicates that respondent perceptions on its constituent items were somewhat widely distributed on the measurement scale. The high standard deviation registered, perhaps, proves the complexity of

government as a construct. Government is a highly subjective construct, which is only measurable through proxy variables. Hence the factor had the third highest dispersion of perceptions among the 10 factors.

8.5.2.2 Factor 2 – Ports and Telecommunications Infrastructure

Seven attributes, all of them drawn from the infrastructure dimension of the study's conceptual framework, comprise this factor hence the retention of the name with a minor modification. Attribute factor loadings range from 0.412 for 3.6.4 Ease of access to real estate to 0.840 for indicator 3.6.8 Number and capacity of airports. The factor has a percentage variance of 5.807 and a Cronbach's alpha of 0.887. It also has a mean score of 4.8 and standard deviation of 1.120, the second highest and fourth lowest in the empirical solution. The high mean score and low standard deviations imply that respondents perceived South Africa as deriving strong FDI brand equity from its infrastructure.

8.5.2.3 Factor 3 – Society

The third factor extracted from the South African dataset consists of eight attributes all of which are drawn from the society dimension of the theoretical framework hence the name was retained. Item 3.1.15 Control of corruption was retained in the factor because of its factor loading of 0.294, the lowest in the factor solution, is close to the threshold factor loading, i.e. ≥0.300. Factor loadings of all remaining seven indicators range from 0.569 for 3.1.12 Level of personal security to 0.906 for 3.1.11 Frequency of violent crime. This factor has an explanatory power of 3.683 percent, Cronbach's alpha of 0.895, and mean score of 3.963. The mean score is one of the lowest three in the factor model two of which are below the cutoff point hence denoting weak country FDI brand attractiveness. Interestingly, the component has the highest standard deviation, 1.806, in the model. This implies that the respondents had varied perceptions on constituent attributes of this factor.

8.5.2.4 Factor 4 – Economy

In brand attribute terms, this factor is the second biggest after the government determinant above. The factor comprises 16 items all of which except one is drawn from the economic

dimension of the conceptual framework hence the name was retained. Factor loadings in this determinant range from a lowest of 0.392 for 3.4.3 Income distribution or Gross Domestic Product (GDP) per capita to the highest of 0.796 for 3.4.7 Interest rates. The factor accounts for an explanatory power of 3.124 percent and has a Cronbach's alpha of 0.942. It has a mean score of 4.054 and the second lowest standard deviation (1.119) in the component solution. The mean score is above the threshold hence implies that South Africa has somewhat strong FDI brand equity. The low standard deviation means that respondents' ratings on factor items were narrowly dispersed on the measurement scale.

8.5.2.5 Factor 5 – Technology

The fifth factor, Technology, draws all its eight attributes from the technology construct of the conceptual model hence the name is retained. The factor loadings for this component range from 0.401 for 3.2.2 Quality of information technology in government institutions to 0.743 for 3.2.8 Intensity of university-industry collaboration in R&D. Regarding explanatory power, this factor accounts for 2.508 percent of the model's total variance explained. The factor has the third highest Cronbach's coefficient alpha in the factor model—0.916. The component has a mean score of 4.517, which implies that South Africa has somewhat strong stakeholder-oriented FDI brand equity. Coincidentally, the factor's standard deviation of 1.144 is the mid-point between high and low factor standard deviations in this 10-factor solution.

8.5.2.6 Factor 6 – Organisation

Of the 11 attributes comprising this factor, five of the top six in respect of factor loadings come from the organisation dimension of the theoretical model. Consequently, it was sensible to retain the construct's original name for the empirical factor. This was especially relevant given that the remaining five items in this component, drawn from the markets and infrastructure theoretical constructs, also mainly deal with organisational issues. The factor has a percentage variance explained of 2.508, Cronbach's α of 0.936, mean score of 3.762, and standard deviation of 1.246, the fourth-highest standard deviation in the model. The mean score is below the study cutoff point of ≥4. From Factor 6's perspective, South Africa has weak FDI brand reputation. Nevertheless, the high standard deviation conveys that respondent perceptions on the factor's constituent items were widely distributed on the Likert scale.

8.5.2.7 Factor 7 – Markets

Factor 7 kept the original name because it drew all but one of its nine items from the hypothesised framework's markets construct. The odd item in this component comes from the economic dimension of the theoretical model. In any case, Chapter 6 acknowledged that the markets and economy dimensions were correlated. That so-called odd item, 3.4.10 Number of reputable brands (i.e. owned by or made in the country), had the component's lowest factor loading—0.357. All the remaining variables had factor loadings between 0.402 for 3.5.14 Soundness of banks and 0.637 for 3.5.13 Effectiveness of financial sector supervision.

As evident in Table 8.5 above, this factor has an explanatory power of 2.136 percent and a Cronbach's alpha of 0.859. The factor has a mean score of 4.521 and a standard deviation of 0.942. The mean score is the third largest and the standard deviation the smallest in this factor model. This indicates that South Africa has somewhat strong stakeholder-oriented brand equity and respondents have generally similar perceptions on that given the low standard deviation.

8.5.2.8 Factor 8 – Education and Training

Education and Training, the eighth factor in this model, is the second smallest in respect of constituent items (as it has only four). The variables are drawn from the society dimension of the theoretical model and are all focused on education. Among the four items, 3.1.2 Quality of primary and secondary education has the lowest factor loading, 0.357, in this component, which seems to correlate positively with the item's low mean score (Table 8.5 above). The factor loadings of the remaining three attributes are significant: 3.1.3 Quality of higher education and training (0.598), 3.1.5 Foreign language skills (0.600), and 3.1.4 Attractiveness to foreign students (0.729). The factor has a variance explained of 1.755 percent, Cronbach's α of 0.789 (the second lowest in this model although good), a mean score of 4.168 and standard deviation of 1.149. From an education and training viewpoint, the mean implies that South Africa has somewhat strong SON-FDIBE.

8.5.2.9 Factor 9 – Generic Infrastructure

Six variables drawn from three hypothetical dimensions of the conceptual framework loaded significantly into Factor 9—Generic Infrastructure. The items are 3.6.1 Quality of roads, 3.6.2 Quality of railroads, and 3.6.6 Quality of electricity (frequency of load shedding) drawn from the infrastructure constructs; 3.8.1 Political stability and unity and 3.8.2 Competence of public Institutions drawn from the government dimension; and 3.1.8 Public healthcare—availability of practitioners, equipment and drugs, which was drawn from the society theoretical factor. Save items 3.6.1, 3.6.2, and 3.6.6, variables in this factor coming from the government and society constructs of the theoretical model qualify as infrastructure under the firm infrastructure element of Porter's (1985) value chain model. The firm infrastructure comprises several aspects of general management, accounting, legal, government affairs, and quality management (Kotler & Keller, 2016; Porter, 1998c). Firm infrastructure is at times seen as a cost yet it may be a source of competitive advantage (Porter, 1998c:45).

The factor has an explanatory power of 1.695 percent, Cronbach's alpha of 0.915, mean score of 3.454, and standard deviation of 1.536. The component mean score is below the study's threshold thus South Africa is negatively rated in respect of this factor. The standard deviation is the second highest in the factor model, suggesting that respondent perceptions on its constituent variables were widely scattered across the Likert scale.

8.5.2.10 Factor 10 – Ecology and Tourism

Factor 10, the smallest of the factors extracted in this model in respect of constituent items (only three) and percentage variance (1.478), also has the lowest Cronbach's alpha coefficient of 0.629 in the model, which however is acceptable (Zikmund *et al.*, 2013:302). Nevertheless, the factor has the largest mean score (i.e. 5.263) and the second smallest standard deviation (1.046) among the 10 factors. The mean score implies that South Africa has strong FDI brand reputation and the low standard deviation shows that respondents were in general agreement in terms of perceptions. This factor obviously accounts for the largest contribution to the model's unweighted composite mean score of 4.2. All three items in this component – 3.3.2 Natural resource endowment, 3.3.1 Favourability of climate and weather, and 3.4.12 Country attractiveness to international tourists – have high factor loadings in the 0.600 range.

8.5.3 South Africa's factor correlation analysis and tests of significant differences in stakeholder perceptions of nation FDI brand equity: Verifying hypothesis H_1

Chapter 6 of this thesis asserts that the eight theoretical constructs of this study's conceptual framework are interrelated. Consequently, summary findings drawn from a Pearson's factor correlation matrix are presented below. In addition, *p*-values from factor independent samples *t*-tests for equality of means and analysis of variance (ANOVA) are used to test hypothesis **H_1**: *"There are statistically significant differences in stakeholder perceptions on factors affecting nation FDI brand equity in South Africa"*. Factor independent *t*-tests and ANOVA were performed following Tabachnick and Fidell (2007:42) who suggest factorial between-subjects ANOVA.

8.5.3.1 Factor correlation coefficients of South Africa's stakeholder-oriented FDI brand equity

Drawing on Pearson's correlation coefficients ≥ 0.300 (Sig., 2-tailed, $p = 0.000$), most of the 10 pairs of factors constituting the South African FDI brand competitiveness model are significantly correlated at the 1 percent level (see Table 8.6 below). Most correlation coefficients range from $r = 0.316$ for Factors 10 and F1 to $r = 0.813$ for Factors 9 and 1 all at 1 percent level of significance, which is above the baseline coefficient of 0.300 prescribed by Tabachnick and Fidell (2007:614). These correlation coefficients are evidence of convergent validity, nomological validity, and also the suitability of applying factor analysis to analyse the data. Only five-factor combinations in the model have correlation coefficients below the threshold, i.e. Factors 3 and 2, Factors 10 and 1, Factors 10 and 3, Factors 10 and 6, Factors 10 and 8, and Factors 10 and 9. Hence the South African empirical model has stood to the assumptions in Chapter 6 that the theoretical dimensions of the SON-FDIBE hypothesised model are correlated.

Table 8.6: Pearson's correlation coefficients of factors determining South Africa's stakeholder-oriented FDI brand equity (n = 209)

		F1	F2	F3	F4	F5	F6	F7	F8	F9	F10
F1	Pearson Correlation	1									
	Sig. (2-tailed)										
	N	204									
F2	Pearson Correlation	.526**	1								
	Sig. (2-tailed)	.000									
	N	200	200								
F3	Pearson Correlation	.522**	.281**	1							
	Sig. (2-tailed)	.000	.000								
	N	204	200	205							
F4	Pearson Correlation	.779**	.453**	.554**	1						
	Sig. (2-tailed)	.000	.000	.000							
	N	201	198	201	201						
F5	Pearson Correlation	.691**	.513**	.463**	.634**	1					
	Sig. (2-tailed)	.000	.000	.000	.000						
	N	204	200	205	201	205					
F6	Pearson Correlation	.779**	.493**	.548**	.755**	.676**	1				
	Sig. (2-tailed)	.000	.000	.000	.000	.000					
	N	202	200	202	200	202	202				
F7	Pearson Correlation	.667**	.594**	.398**	.660**	.588**	.635**	1			
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000				
	N	203	200	203	201	203	202	203			
F8	Pearson Correlation	.603**	.407**	.539**	.634**	.632**	.631**	.508**	1		
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000			
	N	204	200	205	201	205	202	203	205		
F9	Pearson Correlation	.813**	.510**	.532**	.774**	.642**	.785**	.562**	.644**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000		
	N	204	200	205	201	205	202	203	205	205	
F10	Pearson Correlation	.289**	.429**	.153*	.316**	.406**	.207**	.491**	.273**	.243**	1
	Sig. (2-tailed)	.000	.000	.029	.000	.000	.003	.000	.000	.000	
	N	203	200	204	201	204	202	203	204	204	204

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Legend: F = Factor, F1 (Government), F2 (Ports and Telecommunications Infrastructure), F3 (Society), F4 (Economy), F5 (Technology), F6 (Organisation), F7 (Markets), F8 (Education and Training), F9 (Generic Infrastructure), F10 (Ecology and Tourism).

Because there are no correlation coefficients equal to or greater than 0.900, multicollinearity or collinearity was not an issue in the South African PCA model (Table 8.6 above). A rule of thumb is that collinearity should not be ≥0.900 (Green, Tull & Albaum, 1988; Farrar & Glauber, 1967; O'Brien, 2007; Tabachnick & Fidell, 2007; Yoo *et al*., 2014). So, the model has good discriminant validity as already defined above. When variable correlations are ≥0.900, the affected attributes may be redundant, i.e. they would measure one thing, so only one and not both of them are needed. Collinearity may, in reality, weaken the analysis by inflating the size of error terms in SEM and cause logical and statistical challenges (Tabachnick & Fidell, 2007:89).

Interestingly, according to Davis (1971), Hinkle, Wiesma and Jurs (1997), and Hopkins (1997) cited in Kotrlik, Williams and Jabor (2011:138), correlation coefficients can be used as effect sizes, a subject that is now tackled in the next two sections using *t*-tests and analysis of variance. However, in this study, Pearson's correlation coefficients were not employed as effect sizes although they could have been given the suggestions in the literature as cited above. Correlation coefficients such as Pearson's *r* and Spearman's rho (r_s) themselves are measures of effect sizes (Kotrlik, Williams & Jabor, 2011:137). Hopkins (1997) cited by Kotrlik, Williams and Jabor (2011:137) suggests the following guidelines for interpreting effect sizes drawn from correlation coefficients: 0.00 to 0.10 (trivial or very small), 0.10 to .0.30 (small), 0.30 to 0.50 (moderate), 0.50 to 0.70 (large), 0.70 to 0.90 (very large), and 0.90 to 1.00 (Nearly perfect).

8.5.3.2 Factor independent samples *t*-tests for equality of means and effect sizes on stakeholder-oriented nation FDI brand equity of South Africa

To acertain, if there were statistically significant differences in stakeholder percentions of the 10-factor model and, where such significance existed, the magnitude of the difference, the researcher employed *t*-tests and effect sizes. As evident in Table 8.7 below, there are statistically significant differences in stakeholder perceptions (*p*-values less than or equal to 0.05) and small to medium effect sizes (Cohen's *d* statistics are **bold and in brackets**) in some of the factors influencing South Africa's FDI brand strength. In particular, evidence of statistically significant disparities in stakeholder perceptions and small effect sizes (*d*) in respect of gender was found in Factor 3 ($p = 0.044$, $p = 0.051$; $d = 0.272$) and Factor 10 ($p = 0.018$, $p = 0.025$; $d = 0.309$). A statistically important difference in perceptions and medium effect size was found in Factor 2 in respect of nationality ($p = 0.030$; d=.543). With sector i.e. public sector versus private sector, statistically signicant variations in perceptions and small effect sizes were recorded in respect of Factor 2 ($p = 0.021$; $p = 0.026$; $d = 393$), Factor 6 $p = 0.031$; $p = 0.018$; $d = 414$), and Factor 9 ($p = 0.013$, $p = 0.014$; $d = 438$), In addition, Factor 6 also registered statistically significant differences in stakeholder perceptions and small effect size in respect of the variable "been to other African countries" ($p = 0.046$, $p = 0.052$; $d = 0.276$).

Table 8.7: Factor independent samples *t*-tests for equality of means and effect sizes of South Africa's FDI brand strength (n = 209)

		Sig. (2-tailed; p≤0.05%)					
		Gender (Male versus Female)	Nationality (South African versus Other)	Sector (Public versus Private)	Ownership (Local ersus Foreign)	Been to Other African Country versus Not	Been Overseas versus Not
F1	Equal variances assumed	.160	.586	.135	.136	.827	.746
	Equal variances not assumed	.145	.412	.142	.158	.827	.744
F2	Equal variances assumed	.679	.155	.021 **(.393)**	.061	.582	.785
	Equal variances not assumed	.688	.030 **(.543)**	.026	.056	.584	.785
F3	Equal variances assumed	.044 **(.272)**	.870	.828	.550	.566	.340
	Equal variances not assumed	.051	.898	.828	.573	.563	.338
F4	Equal variances assumed	.469	.748	.262	.862	.670	.494
	Equal variances not assumed	.453	.667	.252	.869	.669	.494
F5	Equal variances assumed	.152	.571	.885	.966	.274	.280
	Equal variances not assumed	.163	.510	.889	.967	.273	.277
F6	Equal variances assumed	.391	.697	.013 **(.414)**	.118	.046 **(.276)**	.083
	Equal variances not assumed	.384	.427	.018	.109	.052	.083
F7	Equal variances assumed	.296	.221	.431	.445	.556	.987
	Equal variances not assumed	.291	.104	.458	.439	.564	.987
F8	Equal variances assumed	.225	.803	.554	.254	.964	.582
	Equal variances not assumed	.226	.711	.565	.225	.965	.586
F9	Equal variances assumed	.297	.602	.013 **(.438)**	.252	.654	.781
	Equal variances not assumed	.284	.553	.014	.259	.650	.779
F10	Equal variances assumed	.018 **(.309)**	.846	.487	.272	.799	.580
	Equal variances not assumed	.025	.882	.521	.275	.793	.583
Overall_F	Equal variances assumed	.136	.623	.250	.280	.701	.581
	Equal variances not assumed	.141	.448	.278	.284	.704	.582

Legend: F = Factor, F1 (Government), F2 (Ports and Telecommunications Infrastructure), F3 (Society), F4 (Economy), F5 (Technology), F6 (Organsiation), F7 (Markets), F8 (Education and Training), F9 (Generic Infrastructure), F10 (Ecology and Tourism).
Note: *t*-tests for equality of means and effect sizes (**in bold**) were calculated at 95% Confidence Interval of the difference

Although theorists recommend that effect sizes should be considered within the background of effects presented in similar previous studies (Fritz, Morris & Richler, 2012; Kotrlik, Williams & Jabor, 2011; Vacha-Haase & Thompson, 2004), that was not feasible in the current study because there is hardly any previous studies on nation branding that reported effect sizes. When researchers have undertaken groundbreaking studies in areas of research with no or few previous studies, effect sizes cannot be evaluated within the context of related prior effects hence can use rules of thumb like Cohen's benchmarks (Vacha-Haase & Thompson, 2004:478). Cohen's (1988) *d* benchmarks for interpreting the effects in respect of *t*-tests are 0.2 = small, 0.5 = medium, and 0.8 = large effects (Field, 2013; Fritz, Morris & Richler, 2012; Kotrlik, Williams & Jabor, 2011; Vacha-Haase & Thompson, 2004). Theorists suggest that the size of an effect should be interpreted in the context of the variable concerned and not just the rules of thumb (e.g. Fritz, Morris & Richler, 2012; Kelley & Preacher, 2012; Nakagawa & Cuthill, 2007). Considering the significant *p*-values and small to medium effect sizes presented

above, the study's main hypothesis, **H_1**, is partially accepted. The *p*-values and effect sizes imply that national policymakers and destination managers must ensure that gender, nationality, public sector and private sector, and stakeholders' travel experience within Africa are included in the demographic factors considered to select stakeholders to participate in nation FDI branding programmes.

8.5.3.3 Factorial oneway ANOVA and effect sizes for South Africa's stakeholder-oriented nation FDI brand equity

Inferring from the ANOVA output in Table 8.8 below, there are no statistically significant differences in stakeholder perceptions in nine of the 10 SON-FDIBE factors extracted from the South African dataset (all *p*-values are greater than 0.05) except for Factor 6 in respect of variable "job position" (p=0.025). Going by the lone significant *p*-value, the study's main hypothesis **H_1** is partly accepted.

Table 8.8: South Africa's stakeholder-oriented FDI brand equity factorial oneway ANOVA tests (p≤0.05%) (n = 209)

		Age	Employ-ment Status	Qualifica-tion being Studied	Highest Qualifica-tion Held	Nature of Public Sector	Nature of Private Sector	Job Position
F1	Between Groups	.469	.948	.378	.294	.648	.537	.442
	Within Groups							
	Total							
F2	Between Groups	.700	.579	.407	.679	.741	.989	.102
	Within Groups							
	Total							
F3	Between Groups	.325	.103	.084	.543	.578	.447	.591
	Within Groups							
	Total							
F4	Between Groups	.931	.596	.138	.830	.904	.775	.569
	Within Groups							
	Total							
F5	Between Groups	.796	.392	.122	.931	.921	.484	.465
	Within Groups							
	Total							
F6	Between Groups	.188	.633	.451	.336	.925	.572	.025
	Within Groups							
	Total							
F7	Between Groups	.820	.586	.884	.547	.986	.578	.981
	Within Groups							
	Total							
F8	Between Groups	.358	.688	.304	.766	.897	.389	.933
	Within Groups							
	Total							
F9	Between Groups	.639	.553	.134	.425	.488	.748	.160

		Age	Employ-ment Status	Qualifica-tion being Studied	Highest Qualifica-tion Held	Nature of Public Sector	Nature of Private Sector	Job Position
	Within Groups							
	Total							
F10	Between Groups	.634	.882	.593	.247	.073	.445	.647
	Within Groups							
	Total							
Overall_F	Between Groups	.935	.993	.323	.624	.989	.735	.729
	Within Groups							
	Total							

Legend: F = Factor, F1 (Government), F2 (Ports and Telecommunications Infrastructure), F3 (Society), F4 (Economy), F5 (Technology), F6 (Organsiation), F7 (Markets), F8 (Education and Training), F9 (Generic Infrastructure), F10 (Ecology and Tourism).

Effect sizes were calculated for lone significant *p*-value in Factor 6 (Organisation) in relation to four sub-variables defined in the job position variable i.e. operative or staff, lower management, middle management, and senior management (Table 8.9 below). Save for the operative/staff cluster that had a small effect size (*f*) of 0.141 about the operative versus lower management cluster; all other groups had medium to large effect sizes. In particular, two groups with medium effect sizes were middle management (f = 0.309) about middle management versus senior management, and senior management (f = 0.343) about all groups in the table aggregated. Also, the total effect size for all four groups in the table was large—i.e. f = 0.630. According to Cohen's (1988) f for ANOVA and analysis of covariance (ANCOVA), a rule of thumb for interpreting effect sizes, 0.10 represents small effect size, 0.25 represents medium effect size, and 0.40 represents large effect (Kootrlik, Williams & Jabor, 2011:138). Given the total effect size and those for lower management, middle management and senior management, a strategic country FDI branding exercise should provide for the participation of people in these positions in the internal stakeholder consultation and coordination side. Given the medium and large effect sizes in Table 8.9 relating to how Factor 6 was viewed by repondents in different levels of management, the study's main hypothesis $\mathbf{H_1}$ is also partly accepted. Nonetheless, the practical and theoretical implications of effect sizes should be considered in the context of the samples in each group.

Table 8.9: South Africa's stakeholder-oriented FDI brand equity factor oneway ANOVA effect sizes (n = 209)

		N	Mean	Std. Dev.	Std. Error	95% Confidence Interval for Mean		Min.	Max.	Effect Sizes	Groups Affected
						Lower Bound	Upper Bound				
F6	Operative/Staff	20	3.943	1.207	0.270	3.379	4.508	1.36	6.36	0.141	Operative/staff vs lower management
	Lower Management	24	4.114	1.166	0.238	3.621	4.606	1.55	6.09	0.440	Lower management vs middle management
	Middle Management	62	3.588	1.194	0.152	3.284	3.891	1.09	6.73	0.309	Middle management vs senior management
	Senior Management	33	3.178	1.326	0.231	2.708	3.648	1.00	6.64	0.343	Senior management vs total
	Total	139	3.632	1.253	0.106	3.422	3.843	1.00	6.73	0.630	All four groups

8.6 EMPIRICAL EVALUATION OF CONCEPTUAL FRAMEWORK AS A MEASURE OF NATION FDI BRAND EQUITY: A CONFIRMATORY FACTOR ANALYSIS (CFA) VIEW

The fifth, or third empirical, objective of this study was "to empirically evaluate the conceptual framework as a measure of country FDI brand equity". To fulfil this objective, the 10-factor South African SON-FDIBE model extracted by PCA from the country's dataset was tested for validity and reliability through CFA performed with SPSS AMOS Version 23, a structural equation modelling (SEM) software. SEM is an assortment of statistical techniques that enable a set of relationships between one or more independent variables and dependent variables, either continuous or continuous, to be examined (Tabachnick & Fidell, 2007:676). Model validity was tested through standardised regression weights (SRWs), which in this case are taken as standadised factor loadings, and model reliability was tested through squared multiple correlations (SMC) or R^2. Tabachnick and Fidell (2007:728) suggest that squared multiple correlations can be employed to test the reliability and proportion of a measured variable. Part of the findings from SEM is presented below alongside Cronbach's α coefficients and descriptive statistics (i.e. mean and standard deviations) to enable interpretation of what the factors represent regarding respondent perceptions and their implications for managerial decision making or national development policy formulation and evaluation. The South African SON-FDIBE factor model was also validated through goodness-of-fit indices.

8.6.1 Validity and reliability of conceptual framework as a measure of South Africa's FDI brand equity and tests of study's hypotheses H_2 to H_{10}

Convergent and discriminant validity were measured jointly for the set of constructs (Bhattacherjee, 2012:59). It was expected that related concepts display significant correlations (convergent validity) but not to be so highly interrelated that they cease to be independent concepts (discriminant validity) (Zikmund *et al*., 2010:309). Convergent and discriminant validity was established by checking if the items significantly loaded into the constructs predicted in theory (Cho, 2011; Hair *et al*., 2006) and assessed the extent to which the empirical constructs were interrelated, i.e. by examining the factor correlation coefficients presented above.

All 96 variables constituting the South African SON-FDIBE factor model loaded significantly into their ten theorised components. Hence this is evidence of convergent and discriminant validity. Their standardised regression weights (SRWs) or standardised factor loadings ranged from the lowest of ≥ 0.410 for item 3.5.8 Abundance of low-cost unskilled labour to the highest of 0.918 for the variable 3.7.2 Clear shared national values (Table 8.10). The cutoff point for item factor loadings in this study was ≥ 0.300 hence all items were retained (e.g. Field, 2013; Garson, 2012) in the structural model. Following Krešić and Prebežac (2011:508), the South African factor solution was also verified for convergent validity using Cronbach's alpha values, which ranged from the lowest of 0.629 for Factor 10 to the highest of 0.971 for Factor 1. Existing literature suggests that Cronbach's α values ≥ 0.600 are an indicator of reliability (Hair *et al*., 2010; Zikmund *et al*., 2013). This study adopted the same Cronbach's alpha coefficient threshold as evidence of convergent validity. Consequently, the South African SON-FDIBE model has robust convergent, discriminant, and nomological validity established from a CFA perspective. Nomological validity was also checked through correlation analysis and factor loadings or SRWs. Standardised regression weights describe the extent of the association between the constructs and the underlying variables (Amin & Isa, 2008:203). Mean scores show how the factors and variables were rated by respondent stakeholders and standard deviations indicate the distribution of responses on the measurement scale (Table 8.9 displays the range of means and standard deviations).

Table 8.10: CFA Validated factors affecting South Africa's stakeholder-oriented nation FDI brand equity (n = 209)

Nation FDI Brand Equity Factor & Variables	Factor Loadings, Reliability Coefficients & Descriptive Statistics			
	Standardised Regression Weights (SRW) or β	Squared Multiple Correlations (SMC) or R^2	Cronbach's α coefficients	Means (μ) & Standard Deviations (SD)
Factor 1: Government	**0.920**	**0.588***	**0.971**	**3.73 (1.297)**
3.8.16 Enforcing citizens' rights	0.749	0.560		3.96 (1.646)
3.8.18 Protecting intellectual property rights (e.g. copyrights, trademarks, patents, etc.)	0.723	0.523		4.06 (1.700)
3.8.15 Enforcing property rights	0.718	0.515		3.95 (1.634)
3.8.6 Stability of legal system (i.e. public confidence in the system)	0.787	0.620		3.89 (1.704)
3.8.19 Enforcing competition laws	0.760	0.578		4.09 (1.642)
3.8.24 Rule of law	0.816	0.667		3.93 (1.659)
3.8.7 Efficiency of legal system in challenging regulations	0.819	0.670		3.96 (1.740)
3.8.8 Resolving insolvency and retrenchments	0.772	0.596		3.57 (1.634)
3.8.9 Extent to which FDI policy allows foreign ownership	0.744	0.553		3.94 (1.453)
3.8.25 Country risk (i.e. political, financial, expropriation, etc.)	0.698	0.487		3.68 (1.912)
3.8.13 Tax regulations	0.754	0.569		4.20 (1.636)
3.8.23 Policy consistency	0.837	0.700		3.54 (1.681)
3.8.11 Enforcing environmental regulations	0.785	0.616		3.86 (1.552)
3.8.17 Carefulness of government spending	0.763	0.583		2.90 (1.933)
3.8.12 Foreign currency regulations	0.734	0.539		4.11 (1.469)
3.8.14 Reliability of police services	0.800	0.640		3.28 (1.767)
3.8.21 Policy clarity on ownership of agricultural real estate (land)	0.756	0.572		3.64 (1.609)
3.8.10 Quality of environmental regulations	0.789	0.622		3.98 (1.538)
3.8.4 Fairness of public institutions	0.807	0.652		3.32 (1.659)
3.8.5 Transparency of government policymaking	0.832	0.692		3.36 (1.736)
3.8.22 Readiness to adapt national character to fit global economy	0.780	0.609		3.53 (1.601)
3.8.20 Flexibility of labour laws	0.628	0.394		3.62 (1.631)
3.8.3 Efficiency of government bureaucracy (i.e. paperwork, procedures, agencies licensing one business, etc.)	0.792	0.628		3.11 (1.789)
3.6.5 Water, sanitation and waste management	0.722	0.521		3.88 (1.682)
Factor 2: Ports and Telecommunications Infrastructure	**0.570**	**0.531***	**0.887**	**4.83 (1.120)**
3.6.8 Number and capacity of airports	0.859	0.738		4.79 (1.416)
3.6.9 Availability of fixed-line telephones	0.741	0.549		4.58 (1.478)
3.6.7 Domestic and international airlines departures per day	0.728	0.530		4.87 (1.488)
3.6.10 Accessibility of mobile phones	0.707	0.500		5.51 (1.374)
3.6.11 Availability of Internet services	0.700	0.489		5.05 (1.451)
3.6.4 Ease of access to real estate	0.722	0.481		4.56 (1.416)
3.6.3 Quality of ports	0.654	0.428		4.47 (1.608)
Factor 3: Society	**0.480**	**0.530***	**0.895**	**3.96 (1.806)**
3.1.11 Frequency of violent crime	0.850	0.722		4.08 (2.131)
3.1.13 Risk of xenophobic or political violence	0.820	0.672		4.16 (1.799)
3.1.14 Level of corruption	0.785	0.616		4.46 (2.327)
3.1.9 Prevalence of HIV and AIDS	0.771	0.594		3.78 (1.769)
3.1.10 Risk of Tuberculosis, Cholera and Malaria	0.731	0.535		3.86 (1.625)
3.1.7 Prevalence of poverty	0.604	0.365		3.98 (1.695)

Nation FDI Brand Equity Factor & Variables	Factor Loadings, Reliability Coefficients & Descriptive Statistics			
	Standardised Regression Weights (SRW) or β	Squared Multiple Correlations (SMC) or R^2	Cronbach's α coefficients	Means (μ) & Standard Deviations (SD)
3.1.12 Level of personal security	0.675	0.455		3.85 (1.730)
3.1.15 Control of corruption (i.e. prosecutions, sentences, etc.)	0.532	0.283		3.12 (2.012)
Factor 4: Economy	**0.900**	**0.522***	**0.942**	**4.05 (1.119)**
3.4.7 Interest rates	0.702	0.493		3.82 (1.639)
3.4.8 Exchange rate	0.673	0.453		3.54 (1.762)
3.4.6 Inflation rate	0.736	0.542		3.68 (1.647)
3.5.4 Effect of taxation on incentive to work	0.733	0.537		3.98 (1.458)
3.5.2 Tax rates (corporate tax, customs duties and individual tax)	0.697	0.486		4.20 (1.542)
3.4.14 Significance of annual FDI inflows	0.745	0.554		4.34 (1.423)
3.5.3 Effect of taxation on incentive to invest	0.721	0.519		3.99 (1.545)
3.4.15 Prospects for increasing FDI inflows	0.801	0.641		4.30 (1.396)
3.4.16 FDI incentives (e.g. tax holidays, special economic zones, etc.)	0.784	0.614		4.01 (1.476)
3.5.5 Prevalence of foreign ownership	0.666	0.443		4.13 (1.407)
3.4.2 Economic (GDP) growth rate	0.775	0.601		3.68 (i.553)
3.4.13 Marketing of sectors open to FDI	0.745	0.556		4.47 (1.406)
3.4.9 Number of reputable industries (regardless of ownership)	0.632	0.400		4.59 (1.327)
3.4.11 Export performance	0.700	0.490		4.46 (1.423)
3.4.3 Income distribution or GDP per capita	0.705	0.498		3.60 (1.572)
Factor 5: Technology	**0.800**	**0.575***	**0.916**	**4.52 (1.144)**
3.2.8 Intensity of university-industry collaboration in research and development (R&D)	0.759	0.577		4.58 (1.430)
3.2.6 Availability of quality R&D institutions (universities included)	0.781	0.609		4.51 (1.440)
3.2.3 Company investments in R&D	0.808	0.653		4.64 (1.295)
3.2.4 Capacity to create successful new products/services and systems	0.833	0.593		4.74 (1.316)
3.2.7 Availability of scientists and engineers	0.717	0.513		4.46 (1.506)
3.2.5 Government funding for R&D (universities included)	0.768	0.590		4.09 (1.545)
3.2.1 Quality of technologies available in local firms	0.691	0.478		4.90 (1.271)
3.2.2 Quality of information technology in government institutions	0.767	0.588		4.32 (1.453)
Factor 6: Organisation	**0.860**	**0.576***	**0.936**	**3.76 (1.246)**
3.7.2 Clear shared national values	0.918	0.842		3.57 (1.626)
3.7.1 Clear shared national vision	0.883	0.780		3.57 (1.562)
3.7.3 Effectiveness of national development plan	0.881	0.776		3.59 (1.639)
3.5.16 Capability to attract qualified foreign citizens	0.651	0.424		3.92 (1.676)
3.7.5 Stakeholder trust in the country	0.809	0.654		3.45 (1.579)
3.7.4 Stakeholder participation in policymaking (e.g. local businesses, foreign investors, labour, academia, media, general public, etc.)	0.827	0.684		3.71 (1.579)
3.6.14 Efficiency of public transport system	0.701	0.491		3.55 (1.633)
3.5.18 State of industrial relations	0.572	0.327		4.06 (1.534)
3.5.9 Work ethic of workforce (i.e. motivation to work)	0.660	0.436		3.76 (1.594)
3.5.15 Capability to retain qualified citizens	0.708	0.501		3.95 (1.645)
3.6.13 E-government effectiveness (availability of government documents on Internet—statutes, reports, business forms, etc.)	0.614	0.377		4.14 (1.604)

Factor 7: Markets	**0.800**	**0.425***	**0.859**	**4.52 (0.942)**
3.5.13 Effectiveness of financial sector supervision	0.682	0.465		4.43 (1.451)
3.5.12 Ease of access to loans	0.666	0.443		4.35 (1.395)
3.5.10 Capacity utilisation of local firms	0.735	0.540		4.07 (1.274)
3.5.11 Cost of financial services	0.645	0.416		4.42 (1.356)
3.5.1 Intensity of domestic (or national) competition	0.648	0.420		4.37 (1.140)
3.5.7 Availability of financial services	0.678	0.460		4.86 (1.343)
3.5.8 Abundance of low-cost unskilled workforce	0.410	0.168		4.61 (1.589)
3.5.14 Soundness of banks	0.648	0.420		5.03 (1.444)
3.4.10 Number of reputable brands (i.e. owned by or "made-in" country)	0.704	0.496		4.56 (1.331)
Factor 8: Education and Training	**0.810**	**0.491***	**0.789**	**4.17 (1.149)**
3.1.4 Attractiveness to foreign students	0.647	0.418		4.56 (1.438)
3.1.5 Foreign language skills (e.g. Chinese, French, Portuguese, etc.)	0.554	0.307		3.38 (1.435)
3.1.3 Quality of higher education and training	0.759	0.575		4.86 (1.355)
3.1.2 Quality of primary and secondary education	0.814	0.663		3.88 (1.596)
Factor 9: Generic Infrastructure	**0.910**	**0.640***	**0.915**	**3.45 (1.536)**
3.6.1 Quality of roads	0.753	0.567		3.73 (1.836)
3.8.1 Political stability and unity	0.882	0.778		3.08 (1.838)
3.6.2 Quality of railroads	0.772	0.602		3.73 (1.779)
3.8.2 Competence of public institutions	0.889	0.791		3.08 (1.830)
3.6.6 Quality of electricity supply (frequency of load shedding)	0.784	0.615		3.48 (1.848)
3.1.8 Public healthcare (i.e. availability of practitioners, equipment and drugs)	0.698	0.487		3.54 (1.769)
Factor 10: Ecology and Tourism	**0.530**	**0.371***	**0.629**	**5.26 (1.046)**
3.3.2 Natural resource endowment (e.g. soils, minerals and metals)	0.591	0.349		5.40 (1.207)
3.3.1 Favourability of climate and weather	0.507	0.257		5.32 (1.362)
3.4.12 Country attractiveness to international tourists	0.711	0.507		5.11 (1.381)

* = Factor SMCs are averages of item SMCs constituting factors

The reliability of the nation brand attributes had already been checked with Cronbach's alpha coefficients in the PCA stage of the empirical validation. Nonetheless, further reliability analysis in CFA and SEM was done with squared multiple correlations (SMCs) and the SMC coefficients of most variables (60) were ≥ 0.500 (Table 8.9 above). The 35 attributes with SMC values lower than the threshold were retained by factor Cronbach's α reliability coefficients which range from fair (Ecology and Tourism = 0.629) to excellent (Government = 0.971). As shown in the table, the very item with the lowest SRW (3.5.8) had the lowest SMC coefficient as well (0.168), and the variable with the highest SRW (3.7.2) simultaneously had the highest SMC value (0.842). The average SMC values of the ten factors in the South Africa SON-FDIBE model were greater 0.3 with a majority of them having R^2>0.5 (i.e. Factors 1 to 6, and 9) and the second majority having R^2 coefficients > 0.4 (i.e. Factor 7 and 8). Factor 10 only had an SMC coefficient of 0.371, which is rather too low but was retained by being close to 0.4. Squared multiple correlations, the threshold value of which is ≥0.5, also show convergent validity (Segars & Grover, 1993:523) but other theorists suggest a lower threshold

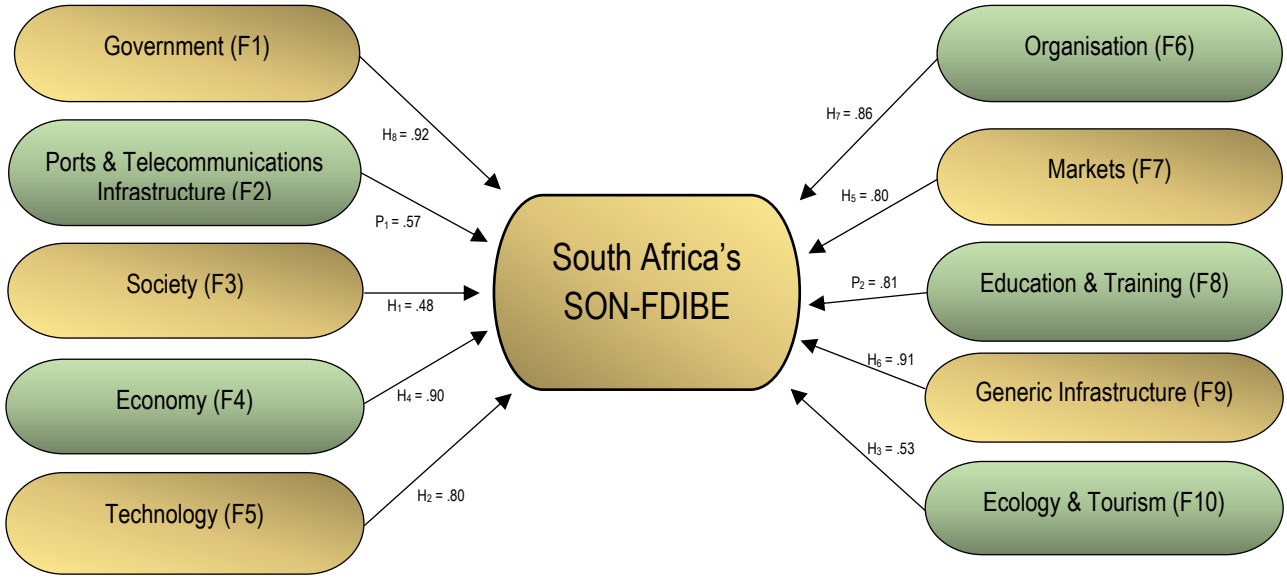
SMC coefficient of ≥ 0.4 (e.g. Amin & Isa, 2008:202). In CFA, the reliability of items and their corresponding constructs is shown by SMC coefficients (Schreiber, 2008; Schreiber *et al*., 2006; Segars & Grover, 1993) ranging between 0 and 1 (Kwan & Chan, 2014:226). The effect of high SMC values indicates the acceptance of model fit (Amin & Isa, 2008:202).

In the SEM validation part of this study, squared multiple correlations were also employed to test model multicollinearity following Tabachnick and Fidell (2007:90) hence were applied to prove if the factors had discriminant validity. None of the variables in the South African structural equation model had SMC values equal to or greater than 0.900 (Tabachnick & Fidell, 2007:90) that normally warrants the need to treat multicollinearity (see Green, Tull & Albaum, 1988; Farrar & Glauber, 1967; O'Brien, 2007; Tabachnick & Fidell, 2007; Yoo *et al*., 2014). This means that the South African model has good discriminant validity properties. The correlational analyses employed to verify convergent and discriminant validity in this study include Pearson's correlation coefficients presented in 8.5.3.1 above, factor squared multiple correlation coefficients presented in Table 8.9 below, and CFA correlation coefficients in Appendix 3, all of which are below the 0.900 lower thresholds for collinearity. The fact that the model has acceptable convergent and discriminant validity also means that it has acceptable construct validity. Construct validity can be assessed through correlational analysis (Sekeran & Bougie, 2013:227), convergent and discriminant validity (Malhotra & Dash, 2011; Pallant, 2007; Sekeran & Bougie, 2013), nomological validity (Malhotra & Dash, 2011:280) and face and content validity (Zikmund *et al*., 2010:308). All these tests have been conducted in this study in both PCA and CFA.

As shown in Figure 8.3 below, the path diagram or structural model, the standardised regression weights generated by SEM in linear order of importance are 0.920 (Factor 1), 0.910 (Factor 9), 0.900 (Factor 4), 0.860 (Factor 6), 0.810 (Factor 8), 0.800 (Factors 5 and 7), 0.570 (Factor 2), 0.530 (Factor 10), and 0.480 (Factor 3). Thus SRWs in CFA do not follow the descending order of importance dictated by eigenvalues in PCA. While this study only sought to validate the determinants of stakeholder-oriented nation FDI brand equity, the SRWs in Figure 8.3 below express the degree of relationship between the ten constructs (independent variables) and SON-FDIBE (the dependent variable) (see Amin & Isa, 2008:203). Higher absolute standardised regression values suggest stronger associations (range is from –1 to 1) (Zikmund *et al*., 2010:566). SEM enables answering research questions that concern multiple regression

analysis of factors (Tabachnick & Fidell, 2007:676). Moreover, the standardised regression weights in a structural model are evidence of convergent and discriminant validity. The fact that the variables loaded significantly in the model confirms these related types of validity.

Figure 8.3: Path diagram of South Africa's SON-FDIBE displaying standardised regression weights, accepted hypotheses, and emerging propositions



Legend: H = Hypotheses; P = Propositions

On the basis, the evidence in the path diagram and Tables 8.5 and 8.9 above hypothesis **H_2** of this study (*There are eight determinants of SON-FDIBE in South Africa and Zimbabwe*) is partially accepted. The hypothesis is partly accepted because the hypothesised model differs with the validated, structural, model by two components. If the researcher had defined hypotheses regarding both the number and character of factors anticipated in a study, comparison between the hypothesised factors and the factor solution offers a corroboration of the hypotheses (Tabachnick & Fidell, 2007:611). Tests and evidence of the study's hypotheses **H_3** to **H_{10}** in respect of South Africa are presented in Table 8.11 below. All but one of these eight hypotheses are partially accepted by supporting factor standardised regression weights in the table derived from Table 8.9 or Figure 8.3 above as shown in Table 8.11` below. Hypothesis **H_4** only is accepted without reservations because the empirical factor exactly matches the theoretical construct (Factor 2: Technology) in respect of constituent country brand attributes. The seven hypotheses are partially accepted because their underlying empirical

factors vary to different degrees with the original theoretical dimensions in respect of constituent brand items (see questionnaire in Appendix 1 for comparison).

Table 8.11: Test of conceptual framework's hypotheses H3 to H10 in South Africa (n=209)

Hypotheses	Factors & Eigenvalues	Standardised Regression Weights	Decision
H_3: Society is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F3 (3.54)	0.480	Partially Accept
H_4: Technology is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F5 (2.59)	0.800	Accept
H_5: Ecology is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F10 (1.42)	0.530	Partially Accept
H_6: Economy is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F4 (3.00)	0.900	Partially Accept
H_7: Market is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F7 (2.05)	0.800	Partially Accept
H_8: Infrastructure is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F9 (1.63)	0.910	Partially Accept
H_9: Organisation is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F6 (2.41)	0.860	Partially Accept
H_{10}: Government is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F1 (39.36)	0.920	Partially Accept

Table 8.11 also includes factor eigenvalues as additional evidence to confirm the hypotheses in accordance with Tabachnick and Fidell's (2007:611, 644-646) argument that PCA can be used to test hypotheses in preliminary form. In this study, the presentation of eigenvalues is important considering that hypothesis **H_2** was only partially confirmed since ten factors were extracted and confirmed in the South African case instead of the hypothesised eight factors. The study also generated propositions in respect of Factor 2 (Ports and Telecommunications Infrastructure) and Factor 8 (Education & Training). Propositions building on from the two components and their supporting evidence are as shown in Table 8.12 below. The fact that the South African case study generated propositions as it tested hypotheses supports the pragmatist philosophy and abduction approach adopted in this study. However, the philosophy and approach were heavily influenced by positivism and deduction respectively **(see Chapter 7)**.

Table 8.12: Propositions arising from South Africa's SON-FDIBE model (n=209)

Propositions	Supporting Factors & Eigenvalues	Standardised Regression Weights
P_1: Ports and telecommunications infrastructure is a determinant of SON-FDIBE in South Africa.	F2 (5.58)	0.570
P_2: Education and training is a determinant of SON-FDIBE in South Africa.	F8 (1.69)	0.810

Note: Eigenvalues taken from Table 8.5

8.6.2 Validation of conceptual framework as a measure of South Africa's FDI brand equity: A goodness-of-fit indices' perspective

Four goodness-of-fit indices (GFIs), namely Chi-square statistic, Comparative Fit Index (CFI), Root Mean Square Error of Approximation (RMSEA), and Hoelter Index were employed to assess how well the South African SON-FDIBE model fitted the dataset. An excellent ratio of the Chi-square divided by its degrees of freedom (*df*) must be less than 2 (Tabachnick & Fidell, 2007:721) or less than 5 (Schreiber, 2008:90) and a CFI value of ≥ 0.90 and ≥ 0.95 indicates acceptable and good fit respectively (Wicksell, Olson & Melin, 2009:762). A RMSEA value ≤ 0.05 is evidence of good fit (Fombrun, Ponzi & Newburry, 2015; Wicksell, Olson & Melin, 2009) while a RMSEA ≤ 0.08 is evidence of better fit (Malhotra & Dash, 2011; Marsh, Hau & Wen, 2004, Tabachnick & Fidell, 2007). For the Hoelter Index, a value between 69 at 0.05 level of significance and 77 at 0.01 level of significance is an acceptable measure of the goodness-of-fit for a model (Moolla, 2010:203). Moreover, other theorists (e.g. Eliuz, 2014; Shadfar & Malekmohammadi, 2013) suggest that, for Hoelter Index, the adequate sample size is ≥ 200 and the acceptable sample is 75 to 200. Goodness-of-fit indices were used to test for nomological validity, defined above, in the measurement model following Cho (2011:86).

The CFA results of the ten factors extracted from the South African sample indicate that the data fit the structural model reasonably well since the model, despite being exploratory, fit exceptionally well with three of the four chosen goodness-of-fit indices except for the CFI. The ratio of the Chi-square divided by its degrees of freedom obtained for the SEM was 2.189, which is suggestive of an excellent fit. The model produced a fairly well RMSEA of 0.076, with a 90 percent confidence interval [0.074; 0.078]. Moreover, the ten factors produced a Hoelter Index value of 99 at 0.05 level of significance and 100 at 0.01 level of significance, which is an acceptable measure of fit for a model (Eliuz, 2014; Moolla, 2010; Shadfar & Malekmohammadi, 2013). But the data produced a CFI of 0.696, which is below the acceptable level of fit (Wicksell, Olson & Melin, 2009:762). Goodness-of-fit indices can be used to test for nomological validity in a measurement model (Cho, 2011:86). Considering that the structural model reasonably fitted the data regarding three GFI indices (i.e. Chi-square, RMSEA, and Hoelter) it can be concluded that the model has fairly good nomological validity in accordance with Cho's argument.

While the South African structural model reasonably fits the data in respect of the three indices above, except the CFI, the need to further validate the model in future studies cannot be overemphasised given the arguments in the literature. For instance, Amin and Isa (2008:204) contend that even if a model fits the data, it does not certainly indicate the model is correct. This means that even though the South African factor model performed reasonably well across three of the four indices, that is not necessarily evidence that the model is perfect hence the need for further validation. Nevertheless, the fact that the data was inconsistent with only one of the four selected goodness of fit indexes should be a validity consolation rather than concern since the underlying model was conceptual. Moreover, this study was exploratory and, as far as this researcher knows, one of the first of its kind to measure nation brand equity of FDI with such a comprehensive list of theoretical variables—105 and from a stakeholder perspective. Compared with other focus areas of nation branding like tourism, the FDI sub-brand is hardly studied (Dinnie, 2008; Szondi, 2007; van den Akker, 2011; Wilson, Baack & Baack, 2014) despite that FDI has many benefits for host countries. So further conceptual purification and empirical tests in future studies will improve the model.

8.7 CALCULATING STAKEHOLDER-ORIENTED NATION FDI BRAND EQUITY INDICES FOR SOUTH AFRICA

The sixth secondary objective of this study was "to calculate the SON-FDIBE indices of South Africa and Zimbabwe". Given the exploratory nature of the research, four index computation methodologies were explored and yielded four distinctive indices. The first two indices are unweighted or equal-weighted. They differ in that the first one is based on the eight constructs and 105 items in the study's theoretical framework and the second is based on the country's empirical 10-factor solution validated by PCA. The two remaining indices are also based on the country's 10-factor model. They are unique in that they are weighted or rather weighted differentially. One of them uses PCA-generated initial eigenvalues' percentages of variance as weights (see Appendix 3) and the last one uses CFA-generated standardised regression weights as weights. Each of the four index computation methodologies is a unique contribution to the literature and practice because, to the best knowledge of this researcher, none of the sorts have been calculated for SON-FDIBE before. The SON-FDIBE index differs from the Global Investment Prospects Assement (GIPA), a stakeholder-led proprietary index of the United

Nations Conference on Trade and Investment, in terms of methodology and target stakeholder respondents **(see critique of GIPA in 5.2.6.5, Chapter 5)**.

While all four SON-FDIBE indices were computed in mean scores, each composite score or index is also concurrently presented as a percentage in accordance with the conversion of the study's 7-point Likert scale into percentile scale as explained in Chapter 7, research methodology. Several reputable proprietary-owned default nation reputation indices such as Deloitte Global & US Council on Competitiveness's Global Manufacturing Competitiveness Index, Institute of Management Development's World Competitiveness Yearbook, Transparency International's Corruption Perception Index, Mo Ibrahim Foundation's Ibrahim Index of African Governance, Social Progress Imperative's Social Progress Index, and Cornell University, INSEAD and World Intellectual Property Organization's Global Innovation Index are percentile scales. Some indexes present their item and factor measures as mean scores and composite scores as percentages e.g. Anholt-GfK Roper Nation Brand Index^{SM}, Brand Finance$^{®}$'s Nation Brand Impact^{TM} Framework (these two are bona fide nation branding indices) and yet others just employ mean scores e.g. World Economic Forum's Global Competitiveness Index. Hence this study's 7-point scale clusters, which also act as an interpretation key for the index, are Very Weak = 0 – 14.29 percent (mean score 1), Weak = 14.29 – 28.57 percent (mean score 2), Somewhat Weak = 28.57 – 42.86 percent (mean score 3), Neither Weak nor Strong = 42.86 – 57.14 percent (mean score 4), Somewhat Strong = 57.14 – 71.42 percent (mean score 5), Strong = 71.42 – 85.71 percent (mean score 6), and Very Strong = 85.71 – 100.00 percent (mean score 7). Many scientific areas must cope with the reality that studies yield continuous outcomes while practical decisions take a "yes" or "no" form (Hirschfeld & Thielsch, 2015:311). Consequently, the mean score or percentage threshold for the indexes is ≥ 4 or ≥ 57.14 percent below which a country's stakeholder-oriented FDI brand equity is considered weak. In this study, therefore, the higher the overall index is above the cutoff point, the stronger is the country's FDI brand attractiveness. The threshold point helps to decode the meaning of the composite scores hence is important for FDI policy formulation and evaluation.

8.7.1 South Africa's equal-weighted mean SON-FDIBE index based on study's eight conceptual dimensions

As shown in Table 8.13 below, the equal-weighted SON-FDIBE index of South Africa based on mean scores of the eight constructs in the study's hypothesised framework is 4.16 or 59.36 percent (i.e. 4.16÷7×100). This means that South Africa has somewhat strong stakeholder-oriented FDI brand equity, which is overall strong country brand competitiveness as it is above the threshold. This index has eight sub-indices—each drawn from corresponding theoretical components. As evident in the table, South Africa's performance is below the threshold point in only two of the eight sub-indices—i.e. organisation and government.

Table 8.13: South Africa's equal-weighted mean SON-FDIBE index based on study's eight theoretical dimensions

Constructs	Construct Mean
Society	4.04
Technology	4.53
Ecology	4.75
Economy	4.09
Markets	4.27
Infrastructure	4.34
Organisation	3.58
Government	3.66
Overall Mean	**4.16**

8.7.2 South Africa's equal-weighted mean SON-FDIBE index based on its 10-factor empirical model

South Africa's equal-weighted SON-FDIBE index based on mean scores of its 10-factor empirical model is 4.23 or 60.43 percent (i.e. 4.23÷7×100) (Table 8.14 below). This means that the country's stakeholder-based FDI brand reputation is somewhat strong or overall relatively strong. Individually, the ten factors in this model constitute ten equal weighted sub-indexes that are aggregated into the country's composite index. As shown in the table, the country performed below the cutoff point in four of the ten sub-indexes—i.e. government, society, organisation, and firm infrastructure. This is also the strongest of all four SON-FDIBE indices computed for South Africa in this study.

Table 8.14: South Africa's equal-weighted mean SON-FDIBE index based on country's 10-factor empirical model

Factor	Mean
Factor 1 (Government)	3.73
Factor 2 (Ports and Telecommunications Infrastructure)	4.83
Factor 3 (Society)	3.96
Factor 4 (Economy)	4.05
Factor 5 (Technology)	4.52
Factor 6 (Organisation)	3.76
Factor 7 (Markets)	4.52
Factor 8 (Education and Training)	4.17
Factor 9 (Generic Infrastructure)	3.45
Factor 10 (Ecology and Tourism)	5.26
Total	
Composite Mean	**4.23**

8.7.3 South Africa's weighted mean SON-FDIBE index based on eigenvalues' percentages of variance of its 10-factor empirical model

As indicated in Table 8.15 below, the weighted mean SON-FDIBE index of South Africa based on standardised weights for the eigenvalues' percentages of the variance of its ten factors is 3.95 or 56.46 percent (i.e. 3.95÷7×100). This suggests that South Africa's mean stakeholder oriented FDI brand attractiveness is neither strong nor weak. Essentially, this implies that its nation brand equity is weak. Unlike the previous equal-weighted index, this index comprises ten weighted, in fact differentially weighted, sub-indices as shown in the table.

Table 8.15: South Africa's weighted mean SON-FDIBE index based on eigenvalues' percentage of variance of its 10-factor empirical model

Factors	Factor Mean Scores (μ)	Eigenvalue Percentage of Variance	Standardised Weights	Weighted Mean
Factor 1 (Government)	3.73	40.99	62.23%	2.32
Factor 2 (Posts & Telecommunications Infrastructure)	4.83	5.81	8.81%	0.43
Factor 3 (Society)	3.96	3.68	5.59%	0.22
Factor 4 (Economy)	4.05	3.12	4.74%	0.19
Factor 5 (Technology)	4.52	2.70	4.09%	0.18
Factor 6 (Organisation)	3.76	2.51	3.81%	0.14
Factor 7 (Markets)	4.52	2.14	3.24%	0.15
Factor 8 (Education and Training)	4.17	1.76	2.66%	0.11
Factor 9 (Generic Infrastructure)	3.45	1.70	2.57%	0.09
Factor 10 (Ecology and Tourism)	5.26	1.48	2.24%	0.12
Total		**65.88**	**100%**	
Composite Mean				**3.95**

This index is notable in that its sub-index weighted means (last column in the table), just like the eigenvalue percentages of variance and standardised weights from which they are calculated, are arranged chronologically or linearly by weight, i.e. from the heaviest (Factor 1) to the lightest (Factor 10). Only two of the ten sub-indices, i.e. Factor 7 (Markets) and Factor 10 (Ecology and Tourism), break this rule of chronology. Their weighted means are 0.1 and 0.3 above the factors coming immediately before them, i.e. Factor 6 (Organisation) and Factor 9 (Generic Infrastructure) respectively.

8.7.4 South Africa's weighted mean SON-FDIBE index based on standardised regression weights of its 10-factor empirical model

The weighted mean SON-FDIBE index of South Africa based on CFA or SEM-generated standardised regression weights of the ten factors extracted from the country's dataset is 4.16 or 59.36 percent (i.e. 4.16÷7×100) (Table 8.16 below). This composite index suggests that South Africa's mean stakeholder oriented FDI brand strength is somewhat strong. As indicated in the table, the index has ten weighted sub-indices each corresponding to a factor.

Table 8.16: South Africa's weighted SON-FDIBE index based on standardised regression weights of its 10-factor empirical model

Factors	Factor μ Scores	Standardised Regression Weights	Standardised Weights	Weighted Mean
Factor 1 (Government)	3.73	0.92	12.16%	0.45
Factor 2 (Posts & Telecommunications Infrastructure)	4.83	0.57	7.49%	0.36
Factor 3 (Society)	3.96	0.48	6.33%	0.25
Factor 4 (Economy)	4.05	0.90	11.86%	0.48
Factor 5 (Technology)	4.52	0.80	10.53%	0.48
Factor 6 (Organisation)	3.76	0.86	11.36%	0.43
Factor 7 (Markets)	4.52	0.80	10.50%	0.47
Factor 8 (Education and Training)	4.17	0.81	10.74%	0.45
Factor 9 (Generic Infrastructure)	3.45	0.91	12.06%	0.42
Factor 10 (Ecology and Tourism)	5.26	0.53	6.98%	0.37
Total		**7.58**	**100%**	
Composite Mean				**4.16**

It is noticeable from the table above that the standardised regression weights methodology for calculating the index does not structure factor standardised weights and weighted means linearly from the most to the least important factor. Consequently, save for Factor 2 (General Infrastructure), Factor 3 (Society) and Factor 10 (Ecology and Tourism), most factors in this index have high standardised regression weights, standardised weights, and weighted means in

relation to Factor 1 (Government), the most important factor. In fact, Factor 4 (Economy), Factor 5 (Technology), and Factor 7 (Markets) have higher weighted means (Factor 4 and 5 = 0.480 all; Factor 7 = 0.47) than for Factor 1 (0.450).

8.8 SUMMARY

This chapter has presented the findings in respect of South Africa in this two-country stakeholder-led nation FDI brand equity study. It began by summarising how data was collected and the response rate attained in the survey focusing on South Africa. Next, the chapter gave a snapshot of the demographic profile of respondents in South Africa and, subsequently, the study's key findings on the country under themes informed by the study's first four secondary empirical objectives. The chapter makes a significant methodological and managerial, policy, contribution to the literature and the practice of destination management in general and FDI branding in particular. Those contributions are evident from the validation procedure for the SON-FDIBE conceptual framework and demonstration of its usefulness to country management using South Africa as a case study. The next chapter, 9, will tabulate the findings of the study on the same secondary objectives focusing on Zimbabwe.

CHAPTER 9

STAKEHOLDER-ORIENTED NATION FOREIGN DIRECT INVESTMENT BRAND EQUITY OF ZIMBABWE

9. STAKEHOLDER-ORIENTED NATION FOREIGN DIRECT INVESTMENT BRAND EQUITY OF ZIMBABWE

9.1 INTRODUCTION

Following the presentation of findings on South Africa in the previous chapter, the current chapter tabulates the findings on Zimbabwe. Just like in the South African case, the chapter presents the findings under themes drawn from the first four of the study's five empirical secondary objectives. The objectives were to (1) measure South Africa's and Zimbabwe's foreign direct investment (FDI) brand competitiveness by means of the conceptual model; (2) validate the theoretical model by measuring country FDI brand strength of South Africa and Zimbabwe; (3) empirically evaluate the conceptual framework as a measure of country FDI brand attractiveness; and (4) calculate the stakeholder-oriented nation FDI brand equity (SON-FDIBE) indices of South Africa and Zimbabwe. This chapter moves the thesis only one step from fulfilling its primary objective. The study's primary objective was to design and validate a stakeholder-oriented conceptual framework to measure brand equity of nation FDI drawing on South Africa and Zimbabwe as comparative case studies. Before presenting the findings, the chapter sums up the data collection methods, response rates and demographic characteristics of respondents in the Zimbabwean sample. The chapter makes significant methodological and managerial or policy contributions to the science and practice of FDI destination brand management by validating the SON-FDIBE conceptual framework and illustrating its value to nation development management using Zimbabwe as a case study.

9.2 DATA COLLECTION AND RESPONSE RATE IN THE ZIMBABWEAN CASE STUDY

Primary data to achieve the study's empirical objectives were gathered with a questionnaire with two sections. The first section had 15 closed-end questions focusing on the demographic characteristics of respondents and the second section comprised 105 questions informed by the study's conceptual framework. The questions sought to assess Zimbabwe's SON-FDIBE on a

7-point Likert scale ranging from 1 = Very Weak to 7 = Very Strong as illuminated in the research methodology chapter. Soft (electronic) and hard (paper) copies of the questionnaire **(Appendix 1)** were distributed to a convenience sample of the study's population in Zimbabwe accompanied by a letter of introduction **(Appendix 2)**. The letter of introduction explained the objectives and benefits of the study and the rights of respondents. Target respondents were divided into two broad stakeholder groups each with some subgroups. The first cluster comprised professional and managerial employees of economic development agencies (i.e. responsible for promoting FDI, tourism, and exports), trade associations, and members of a professional association of economists. The second cluster consisted of full-time students pursuing honours degrees in business and part-time postgraduate students pursuing master's degrees in business who were studying at one selected large public university in Zimbabwe. Master's level students held managerial positions in the private and public sectors. By the end of the data collection period, at least 605 questionnaires (excluding soft copies emailed to some stakeholder organisations) had been distributed and 351 useable ones were returned, giving a response rate of 58.02 percent (Table 9.1 below). This was a relatively good response given that it was more than half the number of questionnaires distributed.

Table 9.1: Survey response rate in Zimbabwe

Questionnaires Distributed	Usable Questionnaires Returned	
	Frequency	Percentage
605	351	58.02

Any questionnaire with at least ten unanswered questions from the hypothesised model was classified as spoilt and excluded from the response rate and data analysis. A total of 37 such inadequately completed questionnaires were returned in Zimbabwe. As evident in the demographic profile section below, the study perhaps recorded such a high number of partially-completed questionnaires in Zimbabwe because the sample was dominated by full-time honours degree students who might have not fully appreciated the benefits of the study to country management. Students sometimes have an attitude especially if they are under pressure from their studies.

9.3 DEMOGRAPHIC PROFILE OF RESPONDENTS IN ZIMBABWE

Table 9.2 below shows the distribution of the study's respondents by demographic variables (some frequencies do not add up to the total country sample due to missing cases and filter questions). Out of the 351 cases in the Zimbabwean sample, 53.3 percent were male, and 46.7 percent were female. Although coincidental, the share of male and female respondents in the sample was therefore nearly balanced. Practitioner literature recognises that gender is a critical variable of country performance (e.g. Insitute of Management Development, 2016; Mo Ibrahim Foundation, 2016; Social Progress Imperative, 2016a; United Nations Development Programme, 2016; World Economic Forum, 2016). Tabachnick and Fidell (2007:613) argue that, as a rule of thumb, it is sensible to have a sample of at least 300 cases for factor analysis. The Zimbabwean sample was good enough for this kind of statistical analysis. Respondent distribution by age was dominated by those in the age clusters 18-30 (78.3 percent) and 31-40 (14.9 percent). Concerning nationality, an overwhelming majority of respondents (97.4 percent) in the Zimbabwean sample were Zimbabwean nationals.

In respect of analysis of respondents by employment status, the Zimbabwean sample was dominated by full-time students (i.e. 60.3 percent), employed people (22 percent) and part-time students (13 percent). The distribution of respondents in the sample by qualification being studied exhibited an interesting pattern. Respondents studying towards an honours degree were the overwhelming majority (61.1 percent), followed by those studying towards a master's degree (21.5 percent), and the last significant segment comprised those studying for a bachelor's degree (14.3 percent). Students studying towards honours degrees dominated the Zimbabwean sample because the researcher distributed the questionnaire to final-year students in the economics, marketing, management, accounting, finance and banking, and tourism departments in the selected large university in that country. Likewise, an analysis of respondents by the location of the university they were studying with indicated that 89.3 percent of them were studying with the selected Zimbabwean large university, 7.7 percent with other universities (not named), and 3 percent with South African universities. Regarding distribution of respondents by highest qualification held, most were holders of honours degrees (35.1 percent), master's degrees (31.1 percent), bachelor's degrees (15.8 percent), and diplomas (12.3 percent).

Of the 135 respondents in the Zimbabwean sample who were employed, 43.7 percent and 56.3 percent were employed in private and public sectors respectively. Also, most of those employed in the public sector were in tourism promotion (41.5 percent), parastatals (22 percent), and education and training (14.6 percent). Most of the respondents employed in the private sector did not specify the sub-sector they worked in—other (22.2 percent) while the second majority cluster of respondents was employed in manufacturing (13.6 percent) and finance/insurance/real estate (13.6 percent).

Table 9.2: Demographic characteristics and distribution of respondents in the Zimbabwean sample

Demographic variable	Zimbabwe (n=351)	
	Frequency	Percentage
1.1 Gender		
Male	186	53.3
Female	163	46.7
1.2 Age		
18–30 years	274	78.3
31–40 years	52	14.9
41–50 years	17	4.9
51–60 years	3	0.9
61 years +	4	1.1
1.3 Nationality		
South African	8	2.3
Zimbabwean	342	97.4
Other	1	0.3
1.4 Employment status		
Full-time student	208	60.3
Part-time student	45	13.0
Self-employed	13	3.8
Employed	76	22
Business person	3	0.9
1.5 If student, qualification being studied		
Bachelor's degree	46	14.3
Honour's degree	196	61.1
Master's degree	69	21.5
Doctoral degree	2	0.6
Other	8	2.5
1.6 If a student, location of university		
South Africa	9	3.0
Zimbabwe	265	89.2
Other	23	7.7
1.7 Highest qualification held		
Professional Certificate	2	3.5
Diploma	7	12.3
Bachelor's degree	9	15.8
Honour's degree	20	35.1
Master's degree	18	31.1
Other	1	1.8
1.8 If employed, generic sector of employment		
Public sector	76	56.3

Demographic variable	Zimbabwe (n=351)	
	Frequency	Percentage
Private sector	59	43.7
1.9 If employed in public sector, nature of public sector		
Investment promotion	5	6.1
Export promotion	2	2.4
Tourism promotion	34	41.5
Government ministry	6	7.3
Local government	2	2.4
Parastatal	18	22.0
Education and training	12	14.6
Other	3	3.7
1.10 If employed in private sector, nature of private sector		
Manufacturing	11	13.6
Mining	4	4.9
Construction	3	3.7
Electricity/Gas/Water	1	1.2
Education and training	3	3.7
Catering & Accommodation	6	7.4
Wholesale & Retail	4	4.9
Finance/Insurance/Real Estate	11	13.6
Community/Social/Personal Services	3	3.7
Agriculture/Hunting/Fishing/Forestry	9	11.1
Transport/Storage/Communication	4	4.9
Trade/Business Association	4	4.9
Other	18	22.2
1.11 If employed, job position		
Operative/staff	40	31.7
Lower Management	32	25.4
Middle Management	29	23.0
Senior Management (Executive)	18	14.3
Senior Management (Board Member)	7	5.6
1.12 If employed, number of years worked		
Up to 5 years	57	43.5
6-10 years	41	31.3
11-15 years	17	13.0
16-20 years	7	5.3
21-25 years	4	3.1
26 years +	5	3.8
1.13 Firm international or foreign-owned		
Yes	30	21.9
No	107	78.1
1.14 Been to other African country		
Yes	218	74.4
No	75	25.6
1.15 Been overseas		
Yes	84	30.1
No	195	69.9

Note: Some variable frequencies do not add up to the country sample due to missing values and/or filter questions.

With respect to sample distribution by job position, the majority of respondents in Zimbabwe were operational staff (31.7 percent) and lower management (25.4 percent). Other significant shares of respondents in the sample were middle management (23 percent) and executive senior

management (14.3 percent). Consequently, in terms of job positions held by respondents, the Zimbabwean sample was dominated by junior employees.

As evident in the table, an analysis of respondents in the Zimbabwean study by work experience shows that most had experience of up to 5 years (43.5 percent), 6-10 years (31.3 percent), and 11-15 years (13 percent). Therefore, respondents with experience of up to 5 years followed by those with experience of 6-10 years dominated the sample.

Of the employed respondents in Zimbabwe, a minority (21.9 percent) worked for international or foreign-owned enterprises and the remaining overwhelming majority (78.1 percent) were employed in locally-owned firms. Although the study did not deliberately target foreign-owned firms, the accidental proportion of respondents working for foreign-owned companies in the sample (30 cases) was good enough for sophisticated statistical analysis as proxies of foreign companies. The rule of thumb in sampling is that the minimum sample for any large sample should be 30 elements (David & Sutton, 2011; Saunders, Lewis & Thornhill, 2012).

With respect to respondents in the Zimbabwean sample who answered the question on whether they had been to other African countries, 74.4 percent said "Yes" and 25.6 percent replied "No". Furthermore, an analysis of respondents based on whether they had visited overseas before revealed that only a minority (30.1 percent) had. This shows that respondents in the Zimbabwean sample lacked overseas exposure.

9.4 STAKEHOLDER PERCEPTIONS ON NATION FDI BRAND COMPETITIVENESS OF ZIMBABWE

The first empirical secondary objective of this study was "to measure South Africa's and Zimbabwe's FDI brand competitiveness by means of the conceptual framework". This objective was achieved by the attitudinal data gathered with the 7-point Likert scale ranging from 1 = Very Weak to 7 = Very Strong. Hence the cutoff item and theoretical dimension mean (μ) score for this study was ≥4, below which the country's FDI brand equity was regarded as weak (Table 9.3 and Figure 9.1). Although the use of mean scores and standard deviations to analyse Likert-type data is controversial (e.g. Bhattacherjee, 2012; David & Sutton, 2011; Collis & Hussey, 2014; Malhotra & Dash, 2011), the two tools were applied in this study

because of overwhelming arguments to the contrary (e.g. Brown, 2011; Carifio & Perla, 2007; Joshi *et al*., 2015; Likert, 1932; Norman, 2010; Willits, Theodori & Luloff, 2016). Moreover, in marketing research, of which this study falls, Likert scale or attitudinal data are regarded as interval data (Malhotra & Dash, 2011; Zikmund & Babin, 2013) hence mean scores and standard distributions can be used to analyse Lkert-type data.

Table 9.3: Stakeholder perceptions on Zimbabwe's FDI Brand equity

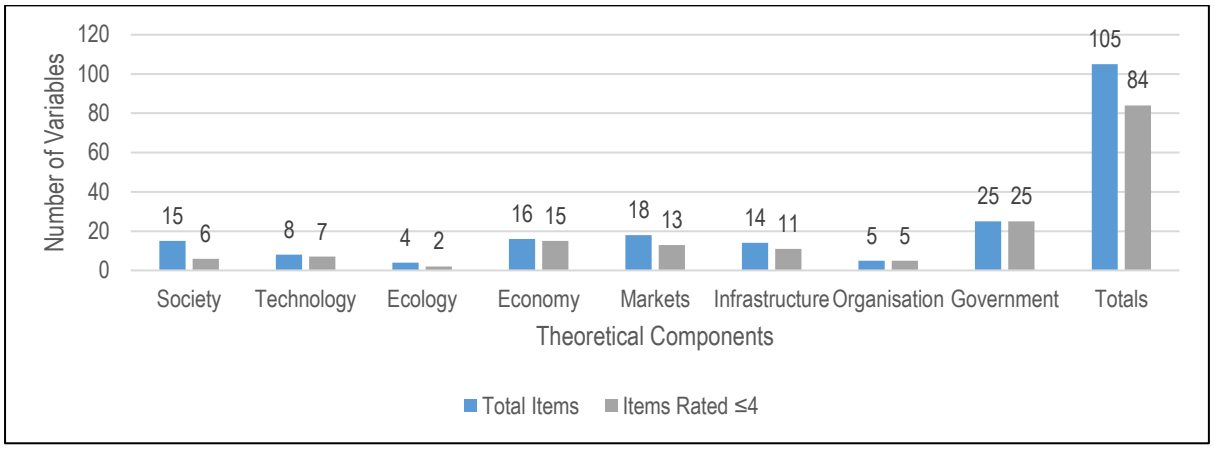
Dimension Variables	Zimbabwe (n=351)	
	Mean (μ)	Standard Deviation (SD)
3.1 Society	**4.32**	**1.739**
3.1.1 Population size	4.94	1.531
3.1.2 Quality of primary and secondary education	5.77	1.307
3.1.3 Quality of higher education and training	5.72	1.360
3.1.4 Attractiveness to foreign students	4.52	1.544
3.1.5 Foreign language skills (e.g. Chinese, French, Portuguese, etc.)	3.95	1.581
3.1.6 Quality of life (i.e. affordability of "basics" and "wants" of life)	3.47	1.677
3.1.7 Prevalence of poverty	3.97	1.916
3.1.8 Public healthcare (i.e. availability of practitioners, equipment and drugs)	3.60	1.717
3.1.9 Prevalence of HIV and AIDS	4.23	1.505
3.1.10 Risk of Tuberculosis, Cholera and Malaria	4.01	1.637
3.1.11 Frequency of violent crime	4.12	1.909
3.1.12 Level of personal security	4.92	1.684
3.1.13 Risk of xenophobic or political violence	3.80	2.386
3.1.14 Level of corruption	4.77	2.341
3.1.15 Control of corruption (i.e. prosecutions, sentences, etc.)	2.96	1.987
3.2 Technology	**3.61**	**1.691**
3.2.1 Quality of technologies available in local firms	3.64	1.668
3.2.2 Quality of information technology in government institutions	3.16	1.607
3.2.3 Company investments in research and development (R&D)	3.39	1.615
3.2.4 Capacity to create successful new products/services & systems	3.70	1.699
3.2.5 Government funding for R&D (including universities)	3.01	1.737
3.2.6 Availability of quality R&D institutions (universities included)	3.64	1.826
3.2.7 Availability of scientists and engineers	4.33	1.673
3.2.8 Intensity of university-industry collaboration in R&D	3.97	1.705
3.3 Ecology	**4.6**	**1.699**
3.3.1 Favourability of climate and weather	5.59	1.549
3.3.2 Natural resource endowment (e.g. soils, minerals and metals)	5.55	1.523
3.3.3 Risk of natural disasters (e.g. droughts, floods, etc.)	3.78	1.995
3.3.4 Disaster preparedness	3.46	1.730
3.4 Economy	**3.52**	**1.730**
3.4.1 Economic size or Gross Domestic Product (GDP)	3.19	1.560
3.4.2 Economic (GDP) growth rate	3.04	1.543
3.4.3 Income distribution or GDP per capita	2.89	1.620
3.4.4 Country indebtedness	3.50	2.309
3.4.5 Country creditworthiness	2.69	1.860
3.4.6 Inflation rate	3.79	2.016
3.4.7 Interest rates	3.69	1.837
3.4.8 Exchange rate	3.92	1.791
3.4.9 Number of reputable industries (regardless of ownership)	3.50	1.681
3.4.10 Number of reputable brands (i.e. owned by or "made in" country)	3.58	1.636

Dimension Variables	Zimbabwe (n=351)	
	Mean (μ)	Standard Deviation (SD)
3.4.11 Export performance	3.29	1.721
3.4.12 Country attractiveness to international tourists	4.48	1.621
3.4.13 Marketing of sectors open to foreign direct investment (FDI)	3.81	1.485
3.4.14 Significance of annual FDI inflows	3.63	1.603
3.4.15 Prospects for increasing FDI inflows	3.94	1.702
3.4.16 FDI incentives (e.g. tax holidays, special economic zones, etc.)	3.33	1.694
3.5 Markets	**3.76**	**1.763**
3.5.1 Intensity of domestic (or national) competition	3.97	1.693
3.5.2 Tax rates (corporate tax, customs duties and individual tax)	4.00	1.910
3.5.3 Effect of taxation on incentive to invest	4.02	1.842
3.5.4 Effect of taxation on incentive to work	3.89	1.699
3.5.5 Prevalence of foreign ownership	3.63	1.571
3.5.6 Nearness to markets	4.36	1.661
3.5.7 Availability of financial services	3.99	1.798
3.5.8 Abundance of low-cost unskilled workforce	4.96	1.778
3.5.9 Work ethic of workforce (i.e. motivation to work)	4.10	1.914
3.5.10 Capacity utilisation of local firms	3.34	1.820
3.5.11 Cost of financial services	3.90	1.911
3.5.12 Ease of access to loans	3.21	1.802
3.5.13 Effectiveness of financial sector supervision	3.63	1.713
3.5.14 Soundness of banks	3.63	1.731
3.5.15 Capability to retain qualified citizens	3.25	1.732
3.5.16 Capability to attract qualified foreign citizens	3.24	1.811
3.5.17 Strength of trade unions	3.24	1.681
3.5.18 State of industrial relations	3.32	1.668
3.6 Infrastructure	**3.48**	**1.781**
3.6.1 Quality of roads	2.73	1.797
3.6.2 Quality of railroads	2.48	1.713
3.6.3 Quality ports (South Africa) Nearness to (Zimbabwe)	2.79	1.677
3.6.4 Ease of access to real estate	3.28	1.680
3.6.5 Water, sanitation & waste management	2.90	1.797
3.6.6 Quality of electricity supply (frequency of load shedding)	2.37	1.908
3.6.7 Domestic and international airline departures per day	3.27	1.743
3.6.8 Number and capacity of airports	3.34	1.813
3.6.9 Availability of fixed-line telephones	3.91	1.875
3.6.10 Accessibility of mobile phones	5.48	1.703
3.6.11 Availability of Internet services	4.90	1.712
3.6.12 Affordability of Internet including Broadband services	4.22	1.859
3.6.13 E-government effectiveness (availability of government documents on Internet—statutes, reports, business forms, etc.)	3.54	1.803
3.6.14 Efficiency of public transport system	3.54	1.852
3.7 Organisation	**3.27**	**1.764**
3.7.1 Clear shared national vision	3.39	1.790
3.7.2 Clear shared national values	3.48	1.734
3.7.3 Effectiveness of national development plan	3.19	1.726
3.7.4 Stakeholder participation in policymaking	3.19	1.788
3.7.5 Stakeholder trust in country	3.09	1.784
3.8 Government	**3.35**	**1.760**
3.8.1 Political stability and unity	3.57	2.000
3.8.2 Competency of public institutions	3.11	1.781
3.8.3 Efficiency of government bureaucracy	2.96	1.868
3.8.4 Fairness of public institutions	3.12	1.624
3.8.5 Transparency of government policymaking	3.02	1.733
3.8.6 Stability of legal system (i.e. public confidence in the system)	3.25	1.745

Dimension Variables	Zimbabwe (n=351)	
	Mean (μ)	Standard Deviation (SD)
3.8.7 Efficiency of legal system in challenging regulations	3.33	1.654
3.8.8 Resolving insolvency and retrenchment	3.01	1.711
3.8.9 Extent to which FDI policy allows foreign ownership	3.26	1.684
3.8.10 Quality of environmental regulation	3.79	1.579
3.8.11 Enforcing environmental regulation	3.82	1.578
3.8.12 Foreign currency regulations	3.89	1.572
3.8.13 Tax regulations	3.95	1.656
3.8.14 Reliability of police services	3.44	1.826
3.8.15 Enforcing property rights	3.59	1.831
3.8.16 Enforcing citizens' rights	3.54	1.887
3.8.17 Carefulness of government spending	2.79	1.730
3.8.18 Protection of intellectual property rights	3.23	1.875
3.8.19 Enforcing competition laws	3.34	1.642
3.8.20 Flexibility of labour laws	3.29	1.709
3.8.21 Policy clarity on ownership of agricultural real estate (land)	3.30	1.795
3.8.22 Readiness to adapt national character to fit global economy	3.20	1.801
3.8.23 Policy consistency	2.99	1.791
3.8.24 Rule of law	3.40	1.843
3.8.25 Country risk (i.e. political, financial, expropriation, etc.)	3.44	2.083

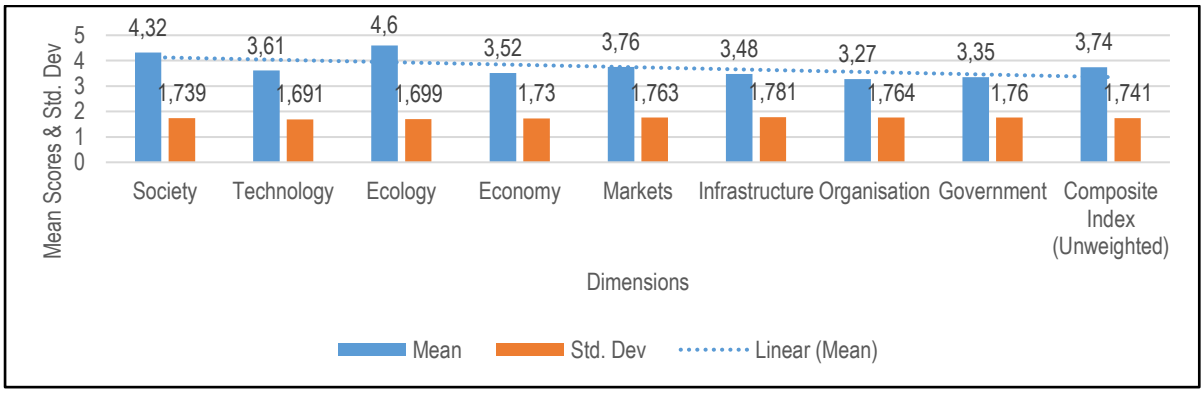
Respondents in the Zimbabwean sample (n = 351) rated the country above the cutoff point in only 21 of the 105 variables in the study's theoretical model. Thus the country had weak stakeholder-oriented nation FDI brand reputation as mean ratings in the remaining overwhelming 84 attributes were below the threshold. Likewise, the nation performed relatively well in only two of the eight theoretical constructs, i.e. society (9 out of 15 items) and ecology (2 out of 4 items) (Figure 9.1 below). Zimbabwe recorded the most negative perceptions in the government and organisation conceptual components—all 25 and five variables in these dimensions respectively were rated below the cutoff point. As evident in Figure 9.1 below, four other components in the model – technology, economy, markets, and infrastructure – were also negatively rated. This means that the country has weak SON-FDIBE overall.

Figure 9.1: Summary construct and item statistics for Zimbabwe's FDI brand competitiveness mean ratings above and below threshold points



In addition, Figure 9.2 below paints a weak stakeholder-oriented FDI brand competitiveness picture for Zimbabwe in respect of dimension and overall mean scores. An aggregation of item mean scores for each construct shows that the country had mean ratings above the threshold in only two of the eight dimensions—ecology (4.60, the highest) and society (4.32). The mean ratings in the remaining six constructs were below the cut-off point with the weakest FDI brand equity ratings being recorded in the organisation, government, and infrastructure dimensions. The aggregate crude unweighted mean score for the eight constructs is 3.74 (Figure 9.2), which also implies a weak stakeholder-driven FDI brand reputation or SON-FDIBE for the country.

Figure 9.2: Dimensional mean scores and standard deviations for Zimbabwe's FDI brand competitiveness



Dimension standard deviations (SD) ranged from a lowest for technology (SD = 1.691) to a highest for infrastructure (SD = 1.781) and the overall unweighted model SD of 1.741. The standard deviations are somewhat low hence indicate that respondents' perceptions on the eight

constructs individually were narrowly distributed on the measurement scale. This implies that respondents generally had similar perceptions. At item level, indicators with the highest standard deviations, i.e. ≥2, are 3.8.1 Political stability and unity, 3.4.6 Inflation rate, 3.8.25 Country risk, 3.4.4 Country indebtedness, 3.1.14 Level of corruption, and 3.1.13 Risk of xenophobic or political violence. This means that there was the highest dispersion of perceptions or disagreement among respondents in Zimbabwe on these variables of which none but one – 3.1.14 – had a mean score greater than 4. Six attributes with lowest standard deviations – i.e. between 1.307 and 1.531 – are 3.1.2 Quality of primary and secondary education, 3.1.3 Quality of higher education and training, 3.4.13 Marketing of sectors open to FDI, 3.1.9 Prevalence of HIV and AIDS, 3.3.2 Natural resource endowment (e.g. soils, minerals and metals), and 3.1.1 Population size. This suggests that respondents had similar perceptions on how they rated the country on these variables of which all but one – 3.4.13 – had a mean score below the threshold.

9.5 VALIDITY AND RELIABILITY OF CONCEPTUAL FRAMEWORK AS MEASURE OF COUNTRY FDI BRAND STRENGTH: PRINCIPAL COMPONENT ANALYSIS (PCA) AND CRONBACH'S ALPHA PERSPECTIVES

The fourth, or second empirical, a secondary objective of this study was to validate the conceptual model by measuring country FDI brand strength of South Africa and Zimbabwe. Considering the huge number of items in the conceptual framework, 105 in all, factor analysis was employed to reduce them into a small number of manageable latent variables (Green & Salkind, 2011; Malhotra & Dash, 2011; Tabanichnick & Fidell, 2007; Zikmund *et al.,* 2013). Existing literature accepts factors loadings of 0.320 although such are considered poor (Comrey & Lee, 1992 cited in Tabachnick & Fidell, 2007:649), 0.400 (Aaker cited in Outhavong, 2007:68), 0.450 considered fair (Comrey & Lee, 1992 cited in Tabachnick & Fidell, 2007:649) and 0.500 considered good (Comrey & Lee, 1992 cited in Tabachnick & Fidell, 2007; de Queiroz & Giraldi, 2015). Nevertheless, Tabachnick and Fidell (2007:614) argue that the ultimate minimum factor loadings depend on the researcher's preference. In fact, the results of factor analysis alone should not be used to decide what items to retain or delete from a scale but also what is known about the construct(s) that the items are measuring (Green & Salkind, 2011:314). Given the exploratory nature of this study, arguments by Tabachnick and Fidell and Green and Salkind above, and each item's contribution to factor

Cronbach's coefficients alpha (α), this study settled for a minimum factor loading of ≥ 0.300 (Field, 2013; Garson, 2012; Nunnally & Bernstein, 1994 cited in Cho, 2011). Nonetheless, only 14 of the 91 items in the Zimbabwean factor model had factor loadings below the acceptable threshold of 0.400 (e.g. Aaker cited in Outhavong, 2007:68). This implies that the model is good since an overwhelming 77 of its variables have factor loadings greater than 0.400.

The technique of exploratory factor analysis (EFA) employed in this study to reduce data is PCA. However, factor analysis is not a measure of any concept but just an extraction of determining factors (Zikmund *et al.,* 2010, 2013). So the researcher was creative to integrate factor mean scores and standard deviations in his application of PCA in an attempt to reveal the meaning of determinant factors within the context of respondent perceptions that the study measured (Table 9.5 below). Factor mean scores are an aggregation of mean variable ratings in each respective component divided by the number of constituent variables and so are the standard deviations. Similarly, the researcher also integrated factor Cronbach's alpha coefficients to demonstrate the reliability or internal consistency of items in each factor so that they could be compared with squared multiple correlation coefficients, which also measure reliability in confirmatory factor analysis (CFA).

9.5.1 Factorability of the Zimbabwean dataset

The researcher employed three statistical techniques to ascertain the factorability of the data on the study's theoretical framework—Keiser-Meyer-Olkin (KMO) measure of sampling adequacy, Bartlett's (1954) test of sphericity, and correlation analysis. Since the first two methods yielded good results, correlation analysis – executed through Pearson's correlation coefficients, squared multiple correlations, and CFA-generated correlations – was then applied to test for the presence of multicollinearity rather than just the suitability of factor analysis to analyse the data. It was necessary to subject the empirical factor solution to a multicollinearity test because various items and constructs in the conceptual model were interrelated **(see Chapter 6)**. The KMO measure of sampling adequacy ranges from 0 to 1, and acceptable KMO values range from 0.500 (Malhotra & Dash, 2011:592) to greater than 0.600 (Collis & Hussey, 2014; Tabanichnick & Fidell, 2007) or values close to 1 (Field, 2013:684). Factor analysis was applied in this study because the KMO measure of sampling adequacy for the

Zimbabwean sample was 0.936 (Table 9.4 below), which is excellent. Therefore, in theory, the 351 useable questionnaires received from Zimbabwe constituted a good sample (see Malhotra & Dash, 2011; Wang & Ahmed, 2004) or a comforting sample for factor analysis (Tabachnick & Fidell, 2007:613). The study also employed confirmatory factor analysis (CFA) to analyse data. Hoyle (2000:472) argue that a minimum sample of 200 is sensible for anything above a basic CFA model.

Table 9.4: Zimbabwe's KMO measure of sampling adequacy and Bartlett's test of sphericity

		Zimbabwe
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.936
Bartlett's Test of Sphericity	Approx. Chi-Square	19334.446
	Df	4095
	Sig.	0.000

Legend: Df = Degrees of freedom; Sig. = Significance

As evident in the table above, Bartlett's test of sphericity for the Zimbabwean conceptual framework dataset was significant (i.e. *Approx.* χ^2 = 19334.446, *df* = 4095, *p* = 0.000). Therefore, Bartlett's hypothesis for this study that *"Most SON-FDIBE factor correlations in the Zimbabwean case study are zero"* was rejected. The Bartlett's test substantiated the conceptual argument in Chapter 6 that several constructs and variables of the study's theoretical framework were significantly correlated. However, the Bartlett's (1954) test of sphericity is infamous for its sensitivity to, and reliance on sample size hence may still confirm the null hypothesis in large samples even if correlations are low (Field, 2013:685; Tabachnick & Fidell, 2007:614). Consequently, correlation analysis of the factors extracted from the Zimbabwean dataset was undertaken to verify the outcome of the Bartlett's test and establish the level of multicollinearity in the model with Pearson's correlation coefficients **(section 9.5.3 below)**, CFA-generated correlation coefficients (Appendix 6), and squared multiple correlations **(section 9.6.1 below)**. Data can be analysed with factor analysis if variables have high correlations (Malhotra & Dash, 2011:591) greater than or equal to 0.300 (Tabanichnick & Fidell, 2007:614). Due to the large number of items in the Zimbabwean factor model, correlation analysis was done at factor level following Green and Salkind (2011:321) and Tabanichnick and Fidell, 2007:646) and the correlation threshold of ≥0.300 was adopted in this study.

9.5.2 Factors affecting stakeholder-oriented nation FDI brand equity (SON-FDIBE) of Zimbabwe

Twelve (12) factors affecting Zimbabwe's FDI brand equity, decided *a priori* after exploring the data with alternative optimum factor models ranging from six to 12 factors, were extracted from the country's dataset with PCA and rotated with Oblimin with Kaiser Normalisation rotation method (Table 9.5 below). An oblique rotation method, such as Oblimin with Kaiser Normalization, is used where model variables are correlated (Brown, 2009; Green & Salkind, 2011; Tabanichnick & Fidell, 2007), which was the case in respect of this study's conceptual framework **(see Chapter 6)**. Applying the default eigenvalue of 1 to determine the maximum number of factors to extract (Green & Salkind, 2011; Malhotra & Dash, 2011) the researcher extracted 18 factors with an aggregate explanatory power of 66.6 percent **(Appendix 4)**. This number was too large considering that half the factors had percentages of variance between 1.190 percent for Factor 18 and 1.880 percent for Factor 9. Therefore, it was sensible to proceed with the *a priori* method to determine the optimum number of factors to extract from Zimbabwe especially given that most existing proprietary and academic nation branding models have between four and 12 factors (e.g. Brand Finance®, 2014; Bloom Consulting, 2013; FutureBrand, 2014; Fund for Peace, 2015; Institute of Management Development, 2016; Mo Ibrahim Foundation, 2016; Passow, Fehlmann & Grahlow, 2005; Rojas-Me´ndez, 2013; Social Progress Imperative, 2016a; WEF, 2016; World Bank, 2016a; World Economic Fourm, 2016). The extracted 12-factor solution had a total variance explained by 58.71 percent hence cannot identify the factors accounting for the remaining 41.29 percent of Zimbabwe's FDI brand value. The total variance explained for the Zimbabwean model is deemed satisfactory following theorists who, while admitting that an acceptable level of total variance depends on the research problem, propose a total variance of a minimum of 60 percent for factors extracted (e.g. Hair *et al*., 2010; Maholtra & Dash, 2011).

The 12 factors are Government (Factor 1), Education and Population (Factor 2), Taxation and Domestic Competition (Factor 3), Telecommunications Infrastructure and Public Transport (Factor 4), Population and Country Health (Factor 5), Crime and Natural Disasters (Factor 6), Generic Infrastructure (Factor 7), Macroeconomic Influences (Factor 8), Markets (Factor 9), Technology (Factor 10), Organisation (Factor 11), and Economy (Factor 12). Led by existing literature, the researcher settled for a cutoff factor loading of 0.300 for this study (see Field,

2013; Garson, 2012; Nunnally & Bernstein, 1994 cited in Cho, 2011). A factor loading indicates the relationship between the variable and its factor (Field, 2013; Malhotra & Dash, 2011; Yong & Pearce, 2013; Zikmund *et al*., 2013).

Table 9.5: Validity and reliability of factors affecting Zimbabwe's stakeholder-oriented nation FDI brand equity (n = 351)

Dimension variables	Components											
	1	2	3	4	5	6	7	8	9	10	11	12
Factor 1: Government												
3.8.16 Enforcing citizens' rights	.605											
3.8.23 Policy consistency	.559											
3.8.15 Enforcing property rights	.547											
3.8.11 Enforcing environmental regulations	.540											
3.8.24 Rule of law	.534											
3.8.6 Stability of legal system (i.e. public confidence in legal system)	.524											
3.8.20 Flexibility of labour laws	.522											
3.8.21 Policy clarity on ownership of agricultural real estate (land)	.505											
3.8.22 Readiness to adapt national character to fit global economy	.486											
3.8.19 Enforcing competition laws	.481											
3.8.10 Quality of environment regulation	.473											
3.8.14 Reliability of police services	.457											
3.8.13 Tax regulations	.449											
3.8.18 Protecting intellectual property (e.g. copyrights, trademarks, patents, etc.)	.436											
3.8.7 Efficiency of legal system in challenging regulations	.428											
3.8.17 Carefulness of government spending	.414											
3.8.12 Foreign currency regulations	.368											
3.8.25 Country risk (e.g. political, financial, expropriation, etc.)	.346											
3.8.9 Extend to which FDI policy allows foreign ownership	.327											
3.8.5 Transparency of government policymaking	.318											
Factor 2: Education and Training												
3.1.3 Quality of higher education and training		.757										
3.1.2 Quality of primary and secondary education		.728										
3.1.1 Population size		.680										
3.1.4 Attractiveness to foreign students		.514										
3.1.5 Foreign language skills (e.g. Chinese, French, Portuguese, etc.)		.314										
Factor 3: Taxation and Domestic Competition												
3.5.3 Effect of taxation on incentive to invest			.792									
3.5.2 Tax rates (corporate tax, customers duties and personal tax)			.725									
3.5.4 Effect of taxation on incentive to work			.692									
3.5.11 Cost of financial services			.475									
3.5.1 Intensity of domestic competition			.427									

Dimension variables	Components											
	1	2	3	4	5	6	7	8	9	10	11	12
3.5.5 Prevalence of foreign ownership			.397									
Factor 4: Telecommnications Infrastracture & Public Transport												
3.6.10 Accessibility of mobile phones				.736								
3.6.11 Availability of internet services				.683								
3.6.12 Affordability of internet Including Broadband services				.513								
3.6.14 Efficiency of public transport system				.368								
Factor 5: Population and Country Health												
3.1.9 Prevalence of HIV and AIDS					.707							
3.1.10 Risk of Tuberculosis, Cholera and Malaria					.680							
3.1.7 Prevalence of poverty					.558							
3.1.14 Level of corruption					.492							
Factor 6: Crime and Natural Disasters												
3.1.11 Frequency of violent crime						.768						
3.1.13 Risk of xenophobic or political violence						.741						
3.3.3 Risk of natural disasters (e.g. droughts, floods, etc.)						.679						
3.1.12 Level of personal security						.306						
Factor 7: Generic Infrastructure												
3.6.8 Number and capacity of airports							.683					
3.6.2 Quality of railroads							.628					
3.6.3 Nearness of quality ports							.600					
3.6.7 Domestic and international airline departures per day							.596					
3.6.6 Quality of electricity supply (frequency of load shedding)							.554					
3.6.9 Availability of fixed-line telephones							.541					
3.6.1 Quality of roads							.531					
3.6.5 Water, sanitation and waste management							.486					
3.6.4 Ease of access to real estate							.476					
3.8.8 Resolving insolvency and retrenchment							.315					
Factor 8: Macroeconomic Influences												
3.4.6 Inflation rates								-.648				
3.4.7 Interest rates								-.608				
3.4.8 Exchange rate								-.574				
Factor 9: Markets												
3.5.16 Capability to attract qualified foreign citizens									-.676			
3.5.15 Capability to retain qualified citizens									-.674			
3.5.17 Strength of trade unions									-.606			
3.5.18 State of industrial relations									-.601			

Dimension variables	Components											
	1	2	3	4	5	6	7	8	9	10	11	12
3.5.14 Soundness of banks									-.401			
3.5.13 Effectiveness of financial sector supervision									-.373			
3.5.10 Capacity utilisation of firms									-.334			
Factor 10: Technology												
3.2.3 Company investments in research and development (R&D)										.696		
3.2.4 Capacity to create successful new products/services										.686		
3.2.6 Availability of quality R&D institutions (universities included)										.656		
3.2.5 Government funding for R&D (including universities)										.651		
3.2.2 Quality of information technology in government institutions										.598		
3.2.7 Availability of scientists and engineers										.525		
3.2.1 Quality of technologies available in local firms										.473		
3.2.8 Intensity of university-industry collaboration in R&D										.407		
Factor 11: Organisation												
3.7.3 Effectiveness of national development plan											.706	
3.7.1 Clear shared national vision											.690	
3.7.2 Clear shared national values											.679	
3.7.5 Stakeholder trust in country											.660	
3.7.4 Stakeholder participation in policy making (investors, labour, media, public, etc.)											.571	
3.8.3 Efficiency of government bureaucracy (paperwork, agencies licensing one business, etc.)											.543	
3.8.2 Competency of public institutions											.535	
3.8.1 Political stability and unity											.517	
3.8.4 Fairness of public institutions											.435	
3.6.13 E-government effectiveness (availability of government documents on Internet—statutes, reports, business forms, etc.)											.361	
Factor 12: Economy												
3.4.14 Significance of annual FDI inflows												.685
3.4.10 Number of reputable brands												.673
3.4.15 Prospects for increasing FDI inflows												.643
3.4.9 Number of reputable industries (regardless of ownership)												.614
3.4.13 Marketing of sectors open to FDI												.553
3.4.12 Country attractiveness to international tourists												.482
3.4.16 FDI incentives (e.g. tax holidays, special economic zones, etc.)												.465
3.4.11 Export performance												.464
3.4.2 Economic (GDP) growth rate												.332

Dimension variables	Components											
	1	2	3	4	5	6	7	8	9	10	11	12
3.1.6 Quality of life (i.e. affordability of basics and wants of life)												.298
Actual Eigenvalues	**28.93**	**3.87**	**3.12**	**2.86**	**2.24**	**2.22**	**1.91**	**1.86**	**1.71**	**1.70**	**1.54**	**1.47**
Eigenvalues – Percentage of Variance (Total Variance Explained = 58.71)	**31.8**	**4.25**	**3.43**	**3.15**	**2.46**	**2.43**	**2.10**	**2.05**	**1.90**	**1.87**	**1.70**	**1.61**
Factor Cronbach's Alpha Coefficients (Mean Cronbach's α = 0.797)	**.949**	**.700**	**.796**	**.744**	**.582**	**.678**	**.898**	**.655**	**.874**	**.875**	**.931**	**.887**
Factor Mean (μ) Scores (Unweighted Composite μ Score = 3.82)	**3.40**	**4.98**	**3.91**	**4.53**	**4.24**	**4.16**	**3.00**	**3.80**	**3.39**	**3.60**	**3.26**	**3.61**
Factor Mean Standard Deviations (Overall Mean Std. Dev = 1.283)	**1.24**	**1.00**	**1.25**	**1.35**	**1.26**	**1.43**	**1.29**	**1.46**	**1.31**	**1.23**	**1.41**	**1.16**
Factor Items in Empirical Model (Total Items Retained = 91)	**20**	**5**	**6**	**4**	**4**	**4**	**10**	**3**	**7**	**8**	**10**	**10**
Factor Loadings ≥0.3 but ≤0.4 (Total Factor Loadings ≥0.3 but ≤0.4 = 14)	**4**	**1**	**1**	**1**	**0**	**1**	**1**	**0**	**2**	**0**	**1**	**2**

Extraction Method: Principal Component Analysis.
Rotation Method: Oblimin with Kaiser Normalisation.

a. Rotation converged in 28 iterations.

Key: Factor 1 (Government), Factor 2 (Education and Population), Factor 3 (Taxation and Domestic Competition), Factor 4 (Telecommunications Infrastructure and Public Transport), Factor 5 (Population and Country Health), Factor 6 (Crime and Natural Disasters), Factor 7 (Generic Infrastructure), Factor 8 (Macroeconomic Influences), Factor 9 (Markets), Factor 10 (Technology), Factor 11 (Organisation), and Factor 12 (Economy)

It is evident from the factor names that six of the theoretical framework's eight constructs fit into the empirical framework, with modifications in constituent attributes. Names of conceptual dimensions retained in the empirical model are government, technology, infrastructure, markets, organisation, and economy. Six of the 12 factors (i.e. 1, 7, 9, 10, 11, and 12) have Cronbach's α coefficients ranging from 0.800 to 0.950, three factors (i.e. 2, 3, and 4) have Cronbach's α between 0.700 and 0.800, and two factors (i.e. 6 and 8) have Cronbach's α in the 0.600 range, which represent very good, good and fair reliability (Zikmund *et al*., 2013:302). Factor 5 only has a Cronbach's α of 0.582, which is also an acceptable reliability considering that it is close to 0.600 and alpha coefficients range from 0, meaning no consistency, to 1, meaning complete consistency (Zikmund *et al*., 2013:302).

The percentage of variance explained or explanatory power of the 12 factors range from 31.8 percent for Factor 1, the most important determinant, to 1.61 percent for Factor 12, the least important determinant. Factor mean (μ) scores in the model range from 3.00 for Factor 7 (Generic infrastructure) to 4.98 for Factor 2 (Education and population). Furthermore, only four of the 12 factors (i.e. Factors 2, 4, 5, and 6) have mean scores above the threshold, ≥4. So the country has weak SON-FDIBE. Factor standard deviations range from a lowest of 1.00 for Factor 2 (Education and Population) to a highest 1.46 for Factor 8 (Macroeconomic Influences). This implies that perceptions of respondents on Zimbabwe, based on the 91 items retained in the empirical model from the conceptual framework, were somewhat narrowly distributed on the measurement scale otherwise the standard deviations might have been higher. Fourteen (14) items were deleted from the empirical factor model due to either having factor loadings below the study's cutoff point of 0.300 (see Field, 2013:692), cross-loadings, or loading alongside perceived completely unrelated variables. However, out of the 91 variables retained in the model, only 14 had factor loadings below 0.400 (see the table above for distribution of these items). So, the empirical model is robust because the factor loadings of the remaining 77 attributes were above 0.400, which is an acceptable threshold in some existing nation branding studies (e.g. Outhavong, 2007:55).

9.5.2.1 Factor 1 – Government

The first factor, Government, has a percentage variance explained of 31.8 percent, the highest of the 12 factors. The factor comprises 20 of the original 25 attributes in the government

dimension of the theoretical framework hence the name is retained. Sixteen of the 20 variables in this factor solution have factor loadings above 0.400 while the remaining four items have factor loadings ranging from 0.318 for 3.8.5 Transparency of government policy making to 0.368 for 3.8.12 Foreign currency regulations. These variables were retained in the model because of their relevance to the country (Green & Salkind, 2011:314) and high internal consistency with other attributes in the factor. By virtue of its having the highest explanatory power, it appears the government dimension is the most important determinant of FDI inflow in Zimbabwe. The factor has a Cronbach's alpha coefficient of 0.949, the highest in the factor solution, and a mean score of 3.40 and standard deviation (SD) of 1.24. As the mean score is below the cut-off point, this appears to suggest that Zimbabwe has weak FDI brand attractiveness from a governance standpoint.

9.5.2.2 Factor 2 – Education and Population

With an explanatory power of 4.25 percent, this is the second most important determinant of FDI brand competitiveness in Zimbabwe (Cronbach's $\alpha = 0.700$; $\mu = 4.98$, SD = 1.00). It comprises five items all of which, except one, have factor loadings between 0.514 and 0.757 (Table 8.5). Four of the variables deal with education, language and population hence the name of the factor. The factor's mean score indicates that the country has a good education system and the standard deviation, the lowest in the factor model, implies that respondents' perceptions were generally similar.

9.5.2.3 Factor 3 – Taxation and Domestic Competition

Factor 3, Taxation and Domestic Competition, consists of six variables all of which are drawn from the economy construct of the conceptual framework but focus on taxation and domestic competition issues hence the name (Cronbach $\alpha = 0.796$; $\mu = 3.91$; SD = 1.25). All attributes in this determinant have factor loadings ranging from 0.427 to 0.792 except one item which has a factor loading of 0.397. The items are 3.5.3 Effect of taxation on incentive to invest, 3.5.2 Tax rates (corporate tax, customs duties and personal tax), 3.5.4 Effect of taxation on incentive to work, 3.5.11 Cost of financial services, 3.5.1 Intensity of domestic competition, and 3.5.5 Prevalence of foreign ownership. The factor mean score suggest that Zimbabwe has weak FDI brand competiveness.

9.5.2.4 Factor 4 – Telecommunications Infrastructure and Public Transport

This factor comprises four variables, three of them telecommunications-related, drawn from the infrastructure construct of the study's theoretical model hence the component's name (Cronbach's $\alpha = 0.744$; $\mu = 4.53$; SD = 1.35). The factor loadings for the three range from 0.513 for 3.6.12 Affordability of internet including Broadband services to 0.736 for 3.6.10 Accessibility of mobile phones and that for fourth item, 3.6.14 Efficiency of public transport system, was 0.368. This determinant has an explanatory power of 3.15 percent. From the standpoint of its mean rating, Zimbabwe has somewhat strong SON-FDIBE.

9.5.2.5 Factor 5 – Population and Country Health

The fifth factor extracted in this study, Population and Country Health, has an explanatory power of 2.46 percent (Cronbach's $\alpha = 0.582$, $\mu = 4.24$; SD = 1.26). This factor was so named because all its attributes focus on the health of the population and the country. The first three items in this factor, i.e. 3.1.9 Prevalence of HIV and AIDS, 3.1.10 Risk of Tuberculosis, Cholera and Malaria and 3.1.7 Prevalence of poverty are all interconnected in that they directly interact with the population. At the same time, people often talk of corruption as cancer, which means that corruption affects the well-being of a country hence its inclusion in this factor is justified. The factor loadings of the four variables in this factor range from 0.492 for 3.1.14 Level of corruption to 0.707 for indicator 3.1.9. The factor's mean score indicates that Zimbabwe has positive FDI brand reputation.

9.5.2.6 Factor 6 – Crime and Natural Disasters

Crime and natural disasters, the sixth factor, consists of four items i.e. 3.1.11 Frequency of violent crime, 3.1.13 Risk of xenophobic or political violence, 3.3.3 Risk of natural disasters (e.g. droughts, floods, etc.), and 3.1.12 Level of personal security, which have factor loadings ranging from 0.306 to 0.768 as shown in the table above. The component has an explanatory power of 2.43 percent, Cronbach's alpha of 0.678 (the third smallest among the 12 factors), mean score of 4.16 (the fourth biggest mean score of the factors), and standard deviation of

1.43. The component's mean score implies that Zimbabwe has somewhat strong FDI brand equity.

9.5.2.7 Factor 7 – Generic Infrastructure

There are 10 variables in this factor, which account for 2.10 percent of the total variance explained, Cronbach's α of 0.898 (third highest in the factor solution), standard deviation of 1.29, and mean score of 3.00, the lowest in the factor solution. This is the component in which Zimbabwe has its weakest SON-FDIBE among all the 12 factors in this empirical model. The variable with the lowest factor loading of 0.315 is 3.8.8 Resolving insolvency and retrenchment. This indicator qualifies to be in this component because administrative procedures may be regarded as part of firm infrastructure if Porter's (1998) value chain model is applied. The other variables in this factor deal with transportation, fixed-line telephone, electricity, water and sanitation, and access to real estate all of which constituted the original infrastructure dimension of the hypothesised framework. Among these variables, the one with lowest factor loading of 0.476 is 3.6.4 Ease of access to real estate and the one with the highest factor loading of 0.683 is 3.6.8 Number and capacity of airports.

9.5.2.8 Factor 8 – Macroeconomic Influences

This factor consists of three indicators with factor loadings of -0.574 for 3.4.8 Exchange rate, -0.608 for 3.4.7 Interest rates, and -0.648 for 3.4.6 Inflation rate. The factor has an explanatory power of 2.05 percent, Cronbach's alpha of 0.655 (the second lowest among the 12 factors), the mean score of 3.80, and standard deviation of 1.46. The mean score for this factor implies that the country has weak FDI brand attractiveness.

9.5.2.9 Factor 9 – Markets

Because all seven variables in this factor come from the conceptual model's original markets component, the name was kept. Item factor loadings in this factor range from -0.334 for 3.4.11 Export performance to -0.676 for 3.5.16 Capability to attract qualified foreign citizens. The factor is characterised as follows (i.e. PVE = 1.90 percent; Cronbach's $\alpha = 0.874$; $\mu = 3.89$; SD

= 1.31). From a markets perspective, the factor mean score suggests that Zimbabwe has weak SON-FDIBE.

9.5.2.10 Factor 10 – Technology

Since all eight attributes in this factor (PVE = 1.87%; Cronbach's $\alpha = 0.875$; $\mu = 3.60$; SD = 1.23) come from the theoretical framework's technology construct, the name was retained. The attributes have factor loadings ranging from a lowest of 0.407 for 3.2.8 Intensity of university-industry collaboration in research and development (R&D) to a highest of 0.696 for 3.2.3 Company investments in R&D. The aggregate factor mean score indicates that Zimbabwe has weak FDI brand competitiveness.

9.5.2.11 Factor 11 – Organisation

Factor 11 comprises 10 attributes drawn from three dimensions of the conceptual model—i.e. five from organisation, four from government, and one from infrastructure. All the items fit perfectly into the organisation construct hence the name is kept. Variable factor loadings in this factor range from 0.361 for 3.6.13 E-government effectiveness to 0.706 for 3.7.3 Effectiveness of national development plan. The factor has variance explained of 1.70 percent, Cronbach's alpha coefficient of 0.931 (the second highest in the factor model), and mean score of 3.26. The mean score suggests that the country has weak SON-FDIBE.

9.5.2.12 Factor 12 – Economy

Of the 10 variables constituting this factor, all but one are drawn from the economy dimension of the theoretical model hence the construct name was retained. Attribute factor loadings range from a lowest of 0.298 for 3.1.6 Quality of life to a highest of 0.685 for 3.4.14 Significance of annual FDI inflows. Most variable factor loadings in this component range from 0.464 for export performance to 0.673 for a number of reputable brands. This factor had an explanatory power of 1.61, Cronbach's alpha of 0.887, mean score of 3.61, and standard deviation of 1.16. The factor mean score implies that Zimbabwe has weak FDI brand reputation.

9.5.3 Factor correlation analysis and tests of significant differences on Zimbabwe's stakeholder-oriented nation FDI brand equity: Test of study's main hypothesis H_1

In building the study's conceptual framework **(see Chapter 6),** it had been noted that many of its eight theoretical constructs and variables were interrelated. Thus Pearson's correlation analysis was applied to test for multicollinearity among the 12 factors extracted from the dataset of the Zimbabwean study. Subsequently, the researcher carried out sample *t*-tests, analysis of variance (ANOVA), and effect size analysis for factors to deduce the managerial or practical implications for the study. Following Tabachnick and Fidell (2007:42) factor independent sample *t*-tests for equality of means and factor ANOVA were used to test the study's first, and main, hypothesis **H_1**: *"There are statistically significant differences in stakeholder perceptions on determinants of SON-FDIBE in South Africa and Zimbabwe."*

9.5.3.1 Factor correlation coefficients of Zimbabwe's stakeholder-oriented nation FDI brand equity

Drawing on Pearson's correlation coefficients equal to or greater than 0.300 (Tabanichnick & Fidell, 2007:614), most of the 12 factors in the Zimbabwean FDI brand competitiveness model were significantly correlated at the 1 percent level (Sig., 2-tailed, $p = 0.000$) (Table 9.6 below). In particular, the correlation coefficients of 37 of the 66-factor pairs in the model were above the lower threshold (i.e. $r \geq 0.300$) while the Pearson's *r* for a minority (29) of the factor pairs where below this threshold of significance, i.e. $r < 0.300$. Hence this confirms the argument in Chapter 6 that this study's conceptual framework comprised interrelated theoretical constructs. However, since none of the significant factor correlation coefficients is ≥ 0.900, there was no need to treat the Zimbabwean factor model for multicollinearity (Farrar & Glauber, 1967; Hair *et al*., 2006; Pallant, 2005; Tabachnick & Fidell, 2007) before subjecting it to further empirical validation by CFA. Pearson's correlation coefficients also proved that the data was factorable. Data can be analysed with factor analysis if variables have high correlations (Malhotra & Dash, 2011:591) but the factorability of the data may be doubtful if no correlation is above 0.300 (Tabachnick & Fidell, 2007:614). Thus Pearson's *r* corroborated the conclusion on the Bartlett's test of sphericity as already reported in section 9.5.1 above.

Table 9.6: Pearson's correlation coefficients of factors determining Zimbabwe's stakeholder-oriented FDI brand equity

		F1	F2	F3	F4	F5	F6	F7	F8	F9	F10	F11	F12
F1	Pearson Correlation	1											
	Sig. (2-tailed)												
	N	350											
F2	Pearson Correlation	.266**	1										
	Sig. (2-tailed)	.000											
	N	349	350										
F3	Pearson Correlation	.490**	.136*	1									
	Sig. (2-tailed)	.000	.011										
	N	345	345	346									
F4	Pearson Correlation	.485**	.300**	.305**	1								
	Sig. (2-tailed)	.000	.000	.000									
	N	349	349	345	350								
F5	Pearson Correlation	.169**	.057	.319**	.025	1							
	Sig. (2-tailed)	.002	.287	.000	.636								
	N	348	349	344	348	349							
F6	Pearson Correlation	.125*	.160**	-.047	.116*	-.087	1						
	Sig. (2-tailed)	.020	.003	.387	.030	.105							
	N	348	349	344	348	348	349						
F7	Pearson Correlation	.742**	.189**	.424**	.428**	.137*	.171**	1					
	Sig. (2-tailed)	.000	.000	.000	.000	.011	.001						
	N	350	350	346	350	349	349	351					
F8	Pearson Correlation	.368**	.017	.318**	.171**	.148**	.086	.348**	1				
	Sig. (2-tailed)	.000	.759	.000	.002	.006	.112	.000					
	N	343	344	344	343	343	343	344	344				
F9	Pearson Correlation	.699**	.265**	.466**	.468**	.131*	.139**	.643**	.285**	1			
	Sig. (2-tailed)	.000	.000	.000	.000	.014	.009	.000	.000				
	N	350	350	346	350	349	349	351	344	351			
F10	Pearson Correlation	.598**	.388**	.431**	.405**	.155**	.128*	.578**	.275**	.621**	1		
	Sig. (2-tailed)	.000	.000	.000	.000	.004	.017	.000	.000	.000			
	N	349	350	345	349	349	349	350	344	350	350		
F11	Pearson Correlation	.810**	.199**	.511**	.474**	.127*	.121*	.727**	.368**	.708**	.611**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.018	.023	.000	.000	.000	.000		
	N	350	350	346	350	349	349	351	344	351	350	351	
F12	Pearson Correlation	.638**	.347**	.478**	.471**	.104	.186**	.642**	.367**	.661**	.665**	.652**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.052	.000	.000	.000	.000	.000	.000	
	N	349	350	345	349	349	349	350	344	350	350	350	350

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Key: Factor 1 (Government), Factor 2 (Education and Population), Factor 3 (Taxation and Domestic Competition), Factor 4 (Telecommunications Infrastructure & Public Transport), Factor 5 (Population and Country Health), Factor 6 (Crime and Natural Disasters), Factor 7 (Generic Infrastructure), Factor 8 (Macroeconomic Influences), Factor 9 (Markets), Factor 10 (Technology), Factor 11 (Organisation), and Factor 12 (Economy)

9.5.3.2 Factor independent samples *t*-tests for equality of means and effect sizes of Zimbabwe's stakeholder-oriented nation FDI brand equity: Testing the study's main hypothesis (H_1)

Table 9.7 below shows that out of the 12 factors affecting Zimbabwe's SON-FDIBE, statistically significant differences in perceptions calculated at 95% confidence interval ($p \leq 0.05$) were recorded in the sector i.e. public versus private sector (five factors plus overall factor), nationality i.e. Zimbaweans versus other nationalities (five factors plus overall factor), gender (Factor 10), and ownership i.e. foreign-owned vis-à-vis domestic-owned firms (Factor 1 and Overall Factor). Within the public versus private sector respondent group, there were statistically significant variations in views in respect of Factors 3, 5, 8, 10, 11, and Overall Factor. Statistically significant disparities in opinions were also recorded within the nationality of respondent's cluster in terms of Factors 7, 8, 10, 11, 12 and Overall Factor. Most of the *p*-values in Table 9.7 are greater than 0.05 denoting that there were also statistically insignificant differences in perceptions of the 12 factors constituting the Zimbabwean SON-FDIBE model between respondent stakeholder groups. In view of these mixed findings, the study's first, and main, hypothesis (**H_1**) is partially accepted.

T-tests, however, do not show the magnitude of the differences in perceptions between the groups so they cannot be drawn on to infer from practical and theoretical implications of a study's findings. As a result, the study turned to effect size analysis. Interestingly, out of the 12 factors and the six pairs of stakeholder groups in Table 9.7, significant effect sizes calculated at 95 percent confidence interval of the difference **(values in bold)** were recorded in three pairs of respondent stakeholder groups in respect of factors shown. There are significant effect sizes (Cohen's *d*) in Factor 1 in terms of respondents working for foreign-owned vis-à-vis domestic-owned companies ($d = 0.4$), respondents working in public vis-à-vis private sector in terms of Factor 3 ($d = 0.8$), Factor 5 ($d = 0.8$), Factor 8 ($d = 0.7$), Factor 10 ($d = 0.8$), and Factor 11 ($d = 0.7$). Furthermore, there are significant effect sizes in respect of Zimbabwean versus other nationalities i.e. Factor 7 ($d = 0.4$), Factor 10 ($d = 0.5$), Factor 11 ($d = 0.4$), and Factor 12 ($d = 0.4$).

Table 9.7: Zimbabwe's FDI brand strength factor independent samples *t*-tests for equality of means and effect sizes at 95% confidence interval of the difference

		Sig. (2-tailed; p≤0.05%)					
		Gender (Male vs Female)	Nationality (Zim. vs Other)	Sector (Public vs Private sector)	Ownership (Foreign-owned vs Domestic)	Been to another African country	Been Overseas
F1	Equal variances assumed	.330	.061	.112	.015 **(0.4)**	.830	.660
	Equal variances not assumed	.331	.118	.109	.011	.831	.678
F2	Equal variances assumed	.128	.635	.181	.056	.722	.869
	Equal variances not assumed	.126	.742	.193	.094	.722	.870
F3	Equal variances assumed	.149	.342	.006 **(0.8)**	.387	.116	.585
	Equal variances not assumed	.148	.229	.006	.380	.126	.600
F4	Equal variances assumed	.230	.072	.472	.149	.811	.394
	Equal variances not assumed	.230	.146	.476	.206	.812	.401
F5	Equal variances assumed	.984	.293	.034 **(0.8)**	.938	.766	.707
	Equal variances not assumed	.984	.201	.036	.945	.757	.719
F6	Equal variances assumed	.974	.308	.682	.361	.341	.773
	Equal variances not assumed	.974	.438	.685	.343	.330	.779
F7	Equal variances assumed	.519	.027 **(0.4)**	.077	.115	.448	.118
	Equal variances not assumed	.522	.130	.068	.132	.447	.149
F8	Equal variances assumed	.337	.058	.016 **(0.7)**	.382	.935	.712
	Equal variances not assumed	.341	.004	.017	.421	.933	.732
F9	Equal variances assumed	.383	.203	.391	.228	.424	.863
	Equal variances not assumed	.385	.382	.386	.236	.431	.864
F10	Equal variances assumed	.042	.013 **(0.5)**	.015 **(0.8)**	.097	.591	.787
	Equal variances not assumed	.042	.097	.015	.087	.592	.800
F11	Equal variances assumed	.502	.009 **(0.4)**	.004 **(0.7)**	.065	.610	.408
	Equal variances not assumed	.503	.084	.003	.078	.618	.443
F12	Equal variances assumed	.079	.010 **(0.5)**	.214	.180	.420	.479
	Equal variances not assumed	.081	.038	.216	.182	.409	.505
Overall_F	Equal variances assumed	.121	.042	.008	.037	.700	.759
	Equal variances not assumed	.123	.124	.007	.043	.694	.783

Legend: Zim. (Zimbabwean), F (Factor), Factor 1 (Government), Factor 2 (Education and Population), Factor 3 (Taxation and Domestic Competition), Factor 4 (Telecommunications Infrastructure and Public Transport), Factor 5 (Population and Country Health), Factor 6 (Crime and Natural Disasters), Factor 7 (Generic Infrastructure), Factor 8 (Macroeconomic Influences), Factor 9 (Markets), Factor 10 (Generic Technology), Factor 11 (Organisation), and Factor 12 (Economy), Coefficients in green boxes = t-tests (light) and effect sizes (**bold**) are significant.

While extant literature prescribes that effect sizes should be considered in the context of effects established in previous related studies (Fritz, Morris & Richler, 2012; Kotrlik, Williams &

Jabor, 2011; Vacha-Haase & Thompson, 2004), that was not possible in this study because attempts to find previous studies in nation branding that reported effect sizes were futile. When researchers have conducted groundbreaking studies in domains of research with no or few previous studies, effect sizes cannot be evaluated in the context of related prior effects hence use of rules of thumb like Cohen's benchmarks are recommended (Vacha-Haase & Thompson, 2004:478). Cohen's (1988) *d* benchmarks to interpret the effects in respect of *t*-tests are 0.2 = small, 0.5 = medium, and 0.8 = large effects) (Field, 2013; Fritz, Morris & Richler, 2012; Kotrlik, Williams & Jabor, 2011; Vacha-Haase & Thompson, 2004). Furthermore, although literature recommends calculating effect sizes for all *p*-values including nonsignificant ones (Field, 2013; Fritz, Morris & Richler, 2012; Vacha-Haase & Thompson, 2004), this study focused on significant *p*-values ($p \leq 0.05$) only given its exploratory or groundbreaking nature.

It is also comforting that correlation coefficients such as Pearson's *r* and multiple regression coefficients can be used as potential effect size measures (Kotrlik, Williams & Jabor, 2011:136&138). Pearson's correlation coefficients of the 66-factor pairs in the Zimbabwean 12-factor SON-FDIBE solution presented in the immediate previous section are greater than or equal to 0.300 (Table 9.6). This implies that the effect size of Pearson's *r* ranges from moderate to very high association. According to Davis (1971) cited by Kotrlik, Williams and Jabor (2011:138) the guideline for interpreting effect size magnitude of correlation coefficients is 0.01 to 0.09 (negligible association), 0.10 to 0.29 (low association), 0.30 to 0.49 (moderate association), 0.50 to 0.69 (substantial association), and 0.70 or higher (very strong association). Yet according to Hopkins (1997), also cited by Kotrlik, Williams and Jabor (2011:138), when the size of the effect of the correlation coefficients is 0.00 to 0.10 (it is trivial, very small, insubstantial, tiny, practically zero), 0.10 to 0.30 (small, low, minor), 0.30 to 0.50 (moderate, medium), 0.50 to 0.70 (large, high, major), 0.70 to 0.90 (very large, very high, huge), and 0.90 to 1.00 (nearly, practically, or almost: perfect, distinct, infinite).

Nonetheless, theorists argue that the size of an effect should be interpreted in the context of the variable concerned and not just the rules of thumb (e.g. Fritz, Morris & Richler, 2012; Kelley & Preacher, 2012; Nakagawa & Cuthill, 2007). So, a small effect in value or statistical terms may be large in practical, policy or theoretical terms. A good example in this study is the effect size of company ownership (local- versus foreign-owned) about Factor 1 ($d = 0.4$), which is a moderate or medium association following Davis' (1971) and Hopkins' (1997) rules of thump.

However, the effect size is extremely important to this study because of perceptions around Zimbabwe's Indigenisation and Economic Empowerment Act (Chapter 14:33) (Mbaiwa, 2016:21) and consistently poor rankings in the property rights attribute of the institutions pillar of the GCI (see WEF, 2013:45, 2014:391, 2015:371 & 2016:369). In view of the effect size results presented above, the study's main hypothesis **H_1** is also partly accepted.

9.5.3.3 Factor oneway ANOVA and effect sizes for Zimbabwe's stakeholder-oriented nation FDI brand equity: Further test of study's main hypothesis (H_1)

As shown in Table 9.8 below, the ANOVA for FDI brand equity of Zimbabwe recorded very limited significant differences in stakeholder perceptions (*p*-values equal to or less than 0.05 percent are colour-blocked green) in only six of the 12 factors in the empirical model and four of the seven demographic variables. Factor 1 had only three variables with statistically significant *p*-values i.e. age ($p = 0.026$), employment status ($p = 0.000$), and qualification being studied ($p = 0.000$). In Factor 2 only one variable, nature of public sector, recorded a statistically significant diference in perception ($p = 0.022$). Factor 3 had two signicant *p*-values in respect of employment status ($p = 0.008$) and qualification being studied ($p = 0.000$). In Factor 4, only one variable, qualification being studied, recorded a statistically significant difference in perceptions ($p = 0.003$), and Factor 10 only one variable also, qualification being studied, had a statistically significant variance ($p = 0.008$). There are two variables in Factor 11 with significant *p*-values i.e. employment status ($p = 0.034$) and qualification being studied ($p = 0.002$). Also, all *p*-values of Factors 5, 6, 7, 8, 9 and 12 were greater than 0.05 across the seven demographic variables used in this study to characterise respondent stakeholder clusters. Four of the seven variables were reported above in respect of factors with significant *p*-values but three – i.e. highest qualification held, nature of the public sector, and job position – were not at all across the 12 factors. They had non-significant *p*-values, i.e. greater than 0.05. Given the mixed ANOVA results presented above, the study's main hypothesis **H_1**, *"There are statistically significant differences in stakeholder perceptions on determinants of SON-FDIBE in South Africa and Zimbabwe",* is partially accepted in the Zimbabwean case. Nonetheless, the presence of statistically significant variations in perceptions detected by ANOVA does imply the magnitude of the effect regarding practical implications of the study.

Table 9.8: Zimbabwe's stakeholder-oriented FDI brand equity factor oneway ANOVA tests ($p \leq 0.05\%$)

		Age	Employ. Status	Qualif. being Studied	Highest Qualif. Held	Nature of Public Sector	Nature of Private Sector	Job Position
F1	Between Groups	.026	.000	.000	.154	.778	.501	.861
	Within Groups							
	Total							
F2	Between Groups	.480	.181	.455	.243	.022	.781	.340
	Within Groups							
	Total							
F3	Between Groups	.441	.008	.000	.465	.878	.588	.378
	Within Groups							
	Total							
F4	Between Groups	.211	.074	.003	.392	.119	.497	.852
	Within Groups							
	Total							
F5	Between Groups	.906	.191	.318	.581	.232	.348	.247
	Within Groups							
	Total							
F6	Between Groups	.620	.197	.270	.644	.301	.284	.595
	Within Groups							
	Total							
F7	Between Groups	.284	.810	.137	.071	.961	.617	.750
	Within Groups							
	Total							
F8	Between Groups	.547	.890	.667	.737	.672	.914	.830
	Within Groups							
	Total							
F9	Between Groups	.268	.106	.060	.789	.806	.765	.680
	Within Groups							
	Total							
F10	Between Groups	.582	.189	.008	.123	.656	.379	.584
	Within Groups							
	Total							
F11	Between Groups	.497	.034	.002	.532	.788	.705	.415
	Within Groups							
	Total							
F12	Between Groups	.747	.766	.055	.725	.183	.759	.806
	Within Groups							
	Total							

Key: F (Factor), Factor 1 (Government), Factor 2 (Education and Population), Factor 3 (Taxation and Domestic Competition), Factor 4 (Telecommunications Infrastructure and Public Transport), Factor 5 (Population and Country Health), Factor 6 (Crime

and Natural Disasters), Factor 7 (Generic Infrastructure), Factor 8 (Macroeconomic Influences), Factor 9 (Markets), Factor 10 (Technology), Factor 11 (Organisation), and Factor 12 (Economy).
Note: ANOVA values computed at 95% Confidence Interval for Mean.

The statistically significant *p*-value recorded in Table 9.8 above in respect of age and Factor 1 had effect sizes shown in Table 9.9 below. A total medium effect size (Cohen's *f*) of 0.360 was registered for the age group 31-40 versus 41-50. The 31-40 years group had a large effect size (*f* = 0.467) in relation to the 18-30 years versus 41-50 years group. The 18-30 years cluster had the second highest effect size (*f* = 0.397) in relation to 18-30 years versus 31-40 years group. Kotrlik, William and Jabor (2011:138) give the following rules of thumb for interpreting ANOVA and ANCOVA effect sizes based on Cohen's (1988) *f*: 0.10 (small effect size), 0.25 (medium effect size), and 0.40 (large effect size). Consequently, it is important to solicit the views of various age groups except for the 61+ years (N = 4) when crafting a country's FDI brand strategy. While Factor 2 did not have a significant ANOVA-based *p*-value in relation to age, its effect sizes for age clusters between 18 and 60 years are all large i.e. as they are greater than 0.4 (Table 9.9). The implication for the effect sizes presented above is that national leadership and their technocrats, destination managers, should consult people of different age groups in the 18 to 60 years range, the economically active, when evaluating and/or designing nation FDI brand plans.

Table 9.9: Zimbabwe's stakeholder-oriented FDI brand equity factor oneway ANOVA-based effect sizes by age group

		N	Mean	Std. Dev.	Std. Error	95% Confidence Interval for Mean		Min.	Max.	Effect Sizes	Groups applying
						Lower Bound	Upper Bound				
F1	18-30 Years	273	3.486	1.216	.074	3.342	3.631	1.00	6.95	0.397	18-30 vs 31-40 Years
	31-40 Years	52	3.002	1.201	.167	2.668	3.337	1.00	6.40	0.467	18-30 vs 41-50 Years
	41-50 Years	17	2.900	1.255	.304	2.255	3.545	1.30	6.40	0.155	18-30 vs 51-60 Years
	51-60 Years	3	3.850	2.356	1.360	-2.004	9.704	1.40	6.10	0.336	18-30 vs 61+ Years
	61+ Years	4	4.075	1.564	.782	1.586	6.564	2.75	5.80	0.082	31-40 vs 41-50 Years
	Total	349	3.395	1.242	.066	3.264	3.526	1.00	6.95	0.360	31-40 vs 51-60 Years
F2	18-30 Years	273	4.944	1.036	.062	4.821	5.068	1.00	7.00	0.686	31-40 vs 61+ Years
	31-40 Years	52	5.135	.781	.108	4.917	5.352	3.60	7.00	0.403	41-50 vs 51-60 Years
	41-50 Years	17	5.212	.838	.203	4.781	5.643	3.80	6.80	0.751	41-50 vs 61+ Years
	51-60 Years	3	4.600	2.116	1.222	-.658	9.858	2.20	6.20	0.435	51-60 vs 61+ Years

Note: Means, Std. dev., lower bounds, upper bounds, and effect sizes rounded to three decimal places after calculation

Save for the small effect sizes, most of the effect size statistics for factors F1, F3, F4 and F11 in Table 9.10 below range from medium to large effect in respect of employment status.

Therefore, it is important students in higher education, regardless of whether they are studying full time or part-time (note most part-time students who participated in this study had full-time jobs), business people, and the employed participate in designing and evaluation country FDI brand policies.

Table 9.10: Zimbabwe's stakeholder-oriented FDI brand equity factor oneway ANOVA effect sizes by employment status

		N	Mean	Std. Dev.	Std. Error	95% Confidence Interval for Mean		Min.	Max.	Effect Sizes	Groups affected
						Lower Bound	Upper Bound				
F1	Full-time student	207	3.625	1.182	0.082	3.463	3.787	1.2	6.5	0.244	Full-time vs Part-time stud
	Part-time student	45	3.337	1.112	0.166	3.003	3.672	1.25	5.6	0.476	Full-time student vs Employed
	Employed	76	2.974	1.367	0.158	2.662	3.286	1	6.95	0.618	Full-time stud. vs Business Person
	Business Person	16	2.895	0.950	0.237	2.389	3.401	1.4	4.4	0.266	Part-time student vs Employed
	Total	344	3.410	1.236	0.067	3.279	3.541	1	6.95	0.397	Part-time stud. vs Business Person
F2	Full-time student	207	5.009	0.999	0.0694	4.872	5.146	1	7	0.059	Employed vs Business Person
F3	Full-time student	207	4.056	1.170	0.0813	3.896	4.216	1	7	0.237	Full-time vs Part-time stud.
	Part-time student	45	3.779	1.162	0.173	3.430	4.128	1.5	6	0.245	Full-time stud. vs Employed
	Employed	74	3.699	1.456	0.170	3.361	4.036	1	6.67	0.811	Full-time stud. vs Business Person
	Business Person	14	3.060	1.230	0.329	2.350	3.769	1.33	5.5	0.055	Part-time stud. vs Employed
	Total	340	3.900	1.256	0.068	3.767	4.034	1	7	0.585	Part-time stud. vs Business Person
F4	Full-time student	208	4.683	1.308	0.091	4.504	4.862	1	7	0.439	Employed vs Business Person
F11	Full-time student	208	3.424	1.411	0.098	3.231	3.617	1	7	0.182	Full-time vs Part-time stud.
	Part-time student	45	3.167	1.322	0.197	2.770	3.565	1.2	7	0.245	Full-time stud. vs Employed
	Employed	76	3.067	1.462	0.168	2.733	3.402	1	7	0.628	Full-time stud. vs Business Person
	Business Person	16	2.538	0.999	0.250	2.005	3.070	1	4.1	0.068	Part-time stud. vs Employed
	Total	345	3.271	1.407	0.076	3.122	3.420	1	7	0.476	Part-time stud. vs Business Person
F12	Full-time student	207	3.655	1.141	0.0793	3.499	3.812	1	6.4	0.363	Employed vs Business Person

Note: Means, Std. dev., lower bounds, upper bounds, and effect sizes rounded to three decimal places after calculation

As evident in Table 9.11 below, large effect sizes were recorded in respect of respondents studying towards masters and doctoral (PhD) degrees (f = 0.485) and bachelor's degree (f = 0.413). A medium effect size was registered for respondents studying towards an honours degree (f = 0.255) while the total effect size was small (f = 0.124) about respondents studying honours and other, unnamed, qualifications. These effect sizes imply that qualification being studied is a significant variable in measuring stakeholder perceptions of nation FDI brand equity. Hence undergraduate and postgraduate students must be involved in FDI destination branding.

Table 9.11: Zimbabwe's stakeholder-oriented FDI brand equity factor oneway ANOVA effect sizes by qualification being studied

		N	Mean	Std. Dev.	Std. Error	95% Confidence Interval for Mean		Min.	Max.	Effect Sizes	Groups applying
						Lower Bound	Upper Bound				
F1	Bachelor degree	45	3.202	1.117	0.166	2.866	3.537	1.20	5.90	0.413	Bachelor degree vs Honours degree
	Honours degree	196	3.68	1.158	0.083	3.517	3.843	1.00	6.50	0.255	Bachelor degree vs Masters & PhD degree
	Masters & PhD degree	71	2.862	1.329	0.158	2.548	3.177	1.15	6.95	0.485	Bachelor degree vs Other
	Other	8	3.843	1.322	0.467	2.738	4.949	2.70	6.40	0.615	Honours degree vs Masters & PhD degree
	Total	320	3.435	1.241	0.069	3.299	3.572	1.00	6.95	0.124	Honours vs Other
F2	Bachelor degree	46	4.773	1.244	0.183	4.403	5.142	1.00	6.80	0.738	Masters & PhD degree vs other
F3	Bachelor degree	46	3.983	1.324	0.195	3.59	4.377	1.50	7.00	0.074	Bachelor degree vs Honours degree
	Honours degree	194	4.082	1.134	0.081	3.921	4.242	1.00	7.00	0.471	Bachelor degree vs Masters & PhD degree
	Masters & PhD degree	68	3.36	1.28	0.155	3.05	3.67	1.00	6.67	0.217	Bachelor degree vs Other
	Other	8	4.271	1.076	0.38	3.371	5.171	2.83	6.33	0.564	Honours degree vs Masters & PhD degree
	Total	316	3.917	1.225	0.069	3.781	4.052	1.00	7.00	0.167	Honours vs Other
F4	Bachelor degree	46	4.489	1.251	0.184	4.118	4.86	1.00	7.00	0.712	Masters & PhD degree vs other
	Honours degree	196	4.693	1.38	0.099	4.499	4.888	1.00	7.00	0.702	Bachelor degree vs Honours degree

		N	Mean	Std. Dev.	Std. Error	95% Confidence Interval for Mean		Min.	Max.	Effect Sizes	Groups applying
						Lower Bound	Upper Bound				
	Masters & PhD degree	70	4.006	1.314	0.157	3.693	4.319	1.00	6.50	0.347	Bachelor degree vs Masters & PhD degree
	Other	8	4.875	1.494	0.528	3.626	6.124	2.25	7.00	0.461	Bachelor degree vs Other
	Total	320	4.518	1.374	0.077	4.367	4.669	1.00	7.00	0.417	Honours degree vs Masters & PhD degree
F5	Bachelor degree	46	4.183	1.104	0.163	3.855	4.511	1.25	6.25	0.216	Honours vs Other
	Honours degree	194	4.359	1.309	0.094	4.173	4.544	1.50	7.00	0.340	Masters & PhD degree vs other
F10	Bachelor degree	46	3.53	1.225	0.181	3.166	3.894	1.00	5.88	0.145	Bachelor degree vs Honours degree
	Honours degree	195	3.708	1.196	0.086	3.539	3.877	1.00	7.00	0.205	Bachelor degree vs Masters & PhD degree
	Masters & PhD degree	71	3.274	1.248	0.148	2.979	3.57	1.43	6.63	0.776	Bachelor degree vs Other
	Other	8	4.578	1.351	0.478	3.449	5.708	3.25	7.00	0.347	Honours degree vs Masters & PhD degree
	Total	320	3.608	1.233	0.069	3.472	3.744	1.00	7.00	0.644	Honours vs Other
F11	Bachelor degree	46	3.217	1.294	0.191	2.833	3.601	1.00	6.20	0.965	Masters & PhD degree vs other
	Honours degree	196	3.458	1.425	0.102	3.258	3.659	1.00	7.00	0.691	Bachelor degree vs Honours degree
	Masters & PhD degree	71	2.751	1.314	0.156	2.44	3.062	1.00	6.60	0.107	Bachelor degree vs Masters & PhD degree
	Other	8	3.971	1.665	0.589	2.579	5.363	1.70	7.00	0.631	Bachelor degree vs Other
	Total	321	3.28	1.416	0.079	3.124	3.435	1.00	7.00	0.714	Honours degree vs Masters & PhD degree
F12	Bachelor degree	46	3.654	1.064	0.157	3.338	3.97	1.56	6.10	0.407	Honours vs Other
	Honours degree	195	3.673	1.192	0.085	3.504	3.841	1.00	7.00	0.596	Masters & PhD degree vs other

Note: Means, std. dev., lower bounds, upper bounds, and effect sizes rounded to three decimal places after calculation

As shown in Table 9.12, drawing on Cohen's *f* for ANOVA a large effect size (*f* = 0.419) was recorded for respondents from parastatals versus those from investment and export promotion versus education and training, and also a large effect size (*f* = 0.856) was registered in respect

of education and training vis-à-vis investment and export promotion versus other. Some of the effect sizes in this table should be interpreted in the context of the sample sizes involved. For example, a large effect size associated with a small sample of less than 10 may not be as important as a medium effect associated with a sizeable population say above 20 elements, depending on the nature of the variable being measured. However, this should not apply to staff of investment and export promotion agencies as they are destination managers. So, the views of all groups in Table 9.12 except the other cluster, notwithstanding sample sizes, may need to be given the seriousness they deserve in FDI destination branding.

Table 9.12: Zimbabwe's stakeholder-oriented FDI brand equity factor oneway ANOVA effect sizes by nature of public sector

		N	Mean	Std. Dev.	Std. Error	95% Confidence Interval for Mean		Min.	Max.	Effect Sizes	Groups affected
						Lower Bound	Upper Bound				
F2	Investment & Export Promotion	7	5.343	0.7	0.264	4.696	5.99	4.00	6.00	0.395	Investment & Export Promotion vs Tourism Promotion
	Tourism Promotion	34	5.054	0.73	0.125	4.800	5.309	3.80	6.60	0.097	Investment & Export Promotion vs Central & Local Government
	Central & Local Government	8	5.275	0.604	0.214	4.770	5.78	4.60	6.20	0.240	Investment & Export Promotion vs Parastatal
	Parastatal	18	5.511	0.641	0.151	5.193	5.83	4.40	6.80	0.419	Investment & Export Promotion vs Education & Training
	Education & Training	12	4.95	0.939	0.271	4.354	5.546	3.20	6.40	0.856	Investment & Export Promotion vs Other
	Other	3	3.867	1.724	0.996	-0.417	8.15	2.00	5.40	0.302	Tourism Promotion vs Central & Local Government
	Total	82	5.142	0.817	0.090	4.962	5.322	2.00	6.80	0.626	Tourism Promotion vs central & parastatal
F3	Investment & Export Promotion	7	3.786	1.484	0.561	2.414	5.158	2.33	6.00	0.111	Tourism Promotion vs Education & Training
	Tourism Promotion	34	3.905	1.526	0.262	3.373	4.437	1.50	6.67	0.689	Tourism Promotion vs Other
	Central & Local Government	8	3.292	1.161	0.410	2.321	4.262	1.50	4.67	0.424	Central & Local Government vs Parastatal
	Parastatal	18	3.885	1.399	0.330	3.189	4.581	1.80	6.33	0.428	Central & Local Government vs Education & Training
	Education & Training	9	3.87	1.353	0.451	2.830	4.911	1.33	5.67	0.684	Central & Local Government vs Other
	Other	3	4.444	1.686	0.973	0.256	8.633	2.50	5.50	0.011	Parastatal vs Education & Training
	Total	79	3.844	1.418	0.160	3.527	4.162	1.33	6.67	0.332	Parastatal vs Other
F4	Investment & Export Promotion	7	5.143	1.098	0.415	4.127	6.158	3.75	6.50	0.340	Education & Training vs Other

9.6 EMPIRICAL EVALUATION OF CONCEPTUAL FRAMEWORK AS A MEASURE OF NATION FDI BRAND EQUITY: A CONFIRMATORY FACTOR ANALYSIS (CFA) VIEW

The fifth, or third empirical, objective of this study was "to empirically evaluate the conceptual framework as a measure of country FDI brand equity". To attain this objective, CFA was performed with SPSS AMOS Version 23, a structural equation modelling (SEM) package to confirm the validity and reliability of Zimbabwe's 12-factor stakeholder-oriented nation FDI brand equity model. SEM is an assortment of statistical techniques that enable a set of relationships between one or more independent variables and dependent variables, either continuous or continuous, to be examined (Tabachnick & Fidell, 2007:676). Within SEM model validity was tested with factor loadings or standardised regression weights (SRWs) and reliability was tested with squared multiple correlations (SMC) or R^2 and Cronbach's alpha. Squared multiple correlations are used to test the reliability and proportion of a measured variable (Tabachnick & Fidell, 2007:728). In this study, SEM output is presented alongside descriprive statistics (i.e. mean and standard deviations) to facilitate interpretation of factors regarding respondent perceptions and managerial or policy applications. Also, the Zimbabwean SON-FDIBE solution was validated through goodness-of-fit indices.

9.6.1 Validity and reliability of conceptual framework as a measure of Zimbabwe's FDI brand equity and confirmation of study's hypotheses H_2 to H_{10}

All 91 items in Zimbabwe's factor model loaded significantly into their respective factors regarding standardised regression weights (SRWs) as predicted, i.e. all standardised factor loadings were ≥ 0.357 with 86 of them ≥0.510 (Table 9.13 below). The cutoff point for factor loadings in this study was ≥0.300 decided following Field (2013:692) hence all items were retained. The size of the SRWs in the table confirms that the factor model has high convergent, discriminant and nomological validity. SRWs describe the extent of the association between the construct(s) and the underlying variables (Amin & Isa, 2008:203). **Convergent validity** is the extent to which a scale interrelates positively with other measures of the same construct (Bhattacherjee, 2012; Malhotra & Dash, 2011; Sekeran & Bougie, 2013; Pallant, 2007; Zikmund *et al*., 2010). **Discriminant validity** is confirmed when, based on theory, a measure

does not correlate with other constructs which it is anticipated to differ (Bhattacherjee, 2012; Cho, 2011; Malhotra & Dash, 2011; Sekeran & Bougie, 2013; Pallant, 2007; Zikmund *et al*., 2010). **Nomological validity** is the extent to which the scale correlates in conceptually projected ways with measures of different but related constructs (Malhotra & Dash, 2011:280).

In this study, convergent, discriminant, and nomological validity were tested through factor loadings generated by PCA and CFA as reported above, correlational analysis, i.e. Pearson's *r* as already reported in 9.5.3 above, squared multiple correlations (SMC) statistics presented in Table 9.13 below, and CFA-generated correlation coefficients presented in Appendix 6. Considering the three sets of correlation statistics, in particular, the Zimbabwean structural model had good convergent validity in so far as most factor correlation coefficients and SMCs were ≥ 0.300 and good discriminant validity in as far as it had no correlation values ≥ 0.900. Moreover, the fact that no factor combinations had correlation values ≥ 0.900 meant that there was no need to treat any of the factors in the model for multicollinearity or collinearity. In other words, the absence multicollinear factors in the model were taken in this study as a measure of discriminant validity while the presence of significant correlation coefficients (i.e. ≥ 0.300) was taken to convey the presence of convergent validity. Following Krešić and Prebežac (2011:508), the Zimbabwean 12-factor solution was also checked for convergent validity using Cronbach's alpha values, which ranged from the lowest of 0.582 that can be rounded to 0.600, for Factor 5, to the highest of 0.949 for Factor 1. Since Cronbach's α coefficients ≥ 0.600 constitute an acceptable indicator of reliability (Hair *et al*., 2010; Zikmund *et al*., 2013) this study embraced the same threshold value as evidence of convergent validity.

The reliability of the items had already been checked with Cronbach's α in the PCA phase of the empirical analysis, and the alpha coefficients are recaptured in Table 9.13. However, additional and more advanced reliability analysis was done with squared multiple correlations (SMCs), and SMC coefficients of most variables (63) in the same are ≥ 0.500. In CFA, the reliability of items and their underlying constructs is shown by squared multiple correlation coefficients (Schreiber, 2008; Schreiber *et al*., 2006; Segars & Grover, 1993) ranging between 0 and 1 (Kwan & Chan, 2014:226). Furthermore, the effect of high squared multiple correlation values indicates the acceptance of model fit (Amin & Isa, 2008:202). Segars and Grover (1993:523) argue that squared multiple correlation threshold values of ≥ 0.5 indicate convergent validity but other authors suggest SMC coefficients of ≥ 0.4 (e.g. Amin & Isa,

2008:202). In this study, the 28 items which got SMCs lower than these cutoff thresholds are retained because of their acceptable to high validity coefficients in respect of SRWs (CFA) or standardised factor loadings, and factor Cronbach's α coefficients. Moreover, the average SMC values of eight of the 12 factors (i.e. 1, 3, 4, 7, 9, 10, 11, 12) are greater than 0.4 while the mean SMC coefficients of three of the remaining factors can be rounded to 0.4 (i.e. Factors 2, 6 and 8). The only odd factor regarding SMC reliability benchmark is Factor 5 (R^2 = 0.292). However, this factor is saved by the fact that its Cronbach's α value of 0.582 can be rounded off to 0.6, an acceptable reliability coefficient according to Zikmund *et al*. (2013:302). Moreover, the fact that both the Cronbach's alpha and SMC coefficients of Factor 5 were all low seems to suggest that the two measures tend to corroborate each other, i.e. where the alpha coefficient is high the SMC tends to be high and the vice versa is true for all factors in Table 9.13. It is also appearing that the SMC coefficients are more subdued than their Cronbach's alpha values across all the 12 factors in the model. Perhaps that is so because SMC in this study was an output of CFA, which is an advanced statistical data analysis tool. Additional more advanced reliability analysis was also done with CFA-generated correlation coefficients in Appendix 6 as already reported above.

Factor and item mean ratings and standard deviations in Table 9.13 below indicate what Zimbabwe's SON-FDIBE empirical model implies regarding respondent stakeholder perceptions and dispersion. Factor analysis is not a measurement of the factors but an extraction and validation technique. Therefore, the factor and variable means and standard deviations help to suggest the direction that should be taken in FDI destination policymaking and evaluation within the Zimbabwean case. In fact, according to the literature reviewed in Chapter 6, each model factor and variable has defined national development policy undertones.

Table 9.13: CFA validated factors affecting Zimbabwe's stakeholder-oriented nation FDI brand equity (n = 351)

Nation FDI Brand Equity Factors & Items	Factor Loadings, Reliability Coefficients & Descriptive Statistics			
	Standardised Regression Weights (SRW) or β	Squared Multiple Correlations (SMC) or R^2	Cronbach's α coefficients	Means (μ) & Standard Deviations (SD)
Factor 1: Government	**0.910**	**0.480^**	**0.949**	**3.40 (1.240)**
3.8.16 Enforcing citizens' rights	0.711	0.506		3.54 (1.887)
3.8.23 Policy consistency	0.754	0.569		2.99 (1.791)
3.8.15 Enforcing property rights	0.705	0.497		3.59 (1.831)
3.8.11 Enforcing environmental regulations	0.662	0.439		3.82 (1.578)
3.8.24 Rule of law	0.701	0.492		3.40 (1.843)

Nation FDI Brand Equity Factors & Items	Factor Loadings, Reliability Coefficients & Descriptive Statistics			
	Standardised Regression Weights (SRW) or β	Squared Multiple Correlations (SMC) or R^2	Cronbach's α coefficients	Means (μ) & Standard Deviations (SD)
3.8.6 Stability of legal system (i.e. public confidence in legal system)	0.770	0.593		3.25 (1.745)
3.8.20 Flexibility of labour laws	0.677	0.459		3.29 (1.709)
3.8.21 Policy clarity on ownership of agricultural real estate (land)	0.728	0.530		3.30 (1.795)
3.8.22 Readiness to adopt national character to fit global economy	0.773	0.597		3.20 (1.801)
3.8.19 Enforcing competition laws	0.596	0.355		3.34 (1.642)
3.8.10 Quality of environment regulation	0.644	0.415		3.79 (1.579)
3.8.14 Reliability of police services	0.663	0.440		3.44 (1.826)
3.8.13 Tax regulations	0.632	0.399		3.95 (1.656)
3.8.18 Protecting intellectual property rights (e.g. copyrights, trademarks, patents, etc.)	0.649	0.421		3.23 (1.875)
3.8.7 Efficiency of legal system in challenging regulations	0.754	0.569		3.33 (1.654)
3.8.17 Carefulness of government spending	0.735	0.541		2.79 (1.730)
3.8.12 Foreign currency regulations	0.613	0.376		3.89 (1.572)
3.8.25 Country risk (e.g. political, financial, expropriation, etc.)	0.546	0.298		3.44 (2.083)
3.8.9 Extent to which FDI policy allows foreign ownership	0.698	0.487		3.26 (1.684)
3.8.5 Transparency of government policymaking	0.780	0.609		3.02 (1.733)
Factor 2: Education and Population	**0.270**	**0.360^**	**0.700**	**4.98 (1.000)**
3.1.3 Quality of higher education and training	0.795	0.631		5.72 (1.360)
3.1.2 Quality of primary and secondary education	0.708	0.501		5.77 (1.307)
3.1.1 Population size	0.477	0.227		4.94 (1.531)
3.1.4 Attractiveness to foreign students	0.561	0.315		4.52 (1.544)
3.1.5 Foreign language skills (e.g. Chinese, French, Portuguese, etc.)	0.357	0.127		3.95 (1.581)
Factor 3: Taxation and Domestic Competition	**0.550**	**0.416^**	**0.796**	**3.91 (1.250)**
3.5.3 Effect of taxation on incentive to invest	0.769	0.591		4.02 (1.842)
3.5.2 Tax rates (corporate tax, customs duties and personal tax)	0.778	0.602		4.00 (1.910)
3.5.4 Effect of taxation on incentive to work	0.735	0.541		3.89 (1.699)
3.5.11 Cost of financial services	0.554	0.307		3.90 (1.911)
3.5.1 Intensity of domestic competition	0.442	0.195		3.97 (1.693)
3.5.5 Prevalence of foreign ownership	0.510	0.260		3.63 (1.571)
Factor 4: Telecommunications Infrastructure and Public Transport	**0.570**	**0.461^**	**0.744**	**4.53 (1.350)**
3.6.10 Accessibility of mobile phones	0.520	0.270		5.48 (1.703)
3.6.11 Availability of internet services	0.793	0.629		4.90 (1.712)
3.6.12 Affordability of internet Including Broadband services	0.797	0.636		4.22 (1.859)
3.6.14 Efficiency of public transport system	0.556	0.309		3.54 (1.852)
Factor 5: Population and Country Health	**0.240**	**0.292^**	**0.582**	**4.24 (1.260)**
3.1.9 Prevalence of HIV and AIDS	0.678	0.460		4.23 (1.505)
3.1.10 Risk of Tuberculosis, Cholera and Malaria	0.468	0.219		4.01 (1.637)
3.1.7 Prevalence of poverty	0.538	0.289		3.97 (1.916)
3.1.14 Level of corruption	0.446	0.199		4.77 (2.341)
Factor 6: Crime and Natural Disasters	**0.800**	**0.362^**	**0.678**	**4.16 (1.430)**
3.1.11 Frequency of violent crime	0.674	0.455		4.12 (1.909)
3.1.13 Risk of xenophobic or political violence	0.737	0.543		3.80 (2.386)

Nation FDI Brand Equity Factors & Items	Factor Loadings, Reliability Coefficients & Descriptive Statistics			
	Standardised Regression Weights (SRW) or β	Squared Multiple Correlations (SMC) or R^2	Cronbach's α coefficients	Means (μ) & Standard Deviations (SD)
3.3.3 Risk of natural disasters (e.g. droughts, floods, etc.)	0.579	0.336		3.78 (1.995)
3.1.12 Level of personal security	0.339	0.115		4.92 (1.684)
Factor 7: Generic Infrastructure	**0.860**	**0.485^**	**0.898**	**3.00 (1.290)**
3.6.8 Number and capacity of airports	0.638	0.407		3.34 (1.813)
3.6.2 Quality of railroads	0.814	0.663		2.48 (1.713)
3.6.3 Nearness of quality ports	0.723	0.522		2.79 (1.677)
3.6.7 Domestic and international airline departures per day	0.668	0.446		3.27 (1.743)
3.6.6 Quality of electricity supply (frequency of load shedding)	0.764	0.584		2.37 (1.908)
3.6.9 Availability of fixed-line telephones	0.426	0.182		3.91 (1.875)
3.6.1 Quality of roads	0.760	0.578		2.73 (1.797)
3.6.5 Water, sanitation and waste management	0.751	0.564		2.90 (1.797)
3.6.4 Ease of access to real estate	0.671	0.451		3.28 (1.680)
3.8.8 Resolving insolvency and retrenchment	0.674	0.454		3.01 (1.711)
Factor 8: Macroeconomic influences	**0.520**	**0.395^**	**0.655**	**3.80 (1.460)**
3.4.6 Inflation rate	0.497	0.247		3.79 (2.016)
3.4.7 Interest rates	0.663	0.439		3.69 (1.837)
3.4.8 Exchange rate	0.706	0.498		3.92 (1.791)
Factor 9: Markets	**0.810**	**0.501^**	**0.874**	**3.39 (1.310)**
3.5.16 Capability to attract qualified foreign citizens	0.778	0.605		3.24 (1.811)
3.5.15 Capability to retain qualified citizens	0.771	0.594		3.25 (1.732)
3.5.17 Strength of trade unions	0.759	0.577		3.24 (1.681)
3.5.18 State of industrial relations	0.751	0.564		3.32 (1.668)
3.5.14 Soundness of banks	0.658	0.433		3.63 (1.731)
3.5.13 Effectiveness of financial sector supervision	0.621	0.386		3.63 (1.713)
3.5.10 Capacity utilisation of local firms	0.592	0.350		3.34 (1.820)
Factor 10: Technology	**0.780**	**0.471^**	**0.875**	**3.60 (1.230)**
3.2.3 Company investments in research and development (R&D)	0.815	0.664		3.39 (1.615)
3.2.4 Capacity to create successful new products/services & systems	0.645	0.416		3.70 (1.699)
3.2.6 Availability of quality R&D institutions (universities included)	0.720	0.519		3.64 (1.826)
3.2.5 Government funding for R&D (including universities)	0.760	0.577		3.01 (1.737)
3.2.2 Quality of information technology in government institutions	0.764	0.583		3.16 (1.607)
3.2.7 Availability of scientists and engineers	0.511	0.261		4.33 (1.673)
3.2.1 Quality of technologies available in local firms	0.646	0.418		3.64 (1.668)
3.2.8 Intensity of university-industry collaboration in R&D	0.572	0.327		3.97 (1.05)
Factor 11: Organisation	**0.910**	**0.584^**	**0.931**	**3.26 (1.410)**
3.7.3 Effectiveness of national development plan	0.831	0.690		3.19 (1.726)
3.7.1 Clear shared national vision	0.738	0.545		3.39 (1.790)
3.7.2 Clear shared national values	0.756	0.572		3.48 (1.734)
3.7.5 Stakeholder trust in country	0.822	0.675		3.09 (1.784)
3.7.4 Stakeholder participation in policymaking (investors, labour, media, public, etc.)	0.793	0.629		3.19 (1.788)

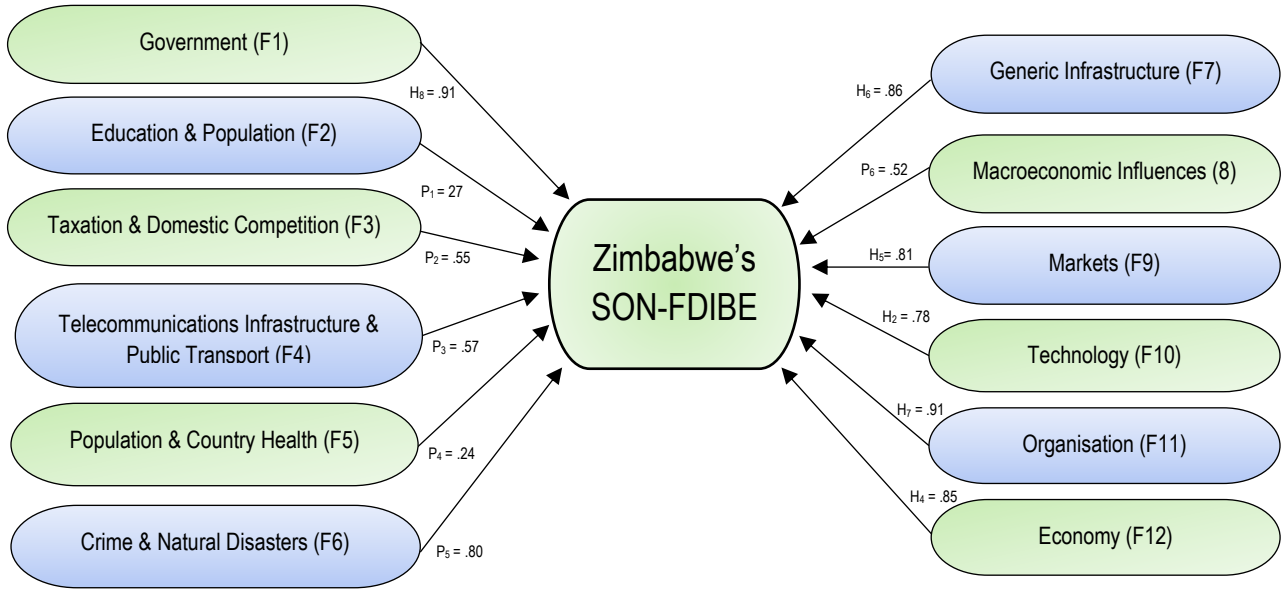
Nation FDI Brand Equity Factors & Items	Factor Loadings, Reliability Coefficients & Descriptive Statistics			
	Standardised Regression Weights (SRW) or β	Squared Multiple Correlations (SMC) or R^2	Cronbach's α coefficients	Means (μ) & Standard Deviations (SD)
3.8.3 Efficiency of government bureaucracy (paperwork, agencies licensing one business, etc.)	0.821	0.674		2.96 (1.868)
3.8.2 Competency of public institutions	0.822	0.676		3.11 (1.781)
3.8.1 Political stability and unity	0.714	0.510		3.57 (2.000)
3.8.4 Fairness of public institutions	0.756	0.572		3.12 (1.624)
3.6.13 E-government effectiveness (availability of government documents on Internet—statutes, reports, business forms, etc.)	0.548	0.300		3.54 (1.803)
Factor 12: Economy	**0.850**	**0.446^**	**0.887**	**3.61 (1.160)**
3.4.14 Significance of annual FDI inflows	0.714	0.510		3.63 (1.603)
3.4.10 Number of reputable brands	0.729	0.531		3.58 (1.636)
3.4.15 Prospects for increasing FDI inflows	0.641	0.411		3.94 (1.702)
3.4.9 Number of reputable industries (regardless of ownership)	0.706	0.493		3.50 (1.681)
3.4.13 Marketing of sectors open to FDI	0.675	0.455		3.81 (1.485)
3.4.12 Country attractiveness to international tourists	0.492	0.242		4.48 (1.621)
3.4.16 FDI incentives (e.g. tax holidays, special economic zones, etc.)	0.705	0.497		3.33 (1.694)
3.4.11 Export performance	0.742	0.551		3.29 (1.721)
3.4.2 Economic (GDP) growth rate	0.726	0.526		3.04 (1.543)
3.1.6 Quality of life (i.e. affordability of basics and wants of life)	0.495	0.245		3.47 (1.677)

Note: ^ = Factor SMCs (in bold) are average sums of SMCs of factor items

The researcher also tested the level of multicollinearity in the Zimbabwean structural model factor correlation estimates before drawing the path diagram or structural model (Figure 9.3). As evident in Appendix 6, of the 66 component pairs in the Zimbabwe SON-FDIBE factor solution 40 had correlation coefficients equal to greater than 0.300 while the remaining 26 pairs had correlation coefficents less than 0.300. This finding corroborated the Pearson's *r* in EFA/PCA that the data could be factorised. None of the correlations coefficients in the appendix was ≥ 0.900 that warrants treatment of multicollinearity (Green, Tull & Albaum, 1988; Farrar & Glauber, 1967; O'Brien, 2007; Yoo *et al*., 2014). As shown in Figure 9.3, path diagram, the standardised regression weights generated by SEM in linear order of importance are 0.91 (Factor 1), 0.91 (Factor 11), 0.86 (Factor 7), 0.80 (Factor 6), 0.85 (Factors 9 and 12), 0.78 (Factors 10), 0.57 (Factor 4), 0.52 (Factor 8), 0.27 (Factor 2), 0.24 (Factor 5) and 0.14 (Factor 6). According to the standardised regression weights, the most important components of SON-FDIBE in the Zimbabwean case are Factors 1, 11 and 12, and the least important are Factors 6 and 5. Standardised regression weights do not follow the linear order of importance dictated by eigenvalues. Since standardised regression weights define the magnitude of the

association between the construct(s) and the underlying variables (see Amin & Isa, 2008:203), they explain the relationship between the 12 factors (independent variables) and SON-FDIBE (the dependent variable) in the path diagram below.

Figure 9.3: Path diagram of Zimbabwe's SON-FDIBE showing standardised regression weights, accepted hypotheses and emerging propositions



Legend: H = Hypotheses; P = Propositions

On the basis of the factors extracted and validated in this study, hypothesis **H_2** (*There are eight determinants of SON-FDIBE in South Africa and Zimbabwe*) is partially accepted (see Tables 9.5 & 9.8; Figure 9.3 above). Without necessarily considering the nature of the factors extracted from the dataset (**H_3** to **H_{10}**), hypothesis **H_2** is partly accepted because the hypothesised factor model varies with the empirical model by four factors. If the researcher had formulated hypotheses concerning both the number and nature of factors expected in a study, comparison between the hypothesised factors and the factor solution provides a verification of the hypotheses (Tabachnick & Fidell, 2007:611). Hypotheses **H_3** through **H_{10}** are tested and the outcome is provided in Table 9.14 below. Six of the eight hypotheses explaining the relationships in the conceptual framework were confirmed one of them, **H_4**, outright and five, **H_6** to **H_{10}**, partially on the basis of standardised regression weights (see Table 9.13 and structural model, Figure 9.3 above). Hypothesis **H_4** was confirmed completely because its underlying empirical factor exactly matches the original theoretical dimension, technology, in terms of the eight constituent nation brand attributes. The only variation in the

technology component from its underlying theoretical construct is in terms of the arrangement of the attributes, which is not really important. The other five hypotheses are particially accepted because of variations in number of the attributes in the factors compared to the underlying theoretical constructs. However, hypotheses **H_3** and **H_5** are rejected totally by lack of supporting empirical factors hence Table 9.14 has no eigenvalues and SRWs for them . Standardised regression coefficients (β) show the strength of the correlation between an independent variable and dependent variable described on a standardised scale where higher absolute values denote stronger relationships (range is from –1 to 1) (Zikmund *et al*., 2010:566). SEM enables answering of research questions that concern multiple regression analysis of factors (Tabachnick & Fidell, 2007:676). CFA is usually employed in data analysis to assess the projected causal relationships between variables (Hurley *et al*., 1997:667).

Table 9.14: Test of conceptual framework's hypotheses H_3 to H_{10} (n=351)

Hypotheses	Supporting Factors & Eigenvalues	Standardised Regression Weights	Decision
H_3: Society is a determinant of SON-FDIBE in South Africa and Zimbabwe.	No factor	No factor	Reject
H_4: Technology is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F2 (1.70)	0.780	Accept
H_5: Ecology is a determinant of SON-FDIBE in South Africa and Zimbabwe.	No factor	No factor	Reject
H_6: Economy is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F12 (1.47)	0.850	Partially Accept
H_7: Markets is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F9 (1.71)	0.810	Partially Accept
H_8: Infrastructure is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F7 (1.91)	0.860	Partially Accept
H_9: Organisation is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F11 (1.54)	0.910	Partially Accept
H_{10}: Government is determinant of SON-FDIBE in South Africa and Zimbabwe.	F1 (28.93)	0.910	Partially Accept

Note: Eigenvalues drawn from Table 9.5

Table 9.14 above has also included eigenvalues to confirm hypotheses. This is in line with Tabachnick and Fidell's (2007:611, 644-646) argument that PCA can be used to test hypothesis in preliminary form. However, the presentation of eigenvalues in this study alongside standardised regression weights is fundamental given that hypothesis **H_2** was partially confirmed since 12 factors, instead of the hypothesised eight, were extracted and confirmed in the Zimbabwean case study as already presesented above. Eigenvalues imply variance explained by each factor (Malhotra & Dash, 2011; Tabachnick & Fidell, 2007). So, the Zimbabwean case study generated factors above the eight predicted in the hypothesised model,

which are also captured in Table 9.5 above (showing eigenvalues) and Table 9.13 and Figure 9.3 immediately above (both capturing standardised regression weights). Table 9.15 below shows the six propositions building on from the five factors and their eigenvalues and SRWs. The fact that the study also generated new propositions as it tested hypotheses supports the pragmatist philosophy (though heavily influenced by positivism) and abductionist approach (though tilted in favour deduction) adopted in this study (**see Chapter 7**).

Table 9.15: Propositions arising from Zimbabwe's SON-FDIBE model (n=351)

Propositions	Supporting Factors & Eigenvalues	Standardised Regression Weights
P_1: Education and population is a determinant of SON-FDIBE in Zimbabwe.	F2 (3.87)	0.270
P_2: Taxation and domestic competition is a determinant of SON-FDIBE in Zimbabwe.	F3 (3.12)	0.550
P_3: Telecommunications infrastructure and public transport is a determinant of SON-FDIBE in Zimbabwe.	F4 (2.86)	0.570
P_4: Population and country health is a determinant of SON-FDIBE in Zimbabwe.	F5 (2.24)	0.240
P_5: Crime and natural disasters is a determinant of SON-FDIBE in Zimbabwe.	F6 (2.22)	0.800
P_6: Macroeconomic influences is a determinant of SON-FDIBE in Zimbabwe.	F8 (1.86)	0.520

Note: Eigenvalues taken from Table 9.5

Interestingly, the eigenvalues of factors underlying the six propositions emerging from Zimbabwe's are greater than those of factors supporting the six hypotheses accepted in Table 9.14 above. Nonetheless, while the eigenvalues for factors supporting propositions **P_1** (Factor 2) and **P_4** (Factor 5) are the second and fifth biggest in the Zimbabwean SON-FDIBE factor solution, they have the lowest standardised regression coefficents (0.270 and 0.240 respectively) in respect of structural model, Figure 9.3, generated by by SEM. Thus compared to the rest of the components in the model, the two factors have the least association with the dependent variable.

9.6.2 Validation of conceptual framework as a measure of Zimbabwe's FDI brand equity: A goodness-of-fit indices' perspective

The fit of the Zimbabwean 12-factor SON-FDIBE model was empirically evaluated using four goodness-of-fit indices (GFIs), namely, the Chi-square statistic, Comparative Fit Index (CFI), Root Mean Square Error of Approximation (RMSEA), and Hoelter index. GFIs help to establish the validity of models although many other issues such as adequacy, interpretability of parameter estimates, and model complexity are also important (Marsh, Hu & Wen,

2004:323). CFA output from the Zimbabwean dataset show that the data fits the structural model reasonably well since the model, despite being exploratory, fit exceptionally well with three of the four chosen goodness of fit indices except for the CFI. The ratio of the Chi-square divided by its degrees of freedom (*df*) obtained for the SEM was 2.038, which is indicative of an excellent fit. An excellent ratio of the Chi-square divided by its degrees of freedom (*df*) must range between less than 2 (Tabachnick & Fidell, 2007:721) and less than 5 (Schreiber, 2008:90). The model produced an exceptionally well RMSEA of 0.054, with a 90 percent confidence interval [0.053; 0.056]. A RMSEA value below 0.08 is evidence of a better or acceptable fit (Fombrun, Newburry & Ponzi, 2015; Malhotra & Dash, 2011; Marsh, Hau & Wen, 2004; Wicksell, Olson & Melin, 2009) and a value ≤ 0.05 indicates good fit (Fombrun, Newburry & Ponzi, 2015; Wicksell, Olson & Melin, 2009). In addition, the 12 factors produced a Hoelter index of 179 at 0.05 level of significance and 181 at 0.01 level of significance, which shows that the model is good. Moolla (2010:203) suggests that Hoelter value between 69 at 0.05 level of significance and 77 at 0.01 level of significance is an acceptable measure of the goodness-of-fit for a model. However, other researchers suggest that, for Hoelter index, an adequate sample size is ≥ 200 and the acceptable sample is 75 to 200 (Eliuz, 2014; Shadfar & Malekmohammadi, 2013). The data produced a CFI of 0.775 for Zimbabwean SON-FDIBE model, which is below the acceptable level of fit. A CFI value ranging from ≥0.90 to ≥0.95 is indicative of a good fit (Wicksell, Olson & Melln, 2009:762).

As the underlying model was conceptual, the fact that the data was inconsistent with only one of the four selected goodness-of-fit indexes, CFI, should be a validity consolation rather than concern. Moreover, the study was exploratory and, as far as this researcher knows, groundbreaking in that it measured brand equity of FDI from a stakeholder perspective with a comprehensive set of theoretical variables, 91. Compared with other focus areas of nation branding like tourism, the FDI sub-brand is hardly studied (Dinnie, 2008; Szondi, 2007; van den Akker, 2011; Wilson, Baack & Baack, 2014) although FDI has many benefits for countries and substantial real-world activity. Therefore, further conceptual purification and empirical tests in future studies will improve the validity of the model. A valid measure is a reliable measure (Bhattacherjee, 2012; Blumberg, Cooper & Schindler, 2011; Collis & Hussey, 2014; Sekeran & Bougie, 2013; Zikmund *et al*., 2010) although reliability is not necessarily a guarantee of validity (Malhotra & Dash, 2011:281; Zikmund *et al*., 2010:309). The researcher did not modify the model in line with the indices presented above because he did not gather

new data for the modification and re-extraction. CFA expert respondents agree that modification indices should not be used to respecify models and then re-run the analysis unless, at the minimum, a new sample is selected and new data is collected for the verification (Hurley *et al*., 1997:681). Moreover, model modification should not only be justified in statistical terms but also in theoretical terms.

9.7 CALCULATING STAKEHOLDER-ORIENTED NATION FDI BRAND EQUITY INDICES FOR ZIMBABWE

The sixth secondary objective of this study was "to calculate the SON-FDIBE indices of South Africa and Zimbabwe". Given the exploratory nature of this research, four index computation methodologies were explored that yielded four different indices for Zimbabwe presented below. The first two indices are unweighted or equal-weighted. They are unique in that the first is based on the eight constructs and all 105 items in the study's theoretical framework and the second on the 12-factor empirical model extracted from the Zimbabwean dataset. Like the second index described above, the remaining two indexes are based on the 12 empirical factors but are also unique. The first of these latter two indices is based on percentage of variance eigenvalues generated PCA and the second, or last, one on standardised regression weights generated by CFA. All four indices are presented for contrasting purposes in terms of their computation methodology and absolute scores or values.

While the four indexes were computed in mean scores, the composite score for each is also converted into a percentage as explained in Chapter 7, research methodology **(see Table 7.1)**. A number of existing reputable proprietary-owned default country branding indices are percentile scales e.g. Transparency International's Corruption Perception Index, Cornell University, Institut Européen d'Administration des Affaires and World Intellectual Property Organization's Global Innovation Index, World Bank's Doing Business, and Mo Ibrahim Foundation's Ibrahim Index of African Governance. Some present their item measures as mean scores and composite scores as percentages e.g. Anholt-GfK Roper's Nation Brand Index^{SM} and Brand Finance$^{®}$'s Nation Brand Impact^{TM} Framework. Hence this study's 7-point scale clusters, which also act as an interpretation key for the indices, are "Very Weak = 0 – 14.29 percent (mean score 1)", "Weak = 14.29 – 28.57 percent (mean score 2)", "Somewhat Weak = 28.57 – 42.86 percent (mean score 3)", "Neither Weak Nor Strong = 42.86 – 57.14

percent (mean score 4)", "Somewhat Strong = 57.14 – 71.42 percent (mean score 5)", "Strong = 71.42 – 85.71 percent (mean score 6)", and "Very Strong = 85.71 – 100.00 percent (mean score 7)". Many scientific areas should cope with the reality that studies yield continuous outcomes while practical decisions take a "yes" or "no" form (Hirschfeld & Thielsch, 2015:311). Consequently, the mean threshold for the index is ≥ 4 or ≥ 57.14 percent below which a country's stakeholder-oriented FDI brand equity is regarded as weak. In this study, the greater the index is above the cutoff point the stronger is the country's FDI brand attractiveness. The threshold point helps to decode the meaning of attribute, component, and composite scores hence is important for policy formulation and evaluation.

9.7.1 Zimbabwe's equal weighted mean SON-FDIBE index based on study's eight conceptual dimensions

As indicated in Table 9.16 below, the equal weighted SON-FDIBE index of Zimbabwe, based on mean scores of the eight constructs of the study's conceptual framework, is 3.74 or 53.43 percent (i.e. 3.74÷7×100). This indicates that Zimbabwe has neither weak nor strong stakeholder-oriented FDI brand equity. In simple words, this is a weak country FDI brand competitiveness position as it is below the study's threshold mean score of ≥4 or ≥57.14 percent. This index comprises eight sub-indices—i.e. each theoretical dimension is a sub-index. Besides being equal weighted, another major weakness of this index is that it is crude. Its underlying model is not validated and its realibility, except based on literature, unknown.

Table 9.16: Zimbabwe's equal weighted mean SON-FDIBE index based on study's eight conceptual dimensions

Constructs	Construct Mean
Society	4.32
Technology	3.61
Ecology	4.60
Economy	3.52
Markets	3.76
Infrastructure	3.48
Organisation	3.27
Government	3.35
Overall Mean	**3.74**

9.7.2 Zimbabwe's equal weighted mean SON-FDIBE Index based on country's 12-factor empirical model

The equal weighted mean SON-FDIBE index for Zimbabwe based on its 12-factor empirical model is 3.82 or 54.57 percent (3.82÷7x100) (Table 9.17). This index suggests that the country has neither strong nor weak FDI brand equity, which is overall weak as it is below the study's cutoff point. The index has 12 sub-indices—each empirical factor is sub-index and so are all remaining two indices reported below. Its strength is that it is validated by PCA and Cronbach's alpha but, like the first index, is weak in that it is equal weighted.

Table 9.17: Zimbabwe's equal weighted mean SON-FDIBE index based on country's 12-factor empirical model

Factors	Mean
Factor 1 (Government)	3.40
Factor 2 (Education and Population)	4.98
Factor 3 (Taxation and Domestic Competition)	3.91
Factor 4 (Telecommunications Infrastructure and Public Transport)	4.53
Factor 5 (Population and Country Health)	4.24
Factor 6 (Crime and Natural Disasters)	4.16
Factor 7 (Generic Infrastructure)	3.00
Factor 8 (Macroeconomic Influences)	3.80
Factor 9 (Markets)	3.39
Factor 10 (Technology)	3.60
Factor 11 (Organisation)	3.26
Factor 12 (Economy)	3.61
Total	
Composite Mean	**3.82**

9.7.3 Zimbabwe's weighted mean SON-FDIBE Index based on eigenvalues' percentages of variance standardised weights of country's 12-factor empirical model

The country's mean SON-FDIBE index based on the eigenvalue standardised weights of percentage variances of its 12-factor solution is 3.68 or 52.57 percent (i.e. 3.68÷7×100) (Table 9.18). This is neither a weak nor strong position hence is overall a weak position as the mean score is below the threshold point. There are also 12 sub-indices in this index, each deriving from an underlying factor of the empirical model. Its strength is that it is validated by PCA and Cronbach's alpha, and is weighted, hence sub-indices are standardised.

Table 9.18: Zimbabwe's weighted mean SON-FDIBE index based on eigenvalues' percentages of variance of its 12-factor empirical model

Factors	Factor μ	Eigenvalue Percentages of Variance	Standardised Weights	Weighted Mean
Factor 1 (Government)	3.40	31.79	54.14%	1.84
Factor 2 (Education and Population)	4.98	4.25	7.24%	0.36
Factor 3 (Taxation and Domestic Competition)	3.91	3.43	5.84%	0.23
Factor 4 (Telecommunications Infrastructure and Public Transport)	4.53	3.15	5.36%	0.24
Factor 5 (Population and Country Health)	4.24	2.46	4.20%	0.18
Factor 6 (Crime and Natural Disasters)	4.16	2.43	4.14%	0.17
Factor 7 (Generic Infrastructure)	3.00	2.10	3.58%	0.11
Factor 8 (Macroeconomic Influences)	3.80	2.05	3.49%	0.13
Factor 9 (Markets)	3.39	1.88	3.20%	0.11
Factor 10 (Technology)	3.60	1.87	3.18%	0.11
Factor 11 (Organisation)	3.26	1.69	2.88%	0.09
Factor 12 (Economy)	3.61	1.61	2.74%	0.10
Total		**58.71**	**100%**	
Composite Mean				**3.68**

A notable feature of this index is that its factor (sub-index) weighted means (last column of the table), just like the eigenvalue percentages of variance and standardised weights from which they are calculated, are arranged chronologically from the biggest (Factor 1) to the smallest (Factor 12). Only two out of the 12 sub-indexes, Factor 8 (Macroeconomic Influences) and Factor 12 (Economy), break this rule. Their weighted means are 0.2 and 0.1 above the factors coming immediately before them, i.e. Factor 7 (Generic Infrastructure) and Factor 11 (Organisation) respectively.

9.7.4 Zimbabwe's weighted mean SON-FDIBE Index based on standardised regression weights of its 12-factor empirical model

As indicated in Table 9.19 below, the weighted mean SON-FDIBE Index of Zimbabwe based on standardised regression weights of its 12-factor solution is 3.63 or 51.86 percent (3.63÷7×100). While this falls in neither strong nor weak category of the Likert scale, it is overall weak because it is below the threshold. This index comprises of 12 sub-indices, each underpinned by an underlying factor in the country's 12-factor solution.

Table 9.19: Zimbabwe's weighted SON-FDIBE index based on standardised regression weights of its 12-factor empirical models

Factors	Factor μ Scores	Standardised Regression Weights	Standardized Weights	Weighted Mean
Factor 1 (Government)	3.40	0.91	12.20%	0.41
Factor 2 (Education and Population)	4.98	0.27	3.64%	0.18
Factor 3 (Taxation and Domestic Competition)	3.91	0.55	7.37%	0.29
Factor 4 (Telecommunications Infrastructure and Public Transport)	4.53	0.57	7.67%	0.35
Factor 5 (Population and Country Health)	4.24	0.24	3.21%	0.14
Factor 6 (Crime and Natural Disasters)	4.16	0.14	1.82%	0.08
Factor 7 (Generic Infrastructure)	3.00	0.86	11.55%	0.35
Factor 8 (Macroeconomic Influences)	3.80	0.52	6.98%	0.27
Factor 9 (Markets)	3.39	0.85	11.41%	0.39
Factor 10 (Technology)	3.60	0.78	10.49%	0.38
Factor 11 (Organisation)	3.26	0.91	12.20%	0.40
Factor 12 (Economy)	3.61	0.85	11.46%	0.41
Total		**7.44**	**100%**	
Composite Mean				**3.63**

This index is unique in that its standardised regression weights do not follow the linear or chronological pattern of the factors, and so do the standardised weights and weighted mean scores. As a result, the most important factor in the empirical model, Factor 1 (Government), does not have an overbearing impact on other factors. This is because, as shown in the table above, its standardised weight is moderated or evened out with those of other seemingly less important factors, such as Factor 11 (Technology) and Factor 12 (Economy), if the eigenvalue percentage variance criterion is applied. The weighted means of these three factors are all in the 0.40 to 0.41 range, which shows that the components have more or less equal significance. The strength of this index is that it is PCA and CFA validated.

9.8 CHAPTER SUMMARY

This chapter has presented the findings on the stakeholder-oriented nation FDI brand equity, SON-FDIBE, of Zimbabwe. It opened by summarising how data were collected and then explained the response rate and the demographic characteristics of the study's respondents. Subsequently, the chapter presented the key findings under themes informed by the first four of the study's five empirical secondary objectives. This chapter has made fundamental methodological and managerial contributions to the science and practice of nation brand management by validating the SON-FDIBE conceptual framework and demonstrating its value to nation management focusing on Zimbabwe as a case. The noteworthy methodological

contribution of the study relates to its application of SEM and effect sizes, two statistical techniques that are so far barely used in destination branding in general and FDI destination branding in particular. The next chapter, the last in a series of three findings chapters, presents findings on the comparison of stakeholder-oriented nation FDI brand reputations of South Africa's and Zimbabwe, the last empirical secondary objective of the study.

CHAPTER 10

COMPARISON OF SOUTH AFRICA'S AND ZIMBABWE'S STAKEHOLDER-ORIENTED NATION FOREIGN DIRECT INVESTMENT BRAND EQUITIES

10. COMPARISON OF SOUTH AFRICA'S AND ZIMBABWE'S STAKEHOLDER-ORIENTED NATION FOREIGN DIRECT INVESTMENT BRAND EQUITIES

10.1 INTRODUCTION

This chapter, the last in a series of three chapters on findings, contrasts South Africa's and Zimbabwe's stakeholder-oriented nation foreign direct investment (FDI) brand equities (SON-FDIBE). Consequently, the chapter fulfils the study's last empirical objective: "to contrast the stakeholder-oriented nation FDI brand reputations of South Africa and Zimbabwe". Findings on SON-FDIBE at country level were tabulated in Chapters 8 and 9. The motive for adopting a multiple case study research strategy is to establish if the findings can be replicated across cases (Blumberg, Cooper & Schindler, 2011; Saunders, Lewis & Thornhill, 2012). Following Yin (2009) cited in Collis & Hussey (2014:69) the researcher predicted that the two cases would yield similar results (literal replication) and contrasting results (theoretical replication). He forecasted literal replication because the case study countries belong to one continental sub-region, Southern Africa; both occupy unsustainable FDI brand positions, and both have considerable natural resource endowments (**see Chapters 2 & 3**). The researcher also predicted that the cases would differ empirically because they are unique political, economic, technological, and social systems (**Chapters 2 & 3**).

The chapter is an important cross-national validation and replication tool for the study's measurement scale and its underlying conceptual framework. Comparison of the case countries is done under themes drawn from the study's four empirical secondary objectives before the comparison one. Findings fulfilling those four objectives were presented in the previous two chapters. While South Africa and Zimbabwe are unique FDI brands, this comparative analysis draws worthwhile lessons from, and for, each nation brand. The chapter initially describes how data was collected, the response rates obtained and compares the respondents on demographic characteristics before contrasting the two nations on the first four empirical objectives of the study. By cross-nationally validating the conceptual framework, this chapter makes significant

methodological and policy contributions to the study and practice of country brand management in general and FDI destination strategic brand management in particular.

10.2 DATA COLLECTION, RESPONSE RATE, AND DEMOGRAPHIC CHARACTERISATION OF RESPONDENTS: SOUTH AFRICA AND ZIMBABWE

10.2.1 Data collection and response rate

Data to attain the study's empirical objectives were gathered with a questionnaire with two sections **(Appendix 1)** distributed to respondents accompanied by an introductory letter explaining the purpose of the study and respondent's rights **(Appendix 2)**. Section 1 of the questionnaire had 15 closed-end questions focusing on the demographic characteristics of respondents and Section 2 comprised 105 questions based on the study's conceptual framework. Section 2 sought to measure SON-FDIBE on a 7-point Likert scale ranging from 1 = Very Weak to 7 = Very Strong as described in the research methodology, Chapter 7. Hard copies of the questionnaire were distributed to a convenience sample of the study's population in the two case study countries, South Africa and Zimbabwe. All questionnaires distributed were accompanied by a letter explaining the goals and benefits of the study, and the rights of respondents. The target respondents were divided into two broad stakeholder groups each with some subgroups as already described in the country findings' chapters above (8 and 9).

At the end of the data gathering period, at least 1 020 questionnaires (excluding soft copies emailed to some stakeholder-respondent organisations) had been distributed in the two countries from which 560 useable ones were returned giving a combined response rate of 54.9 percent distributed per country as shown in Table 10.1 below. The response rate overall and per country was good as it exceeded more than half the number of questionnaires distributed overall and in each country. South Africa had a population of 53 million and, as at December 2015, the country had a Gross Domestic Product (GDP) of US$314.6 billion (World Bank, 2017), which are 3.76 and 21.85 times bigger than those of Zimbabwe respectively. So the study's sample and response rates should have been, ideally, tilted in favour of South Africa. However, this did not happen partly because the researcher encountered more pronounced challenges in gathering data from clusters outside the university sector in that country than he did in Zimbabwe. Of course, data collection in the non-university cluster in the two countries,

in general, proved more challenging than it was within universities. In the executive opinion survey of its World Competitiveness Scoreboard/Yearbook (WCS/Y), the Institute of Management Development (IMD), an independent Swiss higher education institution, selects a sample size that is proportional to the GDP of each economy in order to be statistically representative (see IMD, 2014:482).

Table 10.1: Survey response rate – Aggregate, South Africa and Zimbabwe

Aggregate			South Africa			Zimbabwe		
Distributed	Returned		Distributed	Returned		Distributed	Returned	
	Freq.	%		Freq.	%		Freq.	%
1 020	560	54.9	415	209	50.4	605	351	58.02

Any questionnaire with at least ten questions on the conceptual framework uncompleted was deemed spoilt thus excluded from the response rate and data analysis. South Africa recorded one such spoilt questionnaire and Zimbabwe 37 questionnaires, giving an aggregate of 38 spoilt questionnaires for the two countries. As evident from the demographic profile section below (Table 10.2), Zimbabwe might have registered a higher number of partially-completed questionnaires than South Africa because its sample was dominated by full-time students doing honours degrees some of whom might have not fully appreciated the benefits of the study. South Africa's sample was dominated by postgraduate students and participants of senior management development programme at the selected university. Many of these mature students held managerial positions in industry and commerce.

10.2.2 Demographic characterisation of respondents in South Africa and Zimbabwe

Respondents in South Africa and Zimbabwe were distributed as shown in Table 10.2. Although males dominated both samples, the domination is more pronounced in the former than latter country, i.e. 62.3 percent vis-à-vis 53.3 percent. If the sample were representative of universities and workplaces in South Africa, then the country would need to do more than Zimbabwe to enhance opportunities for women to study in universities and take up managerial positions. Although South Africa (ZA) beats Zimbabwe (ZW) by a huge margin in the Ibrahim Index of African Governance (IIAG) overall **(see Table 3.32, Chapter 3**), the former's performance is subdued by the latter's in the gender sub-category of the participation and human rights category of the IIAG (i.e. ZA = 67.8%, ZW = 72.4%) (Mo Ibrahim Foundation, 2016:45). Gender is an important facet of country performance (see IMD, 2016; Mo Ibrahim

Foundation, 2016; Social Progress Imperative, 2016a; United Nations Development Programme, 2016; World Economic Forum, 2016). Nonetheless, the opposite is true regarding age particularly for respondents in the 18-30 age bracket; the dominance is overwhelming in the Zimbabwean sample (78.3 percent) compared to 51.7 percent in South Africa (Table 10.2). Therefore, the South African findings may be more credible because the sample had more mature people than the Zimbabwean sample.

Table 10.2: Demographics of respondents in the South African and Zimbabwean samples

Demographic variable(s)	South Africa (n=209)		Zimbabwe (n=351)		Differences	
	Freq.	%	Freq.	%	Freq.	%
1.1 Gender						
Male	129	62.3	186	53.3	-57	9
Female	78	37.7	163	46.7	-85	-9
1.2 Age						
18–30 years	107	51.7	274	78.3	-167	-26.6
31–40 years	51	24.6	52	14.9	-1	9.7
41–50 years	37	17.9	17	4.9	20	13
51–60 years	11	5.3	3	0.9	8	4.4
61 years +	1	0.5	4	1.1	-3	-0.6
1.3 Nationality						
South African	198	96.1	8	2.3	190	93.8
Zimbabwean	2	1	342	97.4	-340	-96.4
Other	6	2.9	1	0.3	5	2.6
1.4 Employment status					0	0
Full-time student	65	35.3	208	60.3	-143	-25
Part-time student	8	4.3	45	13	-37	-8.7
Self-employed	7	3.8	13	3.8	-6	0
Employed	100	54.3	76	22	24	32.3
Business person	4	2.2	3	0.9	1	1.3
1.5 If student, qualification being studied						
Bachelor's degree	11	6	46	14.3	-35	-8.3
Honour's degree	64	35	196	61.1	-132	-26.1
Master's degree	71	38.8	69	21.5	2	17.3
Doctoral degree			2	0.6	-2	-0.6
Other	37	20.2	8	2.5	29	17.7
1.6 If a student, location of university						
South Africa	170	95	9	3	161	92
Zimbabwe			265	89.2	-265	-89.2
Other	9	5	23	7.7	-14	-2.7
1.7 Highest qualification held						
Professional Certificate	6	6.3	2	3.5	4	2.8
Diploma	13	13.5	7	12.3	6	1.2
Bachelor's degree	34	35.4	9	15.8	25	19.6
Honour's degree	23	24	20	35.1	3	-11.1
Master's degree	13	13.5	18	31.1	-5	-17.6
Doctoral degree	1	1			1	1

Demographic variable(s)	South Africa (n=209)		Zimbabwe (n=351)		Differences	
	Freq.	%	Freq.	%	Freq.	%
Other	6	6.3	1	1.8	5	4.5
1.8 If employed, generic sector of employment						
Public sector	50	35.2	76	56.3	-26	-21.1
Private sector	92	64.8	59	43.7	33	21.1
1.9 If employed in public sector, nature of public sector						
Investment promotion	14	23	5	6.1	9	16.9
Export promotion	1	1.6	2	2.4	-1	-0.8
Tourism promotion	3	4.9	34	41.5	-31	-36.6
Government ministry	5	8.2	6	7.3	-1	0.9
Local government	2	3.3	2	2.4	0	0.9
Parastatal	8	13.1	18	22	-10	-8.9
Education and training	17	27.9	12	14.6	5	13.3
Other	11	18	3	3.7	8	14.3
1.10 If employed in private sector, nature of private sector						
Manufacturing	18	17.6	11	13.6	7	4
Mining	24	23.5	4	4.9	20	18.6
Construction	6	5.9	3	3.7	3	2.2
Electricity/Gas/Water	4	3.9	1	1.2	3	2.7
Education and training	4	3.9	3	3.7	1	0.2
Catering & Accommodation	2	2	6	7.4	-4	-5.4
Wholesale & Retail	5	4.9	4	4.9	1	0
Finance/Insurance/Real Estate	12	11.8	11	13.6	1	-1.8
Community/Social/Personal Services			3	3.7	-3	-3.7
Agriculture/Hunting/Fishing/Forestry	14	13.7	9	11.1	5	2.6
Transport/Storage/Communication	1	1	4	4.9	-3	-3.9
Trade/Business Association	3	2.9	4	4.9	-1	-2
Other	9	8.8	18	22.2	-9	-13.4
1.11 If employed, job position					0	0
Operative/staff	21	14.8	40	31.7	-19	-16.9
Lower Management	26	18.3	32	25.4	-6	-7.1
Middle Management	62	43.7	29	23	33	20.7
Senior Management (Executive)	25	17.6	18	14.3	7	3.3
Senior Management (Board Member)	8	5.6	7	5.6	1	0
1.12 If employed, number of years worked						
Up to 5 years	38	26	57	43.5	-19	-17.5
6-10 years	42	28.8	41	31.3	1	-2.5
11-15 years	25	17.1	17	13	8	4.1
16-20 years	17	11.6	7	5.3	10	6.3
21-25 years	10	6.8	4	3.1	6	3.7
26 years +	14	9.6	5	3.8	9	5.8
1.13 Firm international or foreign-owned						
Yes	48	34	30	21.9	18	12.1
No	93	66	107	78.1	-14	-12.1
1.14 has Been to another African country						
Yes	116	59.8	218	74.4	-102	-14.6

Demographic variable(s)	South Africa (n=209)		Zimbabwe (n=351)		Differences	
	Freq.	%	Freq.	%	Freq.	%
No	78	40.2	75	25.6	3	14.6
1.15 Been overseas						
Yes	106	54.4	84	30.1	22	24.3
No	89	45.6	195	69.9	-106	-24.3

Legend: Freq. = Frequency. **Note:** Some variable frequencies do not add up to the respective total country samples due to missing values and/or filter questions.

As evident in the above table, the South African sample also dominated the Zimbabwean sample regarding percentage of respondents who work in the private sector, are in middle and executive management positions, are more experienced, i.e. ≥ six years, employed in international firms, and have travelled overseas. On the contrary, the Zimbabwean sample subdued its South African counterpart in respect of percentage of respondents working in the public sector and in non-managerial and supervisory management levels, respondents with ≤ five years work experience, respondents working in domestic-owned firms, and respondents who have travelled within Africa. These demographic categories assisted in measuring group differences in perceptions of SON-FDIBE.

10.3 COMPARISON OF STAKEHOLDER PERCEPTIONS ON SOUTH AFRICA'S AND ZIMBABWE'S FDI BRAND COMPETITIVENESS: INSIGHT FROM DESCRIPTIVE STATISTICS

The first empirical secondary objective of this study was "to measure South Africa's and Zimbabwe's FDI brand competitiveness using the conceptual framework". This goal was fulfilled by the attitudinal data collected from the two countries with a 7-point Likert scale ranging from *1* representing *Very Weak* to *7* representing *Very Strong*. Consequently, the threshold mean score for the study was ≥ 4 below which a country's rating denotes weak FDI brand competitiveness or SON-FDIBE. Table 10.3 below presents the findings on this objective using mean (μ) scores and standard deviations (SD). South Africa was used as the benchmark for calculating item mean score and standard deviation differences. Thus where Zimbabwe had a higher mean score, the difference is negative, showing that the latter is performing better than the former. But where the standard deviation difference is negative, South Africa has a lower standard deviation value than Zimbabwe. This denotes that the perceptions of respondents in South Africa were narrowly distributed on the measurement scale

compared to those of their Zimbabwean counterparts and the vice versa is true for Zimbabwe, i.e. where the standard deviation is positive.

Table 10.3: Comparative analysis of stakeholder perceptions on South Africa's and Zimbabwe's FDI brand equities by theoretical dimension and item

Dimension Variables	South Africa (n=209)		Zimbabwe (n=351)		Differences	
	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
3.1 Society	**4.04**	**1.695**	**4.32**	**1.739**	-0.28	-0.044
3.1.1 Population size	4.73	1.281	4.94	1.531	-0.21	-0.250
3.1.2 Quality of primary and secondary education	3.88	1.596	5.77	1.307	-1.89	0.289
3.1.3 Quality of higher education and training	4.86	1.355	5.72	1.360	-0.86	-0.005
3.1.4 Attractiveness to foreign students	4.56	1.438	4.52	1.544	0.04	-0.106
3.1.5 Foreign language skills (e.g. Chinese, French, Portuguese, etc.)	3.38	1.435	3.95	1.581	-0.57	-0.146
3.1.6 Quality of life (i.e. affordability of "basics" and "wants" of life)	4.38	1.462	3.47	1.677	0.91	-0.215
3.1.7 Prevalence of poverty	3.98	1.695	3.97	1.916	0.01	-0.221
3.1.8 Public healthcare (i.e. availability of practitioners, equipment and drugs)	3.54	1.769	3.60	1.717	-0.06	0.052
3.1.9 Prevalence of HIV and AIDS	3.78	1.769	4.23	1.505	-0.45	0.264
3.1.10 Risk of Tuberculosis, Cholera and Malaria	3.86	1.625	4.01	1.637	-0.15	-0.012
3.1.11 Frequency of violent crime	4.08	2.131	4.12	1.909	-0.04	0.222
3.1.12 Level of personal security	3.85	1.73	4.92	1.684	-1.07	0.046
3.1.13 Risk of xenophobic or political violence	4.16	1.799	3.80	2.386	0.36	-0.587
3.1.14 Level of corruption	4.46	2.327	4.77	2.341	-0.31	-0.014
3.1.15 Control of corruption (i.e. prosecutions, sentences, etc.)	3.12	2.012	2.96	1.987	0.16	0.025
3.2 Technology	**4.53**	**1.407**	**3.61**	**1.691**	0.92	-0.284
3.2.1 Quality of technologies available in local firms	4.90	1.271	3.64	1.668	1.26	-0.397
3.2.2 Quality of information technology in government institutions	4.32	1.453	3.16	1.607	1.16	-0.154
3.2.3 Company investments in research and development (R&D)	4.64	1.295	3.39	1.615	1.25	-0.320
3.2.4 Capacity to create successful new products/services & systems	4.74	1.316	3.70	1.699	1.04	-0.383
3.2.5 Government funding for R&D (including universities)	4.09	1.545	3.01	1.737	1.08	-0.192
3.2.6 Availability of quality R&D institutions (universities included)	4.51	1.44	3.64	1.826	0.87	-0.386
3.2.7 Availability of scientists and engineers	4.46	1.506	4.33	1.673	0.13	-0.167
3.2.8 Intensity of university-industry collaboration in R&D	4.58	1.43	3.97	1.705	0.61	-0.275
3.3 Ecology	**4.75**	**1.421**	**4.6**	**1.699**	0.15	-0.278
3.3.1 Favourability of climate and weather	5.32	1.362	5.59	1.549	-0.27	-0.187
3.3.2 Natural resource endowment (e.g. soils, minerals and metals)	5.40	1.207	5.55	1.523	-0.15	-0.316
3.3.3 Risk of natural disasters (e.g. droughts, floods, etc.)	4.37	1.63	3.78	1.995	0.59	-0.365
3.3.4 Disaster preparedness	3.89	1.485	3.46	1.730	0.43	-0.245
3.4 Economy	**4.09**	**1.505**	**3.52**	**1.730**	0.57	-0.225
3.4.1 Economic size or Gross Domestic Product (GDP)	4.17	1.443	3.19	1.560	0.98	-0.117
3.4.2 Economic (GDP) growth rate	3.68	1.553	3.04	1.543	0.64	0.010
3.4.3 Income distribution or GDP per capita	3.60	1.572	2.89	1.620	0.71	-0.048
3.4.4 Country indebtedness	3.64	1.723	3.50	2.309	0.14	-0.586
3.4.5 Country creditworthiness	3.41	1.579	2.69	1.860	0.72	-0.281

Dimension Variables	South Africa (n=209)		Zimbabwe (n=351)		Differences	
	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
3.4.6 Inflation rate	3.68	1.647	3.79	2.016	-0.11	-0.369
3.4.7 Interest rates	3.82	1.639	3.69	1.837	0.13	-0.198
3.4.8 Exchange rate	3.54	1.762	3.92	1.791	-0.38	-0.029
3.4.9 Number of reputable industries (regardless of ownership)	4.59	1.327	3.50	1.681	1.09	-0.354
3.4.10 Number of reputable brands (i.e. owned by or "made in" country)	4.56	1.331	3.58	1.636	0.98	-0.305
3.4.11 Export performance	4.46	1.423	3.29	1.721	1.17	-0.298
3.4.12 Country attractiveness to international tourists	5.11	1.381	4.48	1.621	0.63	-0.240
3.4.13 Marketing of sectors open to foreign direct investment (FDI)	4.47	1.406	3.81	1.485	0.66	-0.079
3.4.14 Significance of annual FDI inflows	4.34	1.423	3.63	1.603	0.71	-0.180
3.4.15 Prospects for increasing FDI inflows	4.30	1.396	3.94	1.702	0.36	-0.306
3.4.16 FDI incentives (e.g. tax holidays, special economic zones, etc.)	4.01	1.476	3.33	1.694	0.68	-0.218
3.5 Markets	**4.27**	**1.474**	**3.76**	**1.763**	0.51	-0.289
3.5.1 Intensity of domestic (or national) competition	4.37	1.140	3.97	1.693	0.40	-0.553
3.5.2 Tax rates (corporate tax, customs duties and individual tax)	4.20	1.542	4.00	1.910	0.20	-0.368
3.5.3 Effect of taxation on incentive to invest	3.99	1.545	4.02	1.842	-0.03	-0.297
3.5.4 Effect of taxation on incentive to work	3.98	1.458	3.89	1.699	0.09	-0.241
3.5.5 Prevalence of foreign ownership	4.13	1.407	3.63	1.571	0.50	-0.164
3.5.6 Nearness to markets	4.37	1.320	4.36	1.661	0.01	-0.341
3.5.7 Availability of financial services	4.86	1.343	3.99	1.798	0.87	-0.455
3.5.8 Abundance of low-cost unskilled workforce	4.61	1.589	4.96	1.778	-0.35	-0.189
3.5.9 Work ethic of workforce (i.e. motivation to work)	3.76	1.594	4.10	1.914	-0.34	-0.320
3.5.10 Capacity utilisation of local firms	4.07	1.274	3.34	1.820	0.73	-0.546
3.5.11 Cost of financial services	4.42	1.356	3.90	1.911	0.52	-0.555
3.5.12 Ease of access to loans	4.35	1.395	3.21	1.802	1.14	-0.407
3.5.13 Effectiveness of financial sector supervision	4.43	1.451	3.63	1.713	0.80	-0.262
3.5.14 Soundness of banks	5.03	1.444	3.63	1.731	1.40	-0.287
3.5.15 Capability to retain qualified citizens	3.95	1.645	3.25	1.732	0.70	-0.087
3.5.16 Capability to attract qualified foreign citizens	3.92	1.676	3.24	1.811	0.68	-0.135
3.5.17 Strength of trade unions	4.34	1.81	3.24	1.681	1.10	0.129
3.5.18 State of industrial relations	4.06	1.534	3.32	1.668	0.74	-0.134
3.6 Infrastructure	**4.34**	**1.591**	**3.48**	**1.781**	0.86	-0.190
3.6.1 Quality of roads	3.73	1.836	2.73	1.797	1.00	0.039
3.6.2 Quality of railroads	3.73	1.779	2.48	1.713	1.25	0.066
3.6.3 Quality ports (South Africa) Nearness to (Zimbabwe)	4.47	1.608	2.79	1.677	1.68	-0.069
3.6.4 Ease of access to real estate	4.56	1.416	3.28	1.680	1.28	-0.264
3.6.5 Water, sanitation & waste management	3.88	1.682	2.90	1.797	0.98	-0.115
3.6.6 Quality of electricity supply (frequency of load shedding)	3.48	1.848	2.37	1.908	1.11	-0.060
3.6.7 Domestic and international airline departures per day	4.87	1.488	3.27	1.743	1.60	-0.255
3.6.8 Number and capacity of airports	4.79	1.416	3.34	1.813	1.45	-0.397
3.6.9 Availability of fixed-line telephones	4.58	1.478	3.91	1.875	0.67	-0.397
3.6.10 Accessibility of mobile phones	5.51	1.374	5.48	1.703	0.03	-0.329
3.6.11 Availability of Internet services	5.07	1.451	4.90	1.712	0.17	-0.261
3.6.12 Affordability of Internet including Broadband services	4.36	1.664	4.22	1.859	0.14	-0.195
3.6.13 E-government effectiveness	4.14	1.604	3.54	1.803	0.60	-0.199
3.6.14 Efficiency of public transport system	3.55	1.633	3.54	1.852	0.01	-0.219
3.7 Organisation	**3.58**	**1.597**	**3.27**	**1.764**	0.31	-0.167
3.7.1 Clear shared national vision	3.57	1.562	3.39	1.790	0.18	-0.228
3.7.2 Clear shared national values	3.57	1.626	3.48	1.734	0.09	-0.108
3.7.3 Effectiveness of national development plan	3.59	1.639	3.19	1.726	0.40	-0.087

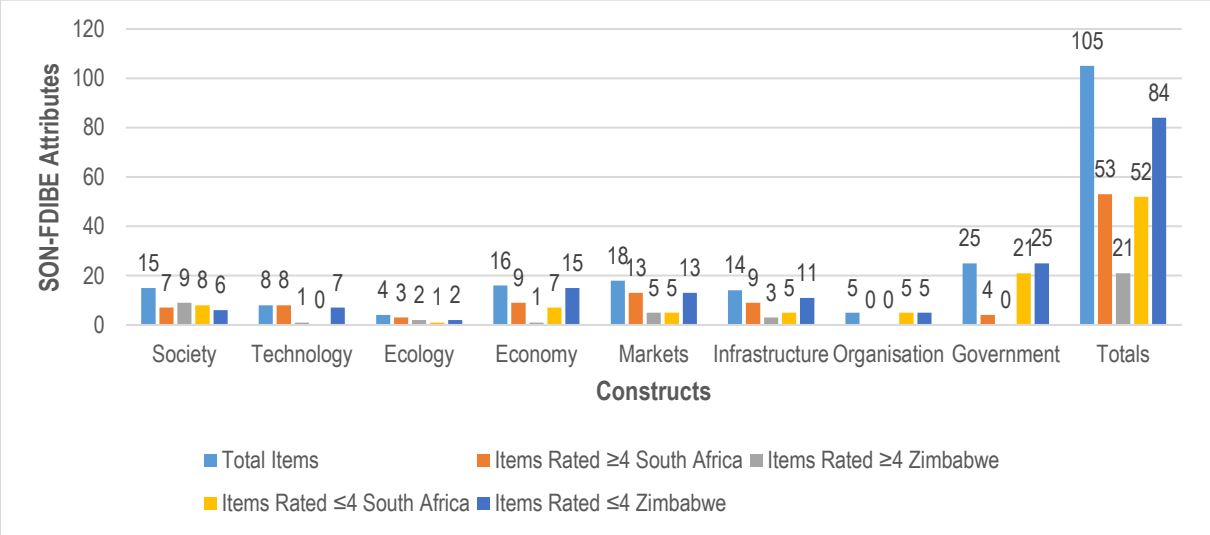
Dimension Variables	South Africa (n=209)		Zimbabwe (n=351)		Differences	
	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
3.7.4 Stakeholder participation in policymaking	3.71	1.579	3.19	1.788	0.52	-0.209
3.7.5 Stakeholder trust in country	3.45	1.579	3.09	1.784	0.36	-0.205
3.8 Government	**3.66**	**1.68**	**3.35**	**1.760**	0.31	-0.080
3.8.1 Political stability and unity	3.08	1.838	3.57	2.000	-0.49	-0.162
3.8.2 Competency of public institutions	3.08	1.830	3.11	1.781	-0.03	0.049
3.8.3 Efficiency of government bureaucracy	3.11	1.789	2.96	1.868	0.15	-0.079
3.8.4 Fairness of public institutions	3.32	1.659	3.12	1.624	0.20	0.035
3.8.5 Transparency of government policymaking	3.36	1.736	3.02	1.733	0.34	0.003
3.8.6 Stability of legal system (i.e. public confidence in the system)	3.89	1.704	3.25	1.745	0.64	-0.041
3.8.7 Efficiency of legal system in challenging regulations	3.96	1.74	3.33	1.654	0.63	0.086
3.8.8 Resolving insolvency and retrenchment	3.57	1.634	3.01	1.711	0.56	-0.077
3.8.9 Extent to which FDI policy allows foreign ownership	3.94	1.453	3.26	1.684	0.68	-0.231
3.8.10 Quality of environmental regulation	3.98	1.538	3.79	1.579	0.19	-0.041
3.8.11 Enforcing environmental regulation	3.86	1.552	3.82	1.578	0.04	-0.026
3.8.12 Foreign currency regulations	4.11	1.469	3.89	1.572	0.22	-0.103
3.8.13 Tax regulations	4.20	1.636	3.95	1.656	0.25	-0.020
3.8.14 Reliability of police services	3.28	1.767	3.44	1.826	-0.16	-0.059
3.8.15 Enforcing property rights	3.95	1.634	3.59	1.831	0.36	-0.197
3.8.16 Enforcing citizens' rights	3.96	1.646	3.54	1.887	0.42	-0.241
3.8.17 Carefulness of government spending	2.90	1.933	2.79	1.730	0.11	0.203
3.8.18 Protection of intellectual property rights	4.06	1.700	3.23	1.875	0.83	-0.175
3.8.19 Enforcing competition laws	4.09	1.642	3.34	1.642	0.75	0.000
3.8.20 Flexibility of labour laws	3.62	1.631	3.29	1.709	0.33	-0.078
3.8.21 Policy clarity on ownership of agricultural real estate (land)	3.64	1.609	3.30	1.795	0.34	-0.186
3.8.22 Readiness to adapt national character to fit global economy	3.53	1.601	3.20	1.801	0.33	-0.200
3.8.23 Policy consistency	3.54	1.681	2.99	1.791	0.55	-0.110
3.8.24 Rule of law	3.93	1.659	3.40	1.843	0.53	-0.184
3.8.25 Country risk (i.e. political, financial, expropriation, etc.)	3.68	1.912	3.44	2.083	0.24	-0.171

As shown in the table, South Africa recorded mean ratings above the cutoff point in 53 of the 105 scale items in the study's conceptual framework (colour-blocked green). This is just over half the number of items in the Likert scale. The country recorded mean scores below the threshold point in 52 of the remaining items (see Figure 10.1 below). In comparison, Zimbabwe registered mean scores ≥ 4 in only 21 out of the 105 variables in the scale (colour-blocked red in the table). The nation received mean ratings below the cutoff point for the remaining 84 attributes. Overall, this means that South Africa has stronger stakeholder-oriented FDI brand competitiveness than Zimbabwe.

Zimbabwe posted higher mean scores than South Africa in only 19 of the 105 variables (see those with negative mean differences in the last column of Table 10.3). The country also outperformed South Africa in only one of the eight dimensions in the conceptual framework

(Table 10.3; Figure 10.1). Hence Zimbabwe is the weaker of the two nation brands in respect of stakeholder-driven FDI brand attractiveness. Compared to South Africa, Zimbabwe also posted higher standard deviations in 91 of the 105 items (see attributes with negative standard deviation differences in the last column of Table 10.3). Therefore, ratings of respondents in Zimbabwe were widely dispersed on the measurement scale than was the case in South Africa.

Figure 10.1: Comparative analysis of South Africa's and Zimbabwe's stakeholder-oriented FDI brand equities by construct items with mean scores ≤ and ≥4



Item analysis of the countries by construct regarding the threshold also shows that South Africa has stronger FDI brand reputation than Zimbabwe (Figure 10.1 above). As evident in the figure, South Africa's mean scores were above those of Zimbabwe in six of the eight theoretical dimensions—technology, ecology, economy, markets, infrastructure, and government. Zimbabwe outpaced South Africa in the social construct only where nine out of 15 variables in the theoretical dimension is above the cutoff point vis-à-vis the latter's eight items. In attribute terms also, South Africa recorded mean ratings ≥ 4 in five of the constructs (i.e. technology, ecology, economy, markets, and infrastructure) whereas Zimbabwe did the same in respect of two dimensions only (i.e. society and ecology). South Africa registered its best mean ratings in the technology (8 out of 8) and markets (13 out 18) constructs whereas Zimbabwe only scratched half in each of the two dimensions it surpassed the threshold (as already reported). The countries recorded their worst performance (zero all are equal to or greater than 4) in five items of the organisation construct. Also, they all registered worst mean ratings in the government construct with South Africa posting only four out 25 items with mean scores ≥4 and Zimbabwe nil again.

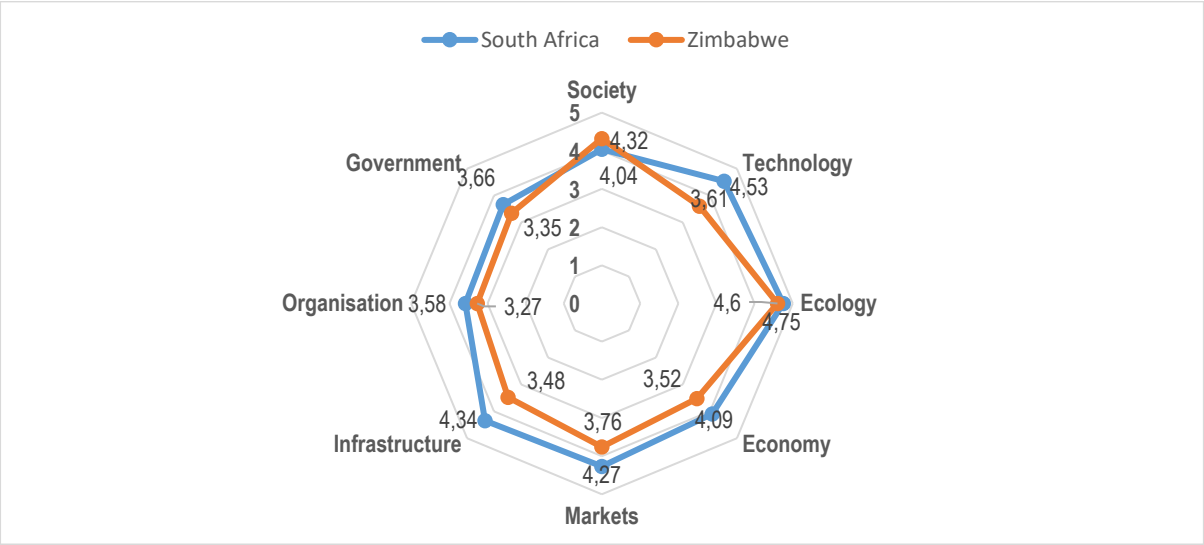
South Africa recorded mean scores ≥ 4 in six out of the eight constructs of the study's hypothesised model and got an overall mean rating of 4.16 (Table 10.4 below). In contrast, Zimbabwe registered mean ratings above the threshold in only two of the eight conceptual dimensions and recorded a composite mean of 3.74. Furthermore, Zimbabwe outperformed South Africa in only one conceptual dimension, i.e. society (mean difference = -0.28). Figure 10.2 is a more appealing visual comparison of the competitiveness differences between the two neighbouring countries. It is clear from both the table and figure that, overall, South Africa has stronger FDI brand equity than Zimbabwe, i.e. from the crude, not validated, SON-FDIBE model.

Table 10.4: Comparative analysis of construct mean scores and standard deviations of South Africa's and Zimbabwe's stakeholder-oriented FDI brand equities

Constructs	South Africa (n = 209)		Zimbabwe (n = 351)		Differences	
	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
Society	4.04	1.695	4.32	1.739	-0.28	-0.044
Technology	4.53	1.407	3.61	1.691	0.92	-0.284
Ecology	4.75	1.421	4.60	1.699	0.15	-0.278
Economy	4.09	1.505	3.52	1.730	0.57	-0.225
Markets	4.27	1.474	3.76	1.763	0.51	-0.289
Infrastructure	4.34	1.591	3.48	1.781	0.86	-0.190
Organisation	3.58	1.597	3.27	1.764	0.31	-0.167
Government	3.66	1.680	3.35	1.760	0.31	-0.080
Composite Means (Unweighted)	**4.16**	**1.546**	**3.74**	**1.741**	**0.42**	**-0.195**

As evident in Table 10.4, South Africa recorded lower mean standard deviations than Zimbabwe across all eight theoretical dimensions and the composite one (all standard deviations differences have a negative sign). This confirms that the item means ratings of South Africa in each construct were narrowly distributed on the measurement scale than was the case in Zimbabwe. Hence South African respondents tended to have similar views when they rated South Africa whereas their Zimbabwean counterparts tended to vary in how they rated Zimbabwe.

Figure 10.2: Comparative analysis of South Africa's and Zimbabwe's stakeholder-oriented FDI brand equities by construct mean scores



10.4 COMPARISON OF SOUTH AFRICA'S AND ZIMBABWE'S FDI BRAND EQUITIES: AN EXPLORATORY AND CONFIRMATORY FACTOR ANALYSES PERSPECTIVE

The second empirical secondary objective of this study was "to validate the conceptual model by measuring country FDI brand strengths of South Africa and Zimbabwe". Two empirical factor models extracted from the countries by exploratory factor analysis (EFA) using the principal component analysis (PCA) technique and confirmed with confirmatory factor analysis (CFA) using SPSS AMOS Version 23, a structural equation modelling (SEM) software, which were presented in Chapter 8 and 9, are contrasted in general and on a component basis as reported below. Factor analysis is used to validate factor models, whether it is EFA or CFA (Cho, 2011; Malhotra & Dash, 2011; Sekeran & Bougie, 2013; Wang & Ahmed, 2004; Zikmund *et al*., 2013).

10.4.1 Factorability of data, correlation analysis and multicollinearity

Before applying factor analysis, three statistical tests of factorability were employed to the country case study datasets—Keiser-Meyer-Olkin (KMO) measure of sampling adequacy, Bartlett's test of sphericity, and correlation analysis. As evident in Table 10.5 below, South Africa's KMO measure of sampling adequacy was 0.911 and Bartlett's test of sphericity was

Approx. χ^2 = 17478.622 [*df* = 4560, *p* = 0.000] and Zimbabwe's KMO was 0.936 and Bartlett's test was *Approx.* χ^2 = 19334.446 [*df* = 4095, *p* = 0.000]. While the KMO measures of sampling adequacy for countries had a variation of 0.025 in favour of Zimbabwe, they were both marvellous meanings that their samples were good for factor analysis. Acceptable KMO measures range from 0.500 (Malhotra & Dash, 2011:592) or greater than 0.600 (Collis & Hussey, 2014; Tabanichnick & Fidell, 2007) to close to 1 (Field, 2013:684), which is excellent. The Bartlett's test of sphericity for the two countries was good as their *p*-values were significant hence the null hypothesis, *"The correlations in South Africa's and Zimbabwe's SON-FDIBE factors are zero"*, was rejected. This implies that their correlations were significant hence the data were suitable for factor analysis. Also, there were disparities of 1855.824 in their approximate χ^2 and 465 in degrees of freedom (*df*), all in Zimbabwe's favour.

Table 10.5: Zimbabwe and South Africa KMO measure of sampling adequacy and Bartlett's test of sphericity

		Zimbabwe	South Africa	Variation
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.936	.911	0.025
Bartlett's Test of Sphericity	Approx. Chi-Square	19334.446	17478.622	1855.824
	Df	4095	4560	-465
	Sig.	0.000	0.000	0

Legend: Df = Degrees of freedom; Sig. = Significance

Nevertheless, since the Barlett's test of sphericity is sensitive and reliant on sample size, it can still be significant in large samples even if correlations are low (Tabachnick & Fidell, 2007:614). To plug this gap, the researcher also performed factor correlation analyses as he analysed the country datasets with PCA and CFA not just to verify factorability but also the presence of multicollinearity among the factors. Data can be analysed with factor analysis if several variables have high correlations (Malhotra & Dash, 2011:591), e.g. greater than or equal to 0.300 (Tabachnick & Fidell, 2007:614). Most factor correlation coefficients in the South African and Zimbabwe factor solutions – i.e. Pearson's *r* **(Tables 8.6 & 9.6, Chapter 8 & 9)** and CFA-generated correlations **(Appendix 5 & 6)**, and squared multiple correlations (Table 10.6 below) – were greater than or equal to 0.3, which is an acceptable measure of factorability (Malhotra & Dash, 2011; Tabachnick & Fidell, 2007). Furthermore, none of the three correlation tests had coefficients ≥ 0.900, which is evidence of multicollinearity (Hair *et al*., 2006; Pallant, 2005; Tabachnick & Fidell, 2007; Yoo *et al*., 2014) deserving of correction before proceeding with further analysis. Squared multiple correlations can be used to test for model multicollinearity (Tabachnick & Fidell, 2007:90).

10.4.2 General comparison of South African and Zimbabwean SON-FDIBE empirical factor solutions: Validity, reliability, and descriptive statistics

A shown in Table 10.6 below, 10 and 12 factors were extracted from the South African and Zimbabwean datasets respectively using PCA and confirmed with structural equation modelling (SEM) using CFA (see also **Tables 8.5, 8.9, 9.5 & 9.8, Chapters 8 & 9**). South Africa's 10-factor empirical SON-FDIBE model retained 96 of the 105 items in the study's conceptual framework and had a total variance explained of 65.9 percent and overall mean Cronbach's alpha (α) coefficient of 0.874 and squared multiple correlation (SMC) of 0.520. The total variance explained means that the South African factor solution could not identify the factors that account for the remaining 34.1 percent of the country's stakeholder-led FDI brand attractiveness. In comparison, Zimbabwe's 12-factor SON-FDIBE solution retained 91 variables of the study's theoretical model and had an explanatory power of 58.7 percent, Cronbach's α of 0.797, and SMC of 0.438. So its factor model cannot isolate the factors that explain the remaining 41.3 percent of the nation's stakeholder-led FDI brand value. The total variance explained of both the South African and Zimbabwean SON-FDIBE models are considered satisfactory basing on theorists who, although they acknowledge that a satisfactory level of total variance depends on the research problem, recommend a total variance of at least 60 percent for factors extracted (Hair *et al*., 2010; Maholtra & Dash, 2011). The two-factor models have very good and good reliability respectively in respect of Cronbach's α and SMC. A scale with a coefficient alpha between 0.800 and 0.950 is considered to have very good reliability, and a scale with a coefficient value of 0.700 to 0.800 is regarded as having good reliability (Zikmund *et al*., 2013:302). In respect of SMCs, acceptable threshold values range from ≥ 0.4 (Amin & Isa, 2008:202) to ≥ 0.5 (Segars & Grover, 1993:523). While Cronbach's alpha does not address validity, several researchers employ it as the exclusive indicator of a scale's quality (Zikmund *et al*., 2010:306). So the reliability of this study's scale was also checked with SMCs (Outhavong, 2007; Schreiber, 2008; Schreiber *et al*., 2006; Segars & Grover, 1993). Cronbach's α coefficients range between 0 and 1 (Malhotra & Dash, 2011; Zikmund *et al*., 2013) and so does SMCs (Kwan & Chan, 2014:226) with 0 meaning no consistency and one meaning full consistency. Nonetheless, contrary to Zikmund *et al*. (2010:306), Krešić and Prebežac (2011:508) suggest that Cronbach's alpha values can be used to check convergent validity. Therefore, given the Cronbach' α values for South

Africa's and Zimbabwe's factor solutions in Table 10.6 below, the SON-FDIBE framework has an acceptable level of convergent validity.

Because factor analysis only statistically identifies factors from a huge number of factors without necessarily measuring them (Zikmund *et al*., 2013:593), Table 10.5 includes factor and overall model mean scores (μ) and standard deviation (SD) to demonstrate what the factors imply in respondent perceptions' terms. The South African factor solution has an overall unweighted mean score of 4.22, and the Zimbabwean solution has a composite unweighted mean score of 3.82. The mean scores imply that South Africa has somewhat strong stakeholder-oriented nation FDI brand reputation as its mean is > 4 and Zimbabwe has weak FDI brand competitiveness because its mean is below the threshold. Moreover, South Africa's component solution has a lower overall standard deviation of 0.912 compared to the Zimbabwean one of 1.283. Thus the perceptions of respondents in South Africa were more narrowly dispersed on the 7-point Likert scale than those of their Zimbabwean counterparts. In other words, South African respondents tended to give similar ratings to South Africa than did their Zimbabwean counterparts to Zimbabwe.

Table 10.6: Comparative analysis of South Africa's and Zimbabwe's stakeholder-oriented nation FDI brand equities – Insight from exploratory and confirmatory factor analysis

Factors	South Africa (ZA)								Zimbabwe (ZW)							
	Descriptive Statistics and Principal Components Analysis						Confirmatory Factor Analysis		Descriptive Statistics and Principal Components Analysis						Confirmatory Factor Analysis	
	Items (with Factor Loadings ≥ 0.3)	Means (μ)	Standard Deviation	Actual Eigenvalue(s)	Percentage Variance Explained	Cronbach's α	Squared Multiple Correlations*	Standardised Regression Weights (β)	Items (with Factor Loadings ≥ 0.3)	Means (μ)	Standard Deviation	Actual Eigenvalue(s)	Percentage Variance Explained	Cronbach's α	Squared Multiple Correlations	Standardised Regression Weights (β)
Factors with Matching Factors																
Government (F1 all)	24	3.73	1.297	39.36	40.99	0.971	.588*	.920	20	3.40	1.24	28.93	31.8	.949	.480*	.910
Ports and Telecommunications Infrastructure (F2-ZA) and Public Transport (F4-ZW)	7	4.83	1.120	5.58	5.807	0.887	.531*	.570	4	4.53	1.35	2.86	3.15	.744	.461*	.570
Economy (F4-ZA & F12-ZW)	16	4.05	1.119	3.00	3.124	0.942	.531*	.900	10	3.61	1.16	1.47	1.61	.887	.446*	.850
Technology (F5-ZA & F10-ZW)	8	4.52	1.144	2.59	2.697	0.916	.522*	.800	8	3.60	1.23	1.70	1.87	.875	.471*	.780
Organisation (F6-ZA & F11-ZW)	11	3.76	1.246	2.41	2.508	0.936	.575*	.860	10	3.26	1.41	1.54	1.70	.931	.584*	.910
Markets (F7-ZA & F9-ZW)	9	4.52	.942	2.05	2.136	0.859	.425*	.800	7	3.39	1.31	1.71	1.90	.874	.501*	.810
Education and Training (F8-ZA) and Education and Population (F2-ZW)	4	4.17	1.149	1.69	1.755	0.789	.491*	.810	5	4.98	1.00	3.87	4.25	.700	.360*	.270
Generic Infrastructure (F9-ZA & F7-ZW)	6	3.45	1.536	1.63	1.695	0.915	.640*	.910	10	3.00	1.29	1.91	2.10	.898	.485*	.860
Factors without Matching Factors																
Society (F3-ZA)	8	3.96	1.806	3.54	3.683	0.895	.530*	.480								
Ecology and Tourism (F10-ZA)	3	5.26	1.046	1.42	1.478	0.629	.371*	.530								
Taxation and Domestic Competition (F3-ZW)									6	3.91	1.25	3.12	3.43	.796	.416*	.550
Population and Country Health (F5-ZW)									4	4.24	1.26	2.24	2.46	.582	.292*	.240
Crime and Natural Disasters (F6-ZW)									4	4.16	1.43	2.22	2.43	.678	.362*	.800
Macroeconomic Influences (F8-ZW)									3	3.80	1.46	1.86	2.05	.655	.395*	.520
Total Factors	**10**								**12**							
Total Items	**96**								**91**							

Factors	South Africa (ZA)								Zimbabwe (ZW)							
	Descriptive Statistics and Principal Components Analysis						Confirmatory Factor Analysis		Descriptive Statistics and Principal Components Analysis						Confirmatory Factor Analysis	
	Items (with Factor Loadings ≥ 0.3)	Means (μ)	Standard Deviation	Actual Eigenvalue(s)	Percentage Variance Explained	Cronbach's α	Squared Multiple Correlations*	Standardised Regression Weights (β)	Items (with Factor Loadings ≥ 0.3)	Means (μ)	Standard Deviation	Actual Eigenvalue(s)	Percentage Variance Explained	Cronbach's α	Squared Multiple Correlations	Standardised Regression Weights (β)
Percentage Total Variance Explained	**65.88**								**58.71**							
Overall Mean Cronbach's α	**.874**								**.797**							
Overall Average Squared Multiple Correlation	**.520**								**.438**							
Composite Mean (Unweighted)	**4.22**								**3.82**							
Overall Mean Standard Deviation	**.912**								**1.28**							

* = Factor SMCs are averages of item SMCs constituting factors

10.4.3 Component-led comparison of South African and Zimbabwean SON-FDIBE factor models

As shown in Table 10.6 above, only eight of the ten factors in the South African empirical model have matching components in the Zimbabwean 12-factor solution. It is also evident from the table that only eight of the 12 elements in the Zimbabwean empirical framework have corresponding determinants in the South Africa model (or vice versa). This shows that two factors in South Africa have no matching components in Zimbabwe while four factors in Zimbabwe have no equivalents in South Africa. Table 10.6 also shows the number of variables in each component of the country factor solutions.

10.4.3.1 Government: Factor 1 (South Africa and Zimbabwe)

Government emerged as the most critical determinant of stakeholder-oriented nation FDI brand equity in both countries. The factor accounts for almost 40.99 and 31.8 percentage of variance explained in the South African and Zimbabwean empirical component solutions respectively. The South African government latent variable consists of 24 variables of which all but one are drawn from the government construct of the hypothesised model. The odd and lone item in the factor, 3.6.5 Water, sanitation and waste management, is drawn from the infrastructure dimension of the conceptual framework. The other items are: 3.8.16 Enforcing citizens' rights, 3.8.18 Protecting intellectual property rights (e.g. copyrights, trademarks, patents, etc.), 3.8.15 Enforcing property rights, 3.8.6 Stability of legal system (i.e. public confidence in the system), 3.8.19 Enforcing competition laws, 3.8.24 Rule of law, 3.8.7 Efficiency of legal system in challenging regulations, 3.8.8 Resolving insolvency and retrenchments, 3.8.9 Extent to which FDI policy allows foreign ownership, 3.8.25 Country risk (i.e. political, financial, expropriation, etc.), 3.8.13 Tax regulations, 3.8.23 Policy consistency, 3.8.11 Enforcing environmental regulation, 3.8.17 Carefulness of government spending, 3.8.12 Foreign currency regulations, 3.8.14 Reliability of police services, 3.8.21 Policy clarity on ownership of agricultural real estate (land), 3.8.10 Quality of environmental regulation, 3.8.4 Fairness of public institutions, 3.8.5 Transparency of government policymaking, 3.8.22 Readiness to adapt national character to fit global economy, 3.8.20 Flexibility of labour laws, and 3.8.3 Efficiency of government bureaucracy (i.e. paperwork, procedures, agencies licensing one business, etc.).

In contrast, all the 20 items in the Zimbabwean government component come from the government theoretical dimension. Moreover, the variables are the same as those in the South African government latent variable excluding items 3.8.3, 3.8.4 and 3.8.8.

The mean score for the government determinant in South Africa is 3.7 and in Zimbabwe is 3.4, which are both below the threshold. This implies that the two countries have weak stakeholder-oriented FDI brand equities concerning the government component. However, the factor has very good reliability (Zikmund *et al*. 2013:302) in terms of Cronbach's α (ZA = 0.971; ZW = 0.949) and acceptable reliability in terms squared multiple correlations (ZA = 0.588; ZW = 0.480) (Amin & Isa, 2008:202; Segars & Grover, 1993:523). As shown in Table 10.6 above, the two nations' government factor also has exceptionally good construct and convergent validity because both standardised regression weights (SRWs) are ≥ 0.910. SRWs account for the degree of the association between the construct(s) and the underlying variables (Amin & Isa, 2008:203) as well as the independent variable(s) and dependent variable.

10.4.3.2 Ports and Telecommunications Infrastructure: Factor 2 (South Africa) and Factor 4 (Communications Infrastructure and Public Transport) (Zimbabwe)

Ports and telecommunications infrastructure emerged as an important factor in South Africa (Eigenvalue = 5.58; PVE = 5.807; μ = 4.83; SD = 1.120; Cronbach's α = 0.887; SMC = 0.531; SRW = 0.570) and an important factor in Zimbabwe (Eigenvalue = 2.86; PVE = 3.15; μ = 4.53; SD = 1.35; Cronbach's α = 0.744; SMC = 0.461; SRW = 0.570). In South Africa the element has seven items all of them drawn from the infrastructure construct of the study's theoretical model: 3.6.8 Number and capacity of airports, 3.6.9 Availability of fixed-line telephones, 3.6.7 Domestic and international airlines departures, 3.6.10 Accessibility of mobile phones, 3.6.11 Availability of Internet services, 3.6.4 Ease of access to real estate, and 3.6.3 Quality of ports. The Zimbabwean generic infrastructure factor has ten variables of which all but one are drawn from the infrastructure dimension of the conceptual model too. Of the nine genuine infrastructure variables in the Zimbabwean factor, only five are also in the South African component (i.e. 3.6.3, 3.6.4, 3.6.7, 3.6.8, and 3.6.9). The additional four items in the Zimbabwean element are 3.6.6 Quality of electricity supply (frequency of load shedding), 3.6.1 Quality of roads, 3.6.2 Quality of railroads, and 3.6.5 Water, sanitation and waste management. Then there is the odd item in this factor, 3.8.8 Resolving insolvency and retrenchments, which

was pulled from the government construct of the theoretical framework. Applying the firm infrastructure element of Porter's (1998c) value chain model, which deals with administrative issues, this attribute fits theoretically well in the determinant.

Besides item 3.6.9 Availability of fixed-line telephones, the Zimbabwean factor does not have the other telecommunications-related attributes found in the South African component. Also, the Zimbabwean dimension has a mean score of 3 while its South African equivalent has a mean of 4.8. Thus, from the perspective of generic infrastructure, Zimbabwe has weak stakeholder-led FDI brand equity while South Africa has strong.

10.4.3.3 Economy: Factor 4 (South Africa) and Factor 12 (Zimbabwe)

In both countries, the economy emerged as a critical factor with a percentage variance of 3.1 in South Africa and 1.6 in Zimbabwe. The mean rating for the South African factor was 4.1 and that for its Zimbabwean counterpart was 3.6. Consequently, South Africa has somewhat strong while Zimbabwe has weak FDI brand attractiveness.

The South African economy component consists of 16 items 12 of which are drawn from the economy (code 3.4) and four from the markets (code 3.5) theoretical dimensions of the study's conceptual model. The items are 3.4.7 Interest rates, 3.4.8 Exchange rate, 3.4.6 Inflation rate, 3.5.4 Effect of taxation on incentive to work, 3.5.2 Tax rates (corporate tax, customs duties and individual tax), 3.4.14 Significance of annual FDI inflows, 3.5.3 Effect of taxation on incentive to invest, 3.4.15 Prospects for increasing FDI inflows, 3.4.16 FDI incentives (e.g. tax holidays, special economic zones, etc.), 3.5.5 Prevalence of foreign ownership, 3.4.5 Country credit worthiness, 3.4.2 Economic (GDP) growth rate, 3.4.13 Marketing of sectors open to FDI, 3.4.9 Number of reputable industries (regardless of ownership), 3.4.11 Export performance, and 3.4.3 Income distribution or GDP per capita.

In Zimbabwe, all but one of the ten attributes in this factor are drawn from the hypothesised model's economy dimension. The odd attribute, 3.1.6 Quality of life (i.e. affordability of basics and wants of life), comes from the social dimension of the theoretical model. The Zimbabwean economy element shares the same items as its South African equivalent in respect of 3.4.14, 3.4.15, 3.4.9, 3.4.13, 3.4.16, 3.4.11, and 3.4.2 the full narration of which was given above.

However, the Zimbabwean empirical economy element is unique in its inclusion of variables 3.4.10 Number of reputable brands and 3.4.12 Country attractiveness to international tourists.

10.4.3.4 Technology: Factor 5 (South Africa) and Factor 10 (Zimbabwe)

All eight items in the technology construct of the study's conceptual framework loaded significantly into the South African and Zimbabwean technology components. One difference between the two factors is that technology is the fifth most important factor in South Africa (PVE = 2.7) and the 10th most critical element in Zimbabwe (PVE = 1.9). The other difference is that the items in each national factor are uniquely arranged. Items in the South African factor are in the following order: 3.2.8 Intensity of university-industry collaboration in research and development (R&D), 3.2.6 Availability of quality R&D institutions (universities included), 3.2.3 Company investments in R&D, 3.2.4 Capacity to create successful new products/services and systems, 3.2.7 Availability of scientists and engineers, 3.2.5 Government funding for R&D (universities included), 3.2.1 Quality of technologies available in local firms, and 3.2.2 Quality of information technology in government institutions. Also, the third distinction is that the South African technology latent variable has a mean score of 4.5 while its Zimbabwean equivalent has a mean score of 3.60. Consequently, South Africa has strong FDI brand reputation while Zimbabwe has a weak one.

10.4.3.5 Organisation: Factor 6 (South Africa) and Factor 11 (Zimbabwe)

Organisation arose as a critical component in the two countries, i.e. the sixth most important in South Africa (PVE = 2.5) and 11th greatest in Zimbabwe (PVE = 1.7). There are nine variables in the South African organisation element five of which are from the organisation (code 3.7), four from markets (code 3.5), and two from infrastructure (code 3.6) constructs of the conceptual framework. The items are 3.7.2 Clear shared national values, 3.7.1 Clear shared national vision, 3.7.3 Effectiveness of national development plan, 3.5.16 Capability to attract qualified foreign citizens, 3.7.5 Stakeholder trust in the country, 3.7.4 Shareholder participation in policymaking (e.g. local businesses, foreign investors, labour, academia, media, general public, etc.), 3.6.14 Efficiency of public transport system, 3.5.18 State of industrial relations, 3.5.9 Work ethic of workforce (i.e. motivation to work), 3.5.15 Capability to retain qualified citizens, and 3.6.13 E-government effectiveness, and 3.6.13 Effectiveness of financial sector

supervision. The Zimbabwean organisation latent variable comprises 10 attributes: all five from the organisation construct, four from the government theoretical dimension (i.e. 3.8.3 Efficiency of government bureaucracy, 3.8.2 Competency of public institutions, 3.8.1 Political stability and unity, and 3.8.4 Fairness of public institutions) and one from the infrastructure construct (3.6.13 E-government effectiveness). The South African organisation latent variable has a mean score of 3.8 while its Zimbabwean equivalent has a mean of 3.3. This implies that both countries have weak stakeholder-driven FDI brand value concerning this factor.

10.4.3.6 Markets: Factor 7 (South Africa) and Factor 9 (Zimbabwe)

In both South Africa and Zimbabwe, markets emerged as an important component (PVE 2.1 and 1.9 respectively). The South African markets element comprises nine items of which eight came from the markets (coded 3.5) and one from economy (coded 3.4.10) dimensions of the theoretical model. The items are: 3.5.13 Effectiveness of financial sector supervision, 3.5.12 Ease of access to loans, 3.5.10 Capacity utilisation of local firms, 3.5.11 Cost of financial services, 3.5.1 Intensity of domestic (or national) competition, 3.5.7 Availability of financial services, 3.5.8 Abundance of low-cost unskilled workforce, 3.5.14 Soundness of banks, and 3.4.10 Number of reputable brands (i.e. owned by or "made-in" country). The Zimbabwean markets factor has seven items all of them drawn from the markets construct. Apart from items 3.5.14, 3.5.13, and 3.5.10 reported above, the additional variables in the element are 3.5.16 Capability to attract qualified foreign citizens, 3.5.15 Capability to retain qualified citizens, 3.5.17 Strength of trade unions, and 3.5.18 State of industrial relations. The South African markets component had a mean score of 4.5, and its Zimbabwean counterpart had a mean of 3.4. This means that the Zimbabwean markets component has weak FDI brand competitiveness while its South African markets equivalent has strong FDI brand attractiveness.

10.4.3.7 Education and Training or Population Size: Factor 8 (South Africa) and Factor 2 (Zimbabwe)

Education arose as an important determinant of stakeholder-oriented nation FDI brand equity factor in both South Africa and Zimbabwe with only a minor modification in the two national elements. Whereas in South Africa, education and training is the eighth most important factor PVE = 1.8) in Zimbabwe it is the second greatest element (PVE = 4.3 percent). However, the

factor's mean score in South Africa is 4.2 while in Zimbabwe it is almost 5. Although these mean scores are above the cutoff point denoting that both countries have strong FDI brand equity from an education standpoint, Zimbabwe has the strongest brand value of the two. All attributes of the two education-related elements of the two countries are drawn from the social dimension of the conceptual framework. The South African education and training element comprise four attributes all of which deal with education: 3.1.4 Attractiveness to international students, 3.1.5 Foreign language skills (e.g. Chinese, French, Portuguese, etc.), 3.1.3 Quality of higher education training and 3.1.2 Quality of primary and secondary education. The Zimbabwean education and population size factor has five variables, i.e. four stated above plus 3.1.1 Population size hence the slight modification in the factor's name.

10.4.3.8 Generic Infrastructure: Factor 9 (South Africa) and Factor 7 (Zimbabwe)

Generic infrastructure emerged as an important latent variable in South Africa (Factor 9) and Zimbabwe (Factor 7). In the South African component model, the factor has six items three of which are drawn from the infrastructure (i.e. 3.6.1 Quality of roads, 3.6.2 Quality of railroads, and 3.6.6 Quality of electricity—frequency of load shedding), one from the society (3.1.8 Public healthcare—i.e. availability of practitioners, equipment and drugs), and two from government (3.8.1 Political stability and unity and 3.8.2 Competence of public institutions) constructs of the theoretical framework. Items 3.1.8 and 3.8.2 are part of the firm infrastructure regarding Porter's value chain model. The South African generic infrastructure component is characterised as follows (Eigenvalue = 1.63; PVE = 1.695; $\mu = 3.45$; SD = 1.536; Cronbach's $\alpha = 0.915$; SMC = 0.640; SRW = 0.910). The corresponding Zimbabwean factor (Factor 7) consists of 10 items nine of which are drawn from the original infrastructure and one from the government dimensions of the conceptual framework. The items in the factor are 3.6.8 Number and capacity of airports; 3.6.2 Quality of railroads; 3.6.3 Nearness of quality ports; 3.6.7 Domestic and international airline departures per day; 3.6.6 Quality of electricity supply (frequency of load shedding); 3.6.9 Availability of fixed-line telephones; 3.6.1 Quality of roads; 3.6.5 Water, sanitation and waste management; 3.6.4 Ease of access to real estate; and 3.8.8 Resolving insolvency and retrenchment. Item 3.8.8 is part of the firm infrastructure. The Zimbabwean generic infrastructure component is characterised as follows (Eigenvalue = 1.91; PVE = 2.10; $\mu = 3.00$; SD = 1.29; Cronbach's $\alpha = 0.898$; SMC = 0.485; SRW = 0.860). The mean scores of both South Africa and Zimbabwe in this factor are below cutoff point, which

suggests that the countries have weak SON-FDIBEs. However, Factor 9 and 7 have very good reliability and validity.

10.4.3.9 Society: Factor 3 (South Africa)

With no matching element in the Zimbabwean factor model, the society element has emerged as an important factor in the South Africa component solution (Eigenvalue = 3.54; PVE = 3.7; $\mu = 3.96$; SD = 1.806). The factor's mean score is below ≥4, the study's threshold, hence depicting that the country has weak SON-FDIBE. Nonetheless, the factor has very good reliability (Cronbach's $\alpha = 0.895$; SMC = 0.530) and good validity (SRW = 0.480). There are eight attributes in the factor all of them drawn from the social dimension of the conceptual model. The attributes are 3.1.11 Frequency of violent crime, 3.1.13 Risk of xenophobic or political violence, 3.1.14 Level of corruption, 3.1.9 Prevalence of HIV and AIDS, 3.1.10 Risk of Tuberculosis, Cholera and Malaria, 3.1.7 Prevalence of poverty, 3.1.12 Level of personal security, and 3.1.15 Control of corruption.

10.4.3.10 Ecology and Tourism: Factor 5 (South Africa)

The ecology and tourism factor arose as one of the important components in the South African factor model (Eigenvalue = 1.42; PVE = 1.478; $\mu = 5.26$; SD = 1.046, Cronbach's $\alpha = 0.629$; SMC = 0.371; SRW = 480). The component consists of three variables two of which are from the ecology (i.e. 3.3.2 Natural resource endowment, e.g. soils, minerals and metals and 3.3.1 Favourability of climate and weather) and one is from economy constructs of the conceptual framework (i.e. 3.4.12 Country attractiveness to international tourists). This empirical construct has no corresponding determinant in the Zimbabwean factor solution. A component with an eigenvalue greater than one may be retained in a factor model (Malhotra & Dash, 2011; Tabachnick & Fidell, 2007) if it consists of at least two variables (Tabachnick & Fidell, 2007:646). The mean score of the factor denotes that South Africa has strong FDI brand competitiveness. Nevertheless, the factor has fair or acceptable reliability and validity.

10.4.3.11 Taxation and Domestic Competition: Factor 3 (Zimbabwe)

With all its six items drawn from the markets dimension of the conceptual model, this latent variable has no matching element in the South African principal components solution. The items constituting the factor are 3.5.3 Effect of taxation on the incentive to invest, 3.5.2 Tax rates (corporate tax, customs duties and personal tax), 3.5.4 Effect of taxation on the incentive to work, 3.5.11 Cost of financial services, 3.5.1 Intensity of domestic competition, and 3.5.5 Prevalence of foreign ownership. The factor is characterised as follows (Eigenvalue = 3.12; PVE = 3.43; $\mu = 3.91$; SD = 1.25; Cronbach's $\alpha = 0.796$; SMC = 0.416; SRW = 0.550). The factor's mean score implies that Zimbabwe has weak stakeholder-led nation FDI brand value. However, the factor has good reliability and validity.

10.4.3.12 Population and Country Health: Factor 5 (Zimbabwe)

This element (Eigenvalue = 2.24; PVE = 2.46; $\mu = 4.24$; SD = 1.26) has no corresponding factor in the South African 10-factor solution. It draws all its four variables from the social construct of the theoretical framework: 3.1.9 Prevalence of HIV and AIDS, 3.1.10 Risk of Tuberculosis, Cholera and Malaria, 3.1.7 Prevalence of poverty, and 3.1.14 Level of corruption. The factor's mean score is above the study cutoff point hence denotes that Zimbabwe has somewhat strong FDI brand equity in respect of population and country health. Nonetheless, the factor's reliability is low (Cronbach's $\alpha = 0.582$; SMC = 0.292) but acceptable because the coefficient alpha is close to 0.600 (Zikmund *et al*., 2013:302). Furthermore, the factor is retained in the model despite low validity (SRW = 0.240) because the results of factor analysis alone must not determine what items to retain or delete from a scale but also what is known about the construct(s) that the items are measuring (Green & Salkind, 2011; Tabachnick & Fidell, 2007).

10.4.3.13 Crime and Natural Disasters: Factor 6 (Zimbabwe)

Drawing its attributes from the society (Code 3.1) and ecology (Code 3.2) dimensions of the study's theoretical framework, crime and natural disasters is the sixth critical element in Zimbabwe's empirical factor solution. The factor, with a percentage variance of 2.5, has no equivalent element in the South African principal components model. It consists of four

variables three of them drawn from the society dimension (i.e. 3.1.11 Frequency of violent crime, 3.1.13 Risk of xenophobic or political violence, and 3.1.12 Level of personal security) and one from the ecology construct of the conceptual framework (i.e. 3.3.3 Risk of natural disasters e.g. droughts, floods, etc.). The factor is characterised as follows (Eigenvalue = 2.22; PVE = 2.43; μ = 4.16; Cronbach's α = 0.678; SMC = 0.362; SRW = 0.800). The factor mean score implies that Zimbabwe has somewhat strong FDI brand equity from a crime and natural disasters element. Also, the factor has fair reliability and very good validity. Nonetheless, the fact that the component has the second highest standard deviation in the component solution shows that respondents' perceptions were widely scattered on the measurement scale. This implies that respondents had divergent views on Zimbabwe's SON-FDIBE.

10.4.3.14 Macroeconomic Influences: Factor 8 (Zimbabwe)

Consisting of three attributes drawn from the economy dimension of the conceptual framework i.e. 3.4.6 Inflation rate, 3.4.7 Interest rates, and 3.4.8 Exchange rates, the factor has the following characteristics (Eigenvalue = 1.86; PVE = 2.05; μ = 3.80; SD = 1.46). The mean score for Factor 8 is below the threshold, ≥4, which suggests that Zimbabwe has weak stakeholder-oriented nation FDI brand equity. At the same time, however, the factor bears the highest standard deviation for the country's 12-factor SON-FDIBE model. This is evidence that respondents' views were widely dispersed on the 7-point measurement scale. Nonetheless, the factor has acceptable validity (SRW = 0.520) and reliability (Cronbach's α = 0.655; SMC = 0.395).

10.4.4 Comparison of South Africa's and Zimbabwe's FDI brand strengths: Insight from hypotheses testing

There were ten hypotheses in this study's conceptual framework. The main hypothesis, $\mathbf{H_1}$, was partially accepted in both case study countries basing on *t*-test *p*-values' less than or equal to 0.05 and small to large effect sizes for some components in the South African and Zimbabwean factor solutions (see Table 10.7). Hypothesis $\mathbf{H_1}$ was partly accepted because *p*-values of some *t*-tests where greater than 0.05 hence their effect sizes were not calculated.

Table 10.7: Comparison of South Africa and Zimbabwe SON-FDIBE based on study's main hypothesis H_1

Hypothesis	South Africa	Zimbabwe
	***t*-test *p*-values & Cohen's *d* effect sizes & ANOVA *p*-values & Cohen's *f* effect sizes**	***t*-test p-values & Cohen's *d* effect sizes and ANOVA p-values & Cohen's *f* effect sizes**
H_1: There are statistically significant differences in stakeholder perceptions on determinants of SON-FDIBE in South Africa and Zimbabwe.	▸ *t*-test *p*-values are ≤ 0.05 e.g. for 4 factors only i.e. F2, F3, F6, F10 and their Cohen's *d* effect sizes range from *d* = 0.276 to *d*=0.543 (Table 8.7, Chapter 8) ▸ Majority of factor *t*-test *p*-values ≥ 0.05 ▸ Only one F6 ANOVA *p*-value < 0.05 & its Chohen' *f* range between *f* = 0.141 and *f*=0.630 (Tables 8.8 & 8.9 Chapter 8) ▸ Majority of factor ANOVA *p*-values ≥0.05	▸ *t*-test *p*-values for only 8 factors i.e. F1, F3, F5, F7, F8, F10, F11, F12 are < 0.05 and their Cohen's d values are between *d* = 0.4 and *d* = 0.8 in limited demographic variables (Table 9.7, Chapter 9) ▸ Remaining factors have *p*-values >0.05 which is non-significant ▸ ANOVA *p*-values for 5 factors only i.e. F1, F2, F3, F10, F11 are ≥ 0.05 and their Cohen's *f* values range from f = 0.011 to *f*=0.965 (Tables 9.8 to 9.12) ▸ *p*-values of most factors > 0.05
Decision	Partially accept hypothesis	Partially accept hypothesis

Hypothesis **H_2**, *"There are eight determinants of SON-FDIBE in South Africa and Zimbabwe"*, was partially accepted in both countries based on the 10 and 12 factors extracted (by PCA) and confirmed (with CFA and/or SEM) from their datasets. The hypothesis was partly accepted because the number of factors in the country factor solutions exceeded those in the hypothesised model by two and four factors respectively (Table 10.6 above). If the researcher has defined hypotheses concerning both the number and character of factors anticipated in a study, comparison between the hypothesised factors and the factor solutions offer a confirmation of the hypotheses (Tabachnick & Fidell, 2007:611). As evident in the Table 10.8 below, seven of the eight hypotheses defined in the conceptual framework's theoretical constructs (i.e. **H_3**, **H_5**, **H_6**, **H_7**, **H_8**, **H_9**, and **H_{10}**) were partially accepted in the South African case and one of them, **H_4**, was accepted without reservation. Within the Zimbabwean case, two of the eight hypotheses (i.e. **H_3** and **H_5**) were rejected due to lack of evidence, five were partially accepted (**H_6** through **H_{10}**), and **H_4** was accepted in full. Thus hypothesis **H_4** was accepted without reservation in both South Africa and Zimbabwe as all eight attributes in the underlying theoretical dimension, technology, were retained.

Table 10.8: Comparison of South Africa's and Zimbabwe's structural models from context of hypotheses H_3 to H_{10}

	South Africa			Zimbabwe			Replication logic	
Hypotheses	**Factors & Eigenvalues**	**Standardised Regression Weights**	**Decision**	**Factors & Eigenvalues**	**Standardised Regression Weights**	**Decision**	**Literal replication**	**Theoretical Replication**
H_3: Society is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F3 (3.54)	0.480	Partially Accept	No factor	No factor	Reject	No	Yes, SRW=0.480 in favour of SA
H_4: Technology is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F5 (2.59)	0.800	Accept	F2 (1.70)	0.780	Accept	Yes	Somewhat No, SRW=0.20 in favour of SA
H_5: Ecology is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F10 (1.42)	0.530	Partially Accept	No factor	No factor	Reject	No	Yes, SRW=0.530 in favour of SA
H_6: Economy is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F4 (3.00)	0.900	Partially Accept	F12 (1.47)	0.850	Partially Accept	Largely Yes	Largely No, SRW=0.50 in faviour of SA
H_7: Market is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F7 (2.05)	0.800	Partially Accept	F9 (1.71)	0.810	Partially Accept	Largely Yes	Largely No, SRW=0.10 in favour of ZW
H_8: Infrastructure is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F9 (1.63)	0.910	Partially Accept	F7 (1.91)	0.860	Partially Accept	Largely Yes	Largely No, SRW=0.50 in favour of SA
H_9: Organisation is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F6 (2.41)	0.860	Partially Accept	F11 (1.54)	0.910	Partially Accept	Largely Yes	Largely No, SRW=0.60 in favour of ZW
H_{10}: Government is a determinant of SON-FDIBE in South Africa and Zimbabwe.	F1 (39.36)	0.920	Partially Accept	F1 (28.93)	0.910	Partially Accept	Largely Yes	Largely No, SRW=0.10 in favour of SA

There is a high degree of literal replication (similarities) within the case studies in respect of **H_2**, **H_4**, and **H_6** through **H_{10}** regarding names of underlying factors and many of the items in those factors as already described in the general and component-led comparison of the factor solutions done above. A **literal replication** of case studies chooses similar cases and forecasts that the processes and findings will also be similar (Blumberg, Cooper & Schindler, 2011; Rainisto, 2003; Saunders, Thornhill & Lewis, 2012; Yin, 2003). The researcher had predicted both literal and theoretical replication of these two case studies, i.e. similarities and differences in findings and those areas summarised in the table above. A **theoretical replication** selects

case studies that vary from each other on fundamental constructs (Blumberg, Cooper & Schindler, 2011; Saunders, Thornhill & Lewis, 2012; Yin, 2003). The variation in the case studies (theoretical replication) is most evident in **H_3** and **H_5,** which were partially accepted in the South African case but rejected outright in the Zimbabwean case. Further theoretical replication evident in the standardised regression weight differences in Table 10.8 and propositions emanating from factors in either country that had no matching components in the hypothesised model (Table 10.6). In South Africa the two propositions and their supporting evidence are:

P_1: *Ports and telecommunications infrastructure is a determinant of SON-FDIBE in South Africa (Factor 2, Eigenvalue = 5.58; SRW=570).*
P_2: *Education and training is a determinant of SON-FDIBE in South Africa (Factor 2, Eigenvalue=5.58; SRW=570).*

In Zimbabwe the propositions and their supporting evidence are:

P_1: *Education and population is a determinant of SON-FDIBE in Zimbabwe (Factor 2, Eigenvalue=3.87; SRW=0.270)*
P_2: *Taxation and domestic competition is a determinant of SON-FDIBE in Zimbabwe (Factor 3, Eigenvalue=3.12; SRW=0.550).*
P_3: *Telecommunications infrastructure and public transport is a determinant of SON-FDIBE in Zimbabwe (F4; Eigenvalue=2.86; SRW=0.570)*
P_4: *Population and country health is a determinant of SON-FDIBE in Zimbabwe (Factor 5, Eigenvalue=2.24; 0.240)*
P_5: *Crime and natural disasters is a determinant of SON-FDIBE in Zimbabwe (Factor 6, Eigenvalue=2.22; SRW=0.800)*
P_6: *Macroeconomic influences is a determinant of SON-FDIBE in Zimbabwe (Factor 7, Eigenvalue=1.86; SRW=0.520)*

10.4.5 Comparison of South Africa's and Zimbabwe's FDI brand strengths: Insight from goodness-of-fit indices

As shown by goodness-of-fit indices (GFIs) in Table 10.9 below, the structural equation models for the panel countries fitted the sample data reasonably well regarding Chi-square statistic, root mean square error of approximation (RMSEA) and Hoelter index. The values of these indices suggest that the Zimbabwean empirical factor model fits the data slightly better than its South-South African counterpart. An excellent ratio of the Chi-square divided by its degrees of freedom ranges between less than 2 (Tabachnick & Fidell, 2007:721) and less than 3 (Schreiber, 2006:330) or less than 5 (Schreiber, 2008:90). The closer the Chi-square is to zero the better the model fits the data hence Chi-square is a badness-of-fit index. The Zimbabwean model produced an exceptionally well RMSEA of 0.054, with a 90 percent confidence interval

[0.053; 0.056] whereas the South African model gave an acceptable RMSEA of 0.076, with a 90 percent confidence interval [0.074; 0.078]. An RMSEA value below or equal to 0.08 is indicative of acceptable fit (Fombrun, Newburry & Ponzi, 2015; Malhotra & Dash, 2011; Marsh, Hau & Wen, 2004; Wicksell, Olson & Melin, 2009) but an RMSEA ≤ 0.05 indicates good fit (Fombrun, Newburry & Ponzi, 2015; Wicksell, Olson & Melin, 2009). So Zimbabwe's empirical model, again, beats South Africa's regarding fitting the data well.

For the Hoelter index, a value between 69 at 0.05 level of significance and 77 at 0.01 level of significance is an acceptable measure of a model's GFI (Moolla, 2010:203). Nonetheless, other researchers argue that, for Hoelter, an adequate sample size is ≥ 200 (Eliuz, 2014; Shadfar & Malekmohammadi, 2013; Schreiber *et al*., 2006) and yet others suggest an acceptable sample of 75 to 200 (Eliuz, 2014; Shadfar & Malekmohammadi, 2013). The samples sizes given in Hoelter indices of the two case study countries are acceptable but, again, show that Zimbabwe's sample is closer to Hoelter's suggested critical N = 200 than is South Africa's (see e.g. Schreiber *et al*., 2006:330).

However, the comparative fit index (CFI) values of the empirical models for the two countries are below the acceptable ranges in the literature hence the structural models did not fit the data well. As in the three indices already reported, Zimbabwe's CFI value is fairly close to the standard than is its South African counterpart. A CFI value ranging from ≥0.90 to ≥0.95 indicates good fit (Wicksell, Olson & Melln, 2009:762). The variations in the GFIs, all in favour of Zimbabwe, probably stem from their sample sizes (i.e. SA = 209; ZW = 351). If the South African sample had been bigger, perhaps the country's GFIs could have been better than they are in comparison to Zimbabwe's.

Table 10.9: Comparison of goodness-of-fit indices for structural models of South Africa and Zimbabwe

Country	Chi-square statistic	CFI	RMSEA	Hoelter Index
South Africa	2.189	0.696	0.076	99/100
Zimbabwe	2.038	0.775	0.054	179 /181.
Variation	**0.151**	**0.079**	**0.022**	**80/81**

Note: First Hoelter value is at .05 level of the sig. And the second at .01 level of the sig.

Despite their somewhat small variations in respect of suitability to the data in favour of Zimbabwe as shown in the table, three of the four GFIs overall are good a sign of the validity

of the measurement instrument. The empirical models did not perform well in respect of the CFI, but they are an acceptable tentative model from which to begin formulating and evaluating FDI destination brand policy in South Africa and Zimbabwe on the basis χ^2, RMSEA, and Hoelter index. While there was room for improving the country structural models to varying degrees for all four indices, especially the CFI, the researcher did not modify the models. At the minimum, a new sample would be needed to collect data for verifying a model using GFIs (Hurley *et al*., 1997:681). Schreiber (2008:90) states that abuse of fit indices happens when the researcher becomes overexcited with improving model fit. Considering the comprehensive literature supporting the conceptual model and Hurley *et al*.'s advice, the researcher avoided modifying the model without gathering new data. Moreover, it is critical that each modification effected based on statistical principles is also acceptable theoretically (Schreiber, 2008:90).

10.4.6 Comparative analysis of South Africa's and Zimbabwe's stakeholder-oriented nation FDI brand equity indices

Four SON-FDIBE indices for each of the case study countries, South Africa and Zimbabwe, were calculated (Table 10.10). The first two indices were unweighted or equal weighted, i.e. one is based on the conceptual framework's crude eight dimensions and the other on the empirical factor models extracted from the two countries (as described in 10.3 and 10.4 above). The remaining two indices are all weighted with the first index based on eigenvalue percentages of variance standardised weights and the last one on the standardised regression weights. A further distinguishing feature of the four indices is that the first has eight sub-indices drawn from the eight constructs of the study's SON-FDIBE hypothesised framework, crude, and the other three are based on country factor solutions (10 factors for South Africa and 12 for Zimbabwe) described above in this chapter. Table 10.4 above shows the dimensions or sub-indices of the first, crude, index and Table 10.6 shows the sub-indices of the last three, validated indexes. The weights for the last two indices, eigenvalues and standardised regression weights, are presented in the last parts of Chapter 8 and Chapter 9 for South Africa and Zimbabwe respectively.

Table 10.10: Comparison of South Africa's and Zimbabwe's stakeholder-oriented nation FDI brand equity indices

	Equal Weighted Index – Eight Dimensions of Conceptual Framework		Equal Weighted Index – Empirical Factor Model (PCA)		Weighted Index – Percentages of Variance Standardised Weights (PCA)		Weighted Index – Standardised Regression Weights (CFA/SEM)	
	Mean Score	%	Mean Score	%	Mean Score	%	Mean Score	%
South Africa (n = 209)	4.16	59.36	4.23	60.43	3.95	56.46	4.16	59.36
Zimbabwe (n = 351)	3.74	53.43	3.82	54.57	3.68	52.57	3.63	51.86
Difference	**0.42**	**6.00**	**0.41**	**5.86**	**0.27**	**3.86**	**0.53**	**7.57**

As shown in the table above, South Africa performed above the threshold point, i.e. ≥ 4 or ≥ 57.14 percent, in three out of the four indices. The country recorded performance below cutoff point in the weighted SON-FDIBE index based on eigenvalue percentages of variance standardised weights only (μ = 3.95 or 56.46 percent). It registered its best performance in the equal-weighted SON-FDIBE index based on its 10-factor empirical model (μ = 4.23 or 60.43 percent). In contrast, all four indices of Zimbabwe are below those of South Africa and also below the threshold. Like South Africa, the country recorded its best performance in the equal-weighted SON-FDIBE index based on its 12-factor empirical model (μ = 3.82 or 54.57 percent). Furthermore, Zimbabwe registered its lowest performance in the weighted SON-FDIBE index based on standardised regression weights of its 12 factors (μ = 3.63 or 51.86 percent). Overall, South Africa recorded higher values than Zimbabwe across all four indices in the above table. This implies that, compared to Zimbabwe, South Africa has higher and stronger stakeholder-driven FDI brand equity. Of the four index techniques used to calculate these indices, the most statistically rigorous is one whose weights were determined by SEM.

10.5 CHAPTER SUMMARY

This chapter has contrasted the stakeholder-oriented nation FDI brand equities of the case study countries. The comparison helped to meet the fifth, or last, the empirical secondary objective of the study: "to contrast the stakeholder-oriented nation FDI brand reputations of South Africa and Zimbabwe". In particular, this objective was attained by comparing the findings on the two countries in respect of the study's first four secondary empirical objectives as presented herein and in Chapter 1, 8 and 9. The purpose of the cross-national comparison was to assess the extent to which the cases produced similar findings (literal replication) and varying results (theoretical replication). The study has produced similar findings in respect of one set of factors

and differing results regarding the other set of factors as presented in the chapter. This chapter is the last in a series of three chapters on findings in this study. It has made fundamental policy and methodological contributions to the study and practice of nation brand management in general and FDI brand management in particular by validating the SON-FDIBE conceptual framework cross-nationally focusing on the neigbouring countries of South Africa and Zimbabwe as comparative cases. Coming next is Chapter 11, which will discuss the study's findings within the current situation of the case study countries (Chapter 2 and 3), the literature review (Chapters 4 to 5), and the conceptual framework (Chapter 6).

CHAPTER 11
DISCUSSION OF FINDINGS

11. DISCUSSION OF FINDINGS

11.1 INTRODUCTION

Conclusions and recommendations of any study make much theoretical, methodological, and managerial, policy or practical sense after its findings have been discussed. The previous chapter presented findings on the stakeholder-oriented nation foreign direct investment (FDI) brand equities of South Africa and Zimbabwe from a comparative standpoint (*Empirical Secondary Objective 5*). Earlier on, Chapters 8 and 9 tabulated findings on the two countries drawing on themes informed by the study's first four empirical secondary objectives. Those four objectives were to: (1) measure South Africa's and Zimbabwe's FDI brand competitiveness by means of the conceptual model; (2) validate the theoretical model by measuring country FDI brand strengths of South Africa and Zimbabwe; (3) empirically evaluate the conceptual framework as a measure of country FDI brand attractiveness; and (4) calculate the stakeholder-oriented nation FDI brand equity (SON-FDIBE) indices of South Africa and Zimbabwe. This chapter discusses the findings focusing on the study's fifth, or last, empirical secondary objective – to compare South Africa and Zimbabwe on the basis of their stakeholder-oriented nation FDI brand reputations – as presented in Chapter 10. But as acknowledged in Chapter 10, that objective essentially incorporates the first four empirical secondary objectives of the study as presented above. The discussion lays the foundation for the conclusions and recommendations of the study presented in the next chapter. It also illuminates the theoretical and managerial contributions of the study to the existing body of knowledge on FDI destination branding.

11.2 COMPARISON OF SOUTH AFRICA'S AND ZIMBABWE'S STAKEHOLDER-ORIENTED FDI BRAND EQUITIES

11.2.1 Secondary objective 3: Comparative analysis of stakeholder perceptions on South Africa's and Zimbabwe's FDI brand competitiveness

The first empirical secondary objective of this study was "to measure South Africa's and Zimbabwe's FDI brand competitiveness by means of the conceptual framework". This goal

was attained by the perceptual or attitudinal data gathered from a convenience sample of 560 respondents from South Africa (n = 209) and Zimbabwe (n = 351), with a 7-point Likert scale ranging from *1* representing *Very Weak* to *7* representing *Very Strong* stakeholder-oriented nation FDI brand equity. The cutoff mean score for the study, decided by the researcher using the formula for calculating arithmetic average, was greater than or equal to 4 so mean ratings below this threshold indicate weak FDI brand strength—SON-FDIBE.

South Africa has mean scores ≥ 4 in only 53 of the 105 items in the study's hypothesised model and Zimbabwe only has 21 items above this standard. South Africa also has mean ratings above the cutoff point in six out of the eight original dimensions of the conceptual framework. The dimensions with mean scores above 4 in the South African case study are society, technology, ecology, economy, markets, and infrastructure and the two constructs with mean ratings below the threshold are organisation and government. In comparison, Zimbabwe has mean scores below the threshold in all but two of the constructs i.e. society and ecology. South Africa has an unweighted or crude composite mean rating of 4.16 for all the 105 variables or eight constructs in the conceptual framework while Zimbabwe has an overall crude mean rating of 3.74 for the same. As such, South Africa has stronger FDI brand equity than Zimbabwe albeit marginal in terms of the measurement scale.

These findings are generally consistent with South Africa's and Zimbabwe's performance in international proprietary-owned default and bona fide nation branding indices, such as, the Global Competitiveness Index (GCI) of the World Economic Forum (WEF), World Bank's Doing Business, Fund for Peace's Fragile States Index (FSI), Human Development Index (HDI) of the United Nation Development Programme (UNDP), Transparency International's Corruption Perception Index (CPI), Social Progress Imperative's Social Progress Index (SPI), the Global Innovation Index (GII) of Cornell University, Institut Européen d'Administration des Affaires (INSEAD) and World Intellectual Property Organization (WIPO), Mo Ibrahim Foundation's Ibrahim Index of African Governance (IIAG), FutureBrand's Country Brand Index (CBI), Bloom Consulting's Country Brand Ranking – Trade (CBR-T), Brand Finance®'s Nation Brand Impact™ Framework (NBIF™) within their Southern African Development Community (SADC) competitive set. South Africa's performance in this study is also in harmony with its rankings in AT Kearney's FDI Confidence Index®, Global Manufacturing Competitiveness Index (GMCI) of Deloitte Global & US Council on Competitiveness, and

World Competitiveness Scoreboard or Yearbook (WCS/Y) of the Institute of Management Development (IMD) within the top three economies in Africa (the other two being Egypt and Nigeria) and the BRICS (i.e. Brazil, Russian Federation, China and South Africa) nations competitive sets. As noted in Chapter 3, South Africa has consistently higher and stronger nation brand value and/or ranks than its northern neighbour, Zimbabwe, in these indices at the variable, construct, and overall or composite levels. The findings are also largely coherent with existing academic studies done in other countries (e.g. Anyanwu, 2012; Bitzenis, Tsitouras & Vlachos, 2009; Böckem & Tuschke, 2010; Fetscherin, 2010; Kalamova & Konrad, 2010; Lederman, Mengistae & Xu, 2012; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010; Outhavong, 2007; Passow, Fehlmann & Grahlow, 2005; Sun, 2009; Rojas-Me´ndez, 2013) in terms of factors.

At the item level, the study's findings are more directly comparable to those of the GCI, which is also partly a 7-point scale in its executive opinion survey (note the GCI partly relies on objective secondary data) component. The South African case study's findings are generally consistent with the country's mean ratings in the GCI (e.g. WEF, 2015a:327) whether they are below or above the cutoff point. Examples of such items are 3.8.14 Reliability of police services, 3.8.17 Carefulness of government spending, 3.2.1 Quality of technologies available in local firms, 3.5.15 Capability to retain qualified citizens, to state but a few similar attributes in the SON-FDIBE and GCI. Some of the items in South Africa with ratings that are inconsistent with the GCI (WEF, 2015a:327) are 3.2.7 Availability of scientists and engineers and 3.8.5 Transparency of government policymaking.

Zimbabwe's ratings in this (current) study also generally tend to reflect the country's unfavourable rating in the GCI and other proprietary indices. As will be seen in the discussion at factor level below, many items in the factor solutions were rated in a manner compatible with existing practitioner literature as already cited above in the case of South Africa. However, a substantial number of variables in the Zimbabwean case study were also rated in a fashion incompatible with extant studies. For example, the country's rating on attribute 3.1.4 Level of corruption was inconsistent with the country's ranking in Transparency International's CPI. For the 6-year period ending December 2015, Zimbabwe has occupied a mean rank of 125 out of 175 countries included in the CPI (**see Chapter 3; Transparency International, 2010-2016b**).

11.2.2 Secondary objectives 4 & 5: Validating South Africa's and Zimbabwe's SON-FDIBE conceptual model using exploratory and confirmatory factor analysis

Secondary objectives 4 and 5, or empirical objectives 2 and 3, of this study were "to validate the theoretical framework by measuring country FDI brand strength of South Africa and Zimbabwe" and "to empirically evaluate the conceptual model as a measure of country FDI brand attractiveness". The first of these two objectives was achieved through principal component analysis (PCA), a factor analysis technique falling under exploratory factor analysis (EFA). PCA extracted 10 factors from the South African case dataset and 12 factors from the Zimbabwean case dataset with total variance explained of 65.88 and 58.71 percent respectively **(see Appendices 3 & 4)**. These are considered satisfactory cummilative variances following theorists who, while they admit that a satisfactory level of total variance depends on the research problem, recommend total variance of at least 60 percent for factors extracted (Hair *et al*., 2010; Maholtra & Dash, 2011). In general, the bigger the total variance explained the more suitable the model may be in measuring what it is measuring. The second or last of these two goals was fulfilled through confirmatory factor analysis (CFA), which employed structural equation modelling (SEM) to confirm factors extracted by EFA. A Likert scale can be validated through PCA and CFA (Baalbaki, 2012; Cho 2011; Tabachnick & Fidell, 2007; Yong & Pearce, 2013).

In coherence with assumptions made in Chapter 6 that the eight constructs of the conceptual framework were interrelated, the Pearson's correlation coefficients of the factor structure of each case study country confirmed that the factors were significantly correlated. Nonetheless, the correlation coefficients in each country factor solution were under 0.9, which do not warrant the factors to be treated for multicollinearity (Green, Tull & Albaum, 1988; Farrar & Glauber, 1967; O'Brien, 2007; Tabachnick & Fidell, 2007; Yoo *et al*., 2014). Multicollinearity refers to how strongly independent or explanatory variables in a model interrelate (Liao & Valliant, 2012; Sekeran & Bougie, 2013; Yong & Pearce, 2013). If collinearity exceeds a maximum standard, it causes logical and statistical challenges that may weaken the analysis (Tabachnick & Fidell, 2007:89) hence must be treated before proceeding. That was not necessary in this study in respect of the two case studies. However, the fact that the components in each country factor solution are correlated implies that they are subsets of one unified system. This means

that poor country performance in one factor can have negative impacts in other factors. This is also the case with the GCI's 12 pillars of competitiveness (see WEF, 2014:9) and some of the proprietary indices included in this discussion.

Nevertheless, the SON-FDIBE framework is unique in that it has been tested for multicollinearity while literature on the GCI is silent on whether it has been tested for that. In addition, although factors of many bona fide and default proprietary country branding indices (e.g. Anholt-GfK Roper, 2016b; Bloom Consulting, 2017a; Brand Finance®, 2015, Cornell University, INSEAD & WIPO, 2016; Fund for Peace, 2016; FutureBrand, 2014; Mo Ibrahim Foundation, 2016; Social Progress Imperative, 2016b; WEF, 2016; World Bank, 2016a) and academic models (e.g. Bivolaru, Andrei & Purcăroiu, 2009; Lee, 2009; Outhavong, 2007; Rojas-Me´ndez, 2013, Sun, 2009) are or may be interrelated, it is not stated whether these models have been tested for (multi)collinearity. Therefore, the SON-FDIBE model is methodically distinct from these indices. Now, the individual factors in the country cases are discussed. This is done in terms of their explanatory power or percentage variance explained (PVE), standardised regression weights (SRW), mean score (μ), standard deviation (SD), and constituent nation brand attributes.

11.2.2.1 Government: Factor 1 (South Africa and Zimbabwe)

Government is the most important determinant of stakeholder-oriented nation FDI brand equity in both South Africa (PVE = 40.99; SRW = 0.920) and Zimbabwe (PVE = 31.8; SRW = 0.910). This is consistent with extant literature highlighting that government is an important determinant of country image, reputation and FDI inflow (Anholt-GfK Roper, 2016a; AT Kearney, 2016; Bivolaru, Andrei & Purcăroiu, 2009; Deloitte Global & US Council on Competitiveness, 2016; Dinnie, 2008; Fetscherin, 2010; Fund for Peace, 2016; FutureBrand, 2014; Hendry, 2014; Kalamova & Konrad, 2010; Mo Ibrahim Foundation, 2016; Rojas-Me´ndez, 2013; Satyanand, 2011; Simonin, 2008; Sun, 2009). A standardised regression weight explains the relationship between independent variables and the dependent variable, in this case the factors and SON-FDIBE. Anyanwu (2012:448) found that the government quality, represented by the rule of law variable, is statistically significantly correlated with higher FDI inflows to Africa. The measurement of governance focuses on the outputs and outcomes of policy, instead of declarations of intent and *de jure* statutes, although it is also

sometimes essential to use measurements of the presence of laws (Mo Ibrahim Foundation, 2013:4). According to the institutional theory of FDI, governance is an important variable of country FDI competitiveness (see e.g. Böckem & Tuschke, 2010; Dumludag, 2009). The importance of institutions and regulations in nation branding is well documented in bona fide country branding literature (e.g. Bloom Consulting, 2013; Rojas-Me´ndez, 2013) and default nation reputation literature (e.g. Cornell University, INSEAD & WIPO, 2016; Delgado *et al*., 2012; IMD, 2014; Mo Ibrahim Foundation, 2015; WEF, 2016; World Bank, 2015a). National Economic Consultative Forum (NECF) asserts that, notwithstanding this, there is a general perception that the regulatory burden in Zimbabwe is still very high and too costly for business operations (NECF, 2016:65). "A rules-based investment regime that is credible, has broad international support and aims at sustainability and inclusiveness can help reduce uncertainty and improve the stability of investment relations" (UNCTAD, 2017:xi).

While South Africa's government component is slightly better rated ($\mu = 3.73$) than Zimbabwe's ($\mu = 3.40$), the mean ratings of both countries are below the study's threshold of ≥ 4 **(see Chapters 8, 9 & 10 of thesis)**. Despite that government is the most important factor in the two countries, the mean ratings of the two countries in this component indicate that they both need to improve their government systems if they are to increase their stakeholder-oriented nation FDI brand values. Many items in the government sub-index of South Africa and Zimbabwe are generally similar to those in the institutions factors of the GII and GCI (WEF, 2015a; Cornell University, INSEAD & WIPO, 2015). The countries' overall and item mean ratings in this factor are in harmony with their ratings in the institutions pillar of the GCI (see WEF, 2015a:327&371). However, South Africa's governance or institutions' competitiveness is better rated than that of Zimbabwe in indices such as GII, IIAG and GCI (e.g. Cornell University, INSEAD & WIPO, 2015; Mo Ibrahim Foundation, 2015; WEF, 2015a). In addition, South Africa's government mean in the current study is incoherent with those of the three above-stated indices. Perhaps, the incoherence is explained by methodological differences and in particular the type of data used.

The somewhat high standard deviations registered for this factor in both countries, i.e. > 1.2, perhaps, attests to the complexity of government as a construct. Government is a highly subjective construct hence is measured through proxy variables. Maybe that is why the dispersion of perceptions on this sub-index is among the highest for the case countries. Laws

(Bivolaru, Andrei & Purcăroiu, 2009; Bloom Consulting, 2012), regulations (World Bank, 2014; AT Kearney, 2014; Kalamova & Konrad, 2010) or rules (WEF, 2013b) that a government passes and the extent to which it respects, or complies with, domestic and international laws—rule of law (Anyanwu, 2012; Fund for Peace, 2014; Kalamova & Konrad, 2010; Mo Ibrahim Foundation, 2015; Passow, Fehlmann & Grahlow, 2005) affect country reputation including FDI attractiveness. The choice of an FDI destination is determined by existing government regulations, political conditions, government policy to attract FDIs, and local community attitudes towards FDI (Cywiński & Harasym, 2012:6).

While both countries were poorly rated in respect of item 3.8.14 Reliability of police services, Zimbabwe should probably do more than South Africa to improve its rating on this variable. Participants at the Ease of Doing Business in the Tourism Sector Conference held in Harare on 1 September 2016 expressed concern over the high number of police roadblocks on the country's roads (Researcher's Personal Notes, 2016). Judging from the support this concern received from participants at this conference, jointly organised by the Zimbabwe Tourism Authority and the Ministry of Tourism and Hospitality Management, how a country' police force conducts itself affects how a country is perceived not only by tourists and investors but also its own general citizens. The Zimbabwe Council of Tourism has expressed concerned at the number of roadblocks, one roadblock within a 10-kilometre radius, which they say is impacting negatively on tourism (DailyNews Assistant Editor, 2017:4). Reliability of police services is a critical variable in measuring country global competitiveness (Fund for Peace, 2014; WEF, 2016) and both South Africa's and Zimbabwe's are weakly rated on this variable in the GCI, mean 3.3 and 3.5 respectively (WEF, 2016:325&369).

Zimbabwe's governance sub-index was also negatively rated in respect of attributes 3.8.9 Extent to which FDI policy allow foreign ownership and 3.8.23 Policy consistency. Prevalence of foreign ownership is an important indicator of nation competitiveness (WEF, 2015a:371). Section 3(1)(a) of Zimbabwe's Indigenisation and Economic Empowerment Act (Chapter 14:33) stipulates that "at least fifty-one *per centum* of the shares of every public company and any other business [operating in the country] shall be owned by indigenous Zimbabweans". This is one of the most controversial laws believed to discourage FDI flows to the country. Perceptions around indigenisation are among constraints on the investment climate in Zimbabwe (Mbaiwa, 2016:21) and investor protection is deemed to be weak and this may be

discouraging FDI into the country (NECF, 2016:65). Zimbabwe's Indigenisation and Economic Empowerment Act (Chapter 14:33, p. 7) defines indigenisation as "a deliberate involvement of indigenous Zimbabweans in the economic activities of the country, to which hitherto they had no access, so as to ensure the equitable ownership of the nation's resources". The same law explains an indigenous Zimbabwean "as any person who, before the 18th April 1980, was disadvantaged by unfair discrimination on the grounds of race, and any descendant of such person, and includes any company, association, syndicate or partnership of which indigenous Zimbabweans form the majority of the members or hold the controlling interest". South Africa also has its own indigenisation and FDI laws but they are not as controversial as those of Zimbabwe. One of such policies is the Black Economic Empowerment (BEE) policy.

Both countries were also poorly rated in attributes 3.8.23 Policy consistency and 3.8.15 Policy stability ($\mu < 4$) which is consistent with their ratings in the GCI (WEF, 2016:324&368). Policy consistency and/or stability is a critical variable in measuring nation FDI brand equity (Confederation of Zimbabwe Industries, 2016:8; IMD, 2014:39; Mbaiwa, 2016:32; WEF, 2016:334&368). It is difficult for businesses to develop sustainable strategic plans in countries characterised by policy instability. (For typical examples on policy inconsistences see education and training sub-index in section 11.2.27 below.)

The study also found that item 3.8.16 Enforcing citizens' rights, was among the most important variables in both the government sub-indices of South Africa and Zimbabwe in terms of factor loadings and/or standardised regression weights yet the mean scores for both countries on the same measure were below the threshold point. This finding corroborates South Africa's weakest ranking in the NBI[SM] in "respect for citizens' rights – a troubling sore spot given the importance that global citizens place on human rights" (de Kock, 2015:4). It also validates Zimbabwe's scores and rankings in the human rights related factors of the FSI, IIAG, and SPI (Fund for Peace, 2016:22; Mo Ibrahim Foundation, 2016:44; Social Progress Imperative, 2016a:137; **see also Tables 3.50, 3.32 & 3.8 of this thesis**). There are some efforts aimed at strengthening "democratic governance in Zimbabwe but some development challenges remain in areas relating to justice delivery, governance, human rights, mechanisms for the security and protection of persons, and service delivery by public institutions" (Government of Zimbabwe & United nations Country Team, 2010:11). Country reputation is determined by the extent to which the host government respects human, civil, or political freedoms (Anholt-GfK Roper,

2016b; Bivolaru, Andrei & Purcăroiu, 2009; Dinnie, 2008; Fund for Peace, 2014; Kalamova & Konrad, 2010; Mo Ibrahim Foundation, 2014; FutureBrand, 2014). With respect to democracy and human rights, FDI seems to create a 'race to the top' rather than a 'race to the bottom' (Colen, Maertens & Swinnen, 2008:2). The need to improve how South Africa and Zimbabwe are perceived by their key stakeholders in this globally important policy area cannot be overemphasied in view of their performance in that indicator in this study. A good human rights record endows a country with positive reputation, which can lead to positive nation FDI brand equity. Such reputation is proof that its government is ethical and socially responsible. "[T]he significance of social responsibility is even greater for a country than it is for a company" (Fehlmann *et al*., 2002; Passow, Fehlmann & Grahlow, 2005). Anholt (2013a:9-10) echoes that corporate social responsibility for countries is fundamental:

> "If a country wants to be admired, it must be relevant, and in order to become relevant, it must participate usefully, productively, and imaginatively in the global conversations on the topics that matter to people elsewhere and everywhere. The list of those topics is a long one: climate change, poverty, famine, narcotics, migration, economic stability, human rights, women's rights, indigenous people's rights, children's rights, religious and cultural tolerance, nuclear proliferation, water, education, corruption, terrorism, crime, war, and arms control are just a few of the most obvious ones."

Unfortunately, the issue of human rights is facing strong opposition from many African Union (AU) member countries (African News Agency, 2016:11a&b). No African country has a clean track record when it comes to the abuse of human rights (Zuma, 2011 cited in African News Agency, 2016:11b). The African continent suffered the worst human rights abuses in the world's history through centuries of slave trade and colonialism (Darity, 2005; Farah, Kiamba & Mazongo, 2011; Hrituleac, 2011). So African governments must be exemplars of democracy and human rights advocates because of what the continent and its people have gone through in the past. Fetscherin (2010:475) argues that for a country to improve its brand it may need "fundamental changes in the political, economic, legal, and social systems". The guaranteeing of human rights in a country's supreme law, constitution, which South Africa and Zimbabwe have done by establishing constitutionally-warranted human rights commissions, is commendable (see Constitution of the Republic of South Africa, 1996:109; Constitution of Zimbabwe Amendment Act No. 20, 2013:95). Nonetheless, in the Zimbabwe context, Government of Zimbabwe & United nations Country Team (2010:15) acknowledge that an evaluation of the Human Rights Commission and Media Commission reflects that these new independent commissions are insufficiently capacitated to support good governance and human rights. Many obstacles that "include inadequate institutional set ups and coordination, unclear mechanisms for engaging the public, and technological limitations, hamper the effectiveness

of these new commissions" (Government of Zimbabwe & United nations Country Team, 2010:16). The efforts South Africa and Zimbabwe are making to strengthen human rights in their countries should be applauded.

11.2.2.2 Ports and Telecommunications Infrastructure: Factor 2 (South Africa) and Telecommunications Infrastructure and Public Transport, Factor 4 (Zimbabwe)

The study has established that the ports and telecommunications infrastructure in the case of South Africa and telecommunications infrastructure and public transport in respect of Zimbabwe are fundamental determinants of stakeholder-led FDI brand equity. The overall and item mean scores of the seven items constituting South Africa's ports and telecommunications infrastructure determinant – namely, 3.6.8 Number and capacity of airports, 3.6.9 Availability of fixed-line telephones, 3.6.7 Domestic and international airlines departures, 3.6.10 Accessibility of mobile phones, 3.6.11 Availability of Internet services, 3.6.4 Ease of access to real estate, and 3.6.3 Quality of ports – are all greater than 4. Zimbabwe's overall mean and those of three of the four attributes in its telecommunications factor – i.e. 3.6.10, 3.6.11, and 3.6.12 Affordability of internet including Broadband services are all also above the threshold. Only one variable in the country's communications component, 3.6.14 Efficiency of public transport system, has a mean score below 4. This variable is directly linked to a country's roads and railway transport system, which is discussed in the generic infrastructure component of Zimbabwe (Factor 7) below. A quality and efficient public transport system is a determinant of quality of life (Colmar Brunton, 2016:53) and economy competitiveness (African Development Bank, 2011; Foster & Pushak, 2011). The need for a sustainable urban public transport system in Zimbabwe cannot be overemphasised (African Development Bank, 2011:211). However, in developing such a system, policymakers should still accommodate the small omni-bus transport sector because it is providing a livelihood to thousands of otherwise unemployed people and has served the country in its time of greatest need. A comprehensive public transport policy framework is needed, alongside a transparent partnership between central and local governments, the private sector and civil society (African Development Bank, 2011:211).

Despite the good rating Zimbabwe received on item 3.6.12, policymakers need to examine this variable because internet services including Broadband are expensive and way beyond the

reach of most people. The need for affordable internet services in the country cannot be underestimated given its implications for education and skills training and development. The suggested education and skills pillar of modern economies "measures both the quantity and quality of skills and the training that today's workers possess, as well as the level of education and skills of tomorrow's workforce, with particular emphasis on the use of ICTs in school and the style of teaching" (WEF, 2016:57). Even lower-skilled jobs increasingly need talent and knowledge, hence vocational training and secondary education must empower students to work in a complex, digital environment (WEF, 2016:57). Broadband coverage and disparities in access to computers and smartphones might create new forms of exclusion (UNDP, 2016:68).

Telecommunications networks (IMD, 2014; Moilanen & Rainisto, 2009; Njoroge & Okech, 2011; Passow, Fehlmann & Grahlow, 2005; Sichei & Kinyondo, 2012; Sun, 2009) i.e. internet access (Fund for Peace, 2014; WEF, 2013b), fixed telephones and mobile phones (WEF, 2013b) influence a country's FDI competitiveness. Telecommunications link value chains of businesses locally and internationally in near real-time hence signicantly reduce physical distances between places. In spite of the range of telecommunications infrastructure, Demirhan and Masca (2008:361) lament that the common tendency among theoreticians has been to focus on fixed-telephone infrastructure and ignore mobile telephones. The current study considered both these assets. Nowadays, infrastructure can no longer be defined in the traditional sense of roads, railroads, harbours and airports because technological infrastructure such as telecommunication systems, Internet, and mobile telephony (whether traditional or internet-driven) is turning into an asset for nation competitiveness (Garelli, 2014:498).

Since the decade characterised by economic crisis, i.e. 1999 to 2008, Zimbabwe has trailed behind other countries in the region in terms of information, communication and technology (ICT) service penetration, and the rate at which new technology was adopted (African Development Bank, 2011:23). This situation stems from mainly lack of resources for maintenance and meaningful new investment (African Development Bank, 2011:23). Consequently, Zimbabwe's ICT sector is characterised by a number of challenges in the data and voice arenas that are evidenced by congestion and slow connections because of inadequate infrastructure, African Development Bank adds.

As already noted, the South African ports and telecommunications component is unique in that it includes airports, sea ports, and airline departures per day. In the Zimbabwean case, these attributes are part of generic infrastructure (Factor 7), which is discussed below alongside South Africa's Factor 9. South Africa enjoys positive FDI brand equity in respect of ports-related variables. The flow of FDI into a country is determined by the availability and quality of sea ports (Ledyaeva, Karhunen & Whalley, 2013; WEF, 2014) and air transport infrastructure (IMD, 2014; WEF, 2013b, 2015b). Empirical evidence from a study done in Kenya shows that poor infrastructure at the port impedes the flow of FDI into the country's horticulture industry (Njoroge & Okech, 2011:104). The sea ports variable is noticeably absent from extant bona fide nation branding models whether proprietary-owned (e.g. Anholt-GfK Roper, 2016a; Bloom Consulting, 2014; Brand Finance®, 2013; FutureBrand, 2014) or academic (e.g. Anholt, 2005a; de Queiroz & Giraldi, 2015; Fetscherin, 2010; Jacobsen, 2009; Kalamova & Konrad, 2010; Rojas-Me´ndez, 2013; Sun, 2009). Air transport infrastructure is an important source of country international competitiveness (IMD, 2014; WEF, 2013b). South Africa has far more airports and airline departures per day than northen neighbour, Zimbabwe. South Africa is positioned in the BRICS as a gateway into Africa (Gauteng Province Provincial Treasury, 2013; Kahn, 2011; Kotler & Keller, 2016) probably because of its good infrastructure in terms of airports and habours, and advanced economy.

11.2.2.3 Economy: Factor 4 (South Africa) and Factor 12 (Zimbabwe)

The economy has emerged as an important source of SON-FDIBE in South Africa and Zimbabwe with the former having an overall mean just above the cutoff point while the latter's is below 4. A country's brand equity can be judged from the robustness of its economy (e.g. Adebola, Talabi & Lamidi, 2012; AT Kearney, 2014; Bivolaru, Andrei & Purcăroiu, 2009; Buhmann & Ingenhoff, 2015; Outhavong, 2007; Rojas-Me´ndez, 2013). At least three theories of FDI i.e. neoclassical theory (Tvaronavičienė, Kalašinskaitė & Šimelytė, 2009; Faeth, 2008), economic perspective (Adam & Filippaios, 2007; Böckem & Tuschke, 2010) and strengths of currency theory (Aliber, 1970 cited in Nayak & Choudhury, 2014; Nayak & Choudhury, 2014) support the view that the economy is a source of country FDI attractiveness. Therefore, prudent economic management is the pathway to guaranteeing sustainable FDI destination competitiveness.

Of the 15 attributes in South Africa's economy latent variable, only eight have mean ratings above the threshold level i.e. ≥ 4. Those items are 3.5.2 Tax rates (corporate tax, customs duties and individual tax), 3.4.14 Significance of annual FDI inflows, 3.4.15 Prospects for increasing FDI inflows, 3.4.16 FDI incentives (e.g. tax holidays, special economic zones, etc.), 3.5.5 Prevalence of foreign ownership, 3.4.2 Economic (GDP) growth rates, 3.4.13 Marketing of sectors open to FDI, 3.4.9 Number of reputable industries (irrespective of ownership), and 3.4.11 Export performance. The seven remaining variables in which the country was rated below the cutoff point are 3.4.7 Interest rates, 3.4.8 Exchange rates, 3.4.6 Inflation rate, 3.5.4 Effect of taxation on incentive to work, 3.5.3 Effect of taxation on incentive to invest, 3.4.2 GDP growth rate, and 3.4.3 Income distribution or GDP per capita.

Zimbabwe's performance in this component is overall dismal. Only one of the 10 variables in its economy sub-index, 3.4.16 Country attractiveness to international tourists, is rated greater than 4. In respect of South Africa, the same item is in the Ecology and Tourism dimension (Factor 10) discussed below. The remaining nine attributes in Zimbabwe's economy component rated below the cutoff point are 3.4.14, 3.4.10 Reputable brands, 3.4.15, 3.4.9, 3.4.13, 3.4.16, 3.4.11, 3.4.2, and 3.1.6 Quality of life (i.e. affordability of basics and wants of life).

South Africa's positive rating in attribute 3.4.14 Significance of annual FDI inflows and large FDI inflows, i.e. annual mean of US$4.03 billion for the last 17 years (World Bank, 2017) that is the largest in the SADC, are consistent with the hypothesis of **agglomeration economies** that FDI goes where other FDI goes (e.g. Anyanwu, 2012; Mukim & Nunnenkamp, 2010; Sichei & Kinyondo, 2012). Once a country attracts the first mass of foreign direct investors, the process will self-reinforce, without necessitating a change in policies (Campos & Kinoshita, 2003:7). Foreign investors are likely to be persuaded to invest in a host country with large existing FDI stocks because such stock may be interpreted as a sign for a good investment climate (Al-Sadig, 2009:274). In comparison, Zimbabwe's mean score for item 3.4.14 shows that the country does not enjoy any agglomeration economies. As shown in Chapter 3, its annual and mean FDI inflows for the last 17 years are consistently low even by SADC standard. Zimbabwe only managed to surpass its highest ever FDI inflow of US$444 million recorded in 1998 when it received US$473 million in 2014 (see World Bank, 2016a) or US$545 million (United Nations Conference on Trade and Development, 2015:A4). The disparity between

World Bank and United Nations Conference on Trade and Development (UNCTAD) FDI statistics is probably explained by differences in methodologies used to collect and analyse data.

South Africa needs to take seriously the marginally negative mean rating of 3.98 for item 3.5.4 Effect of taxation on incentive to work because it is strongly correlated with FDI attractiveness (SRW = 0.733) if it is to encourage productivity and investment by hardworking employees in its economy. Zimbabwe needs to do the same on this variable (SRW = 0.735), which falls under its taxation and domestic competition factor discussed below. The two nations need to give incentives to their highly productive employees, for example, those who work overtime and/or bring in additional income to their organisations through consulting services. Such employees should be taxed less for the additional income they earn through their own initiative and sacrifice of leisure time. In the mean time, the governments could also work with the financial services sector in their respective countries to monitor how those individuals spent their incomes with a view to encouraging them to invest. There is no question that taxation has a negative effect on incentive to work for those employees who work hard (IMD, 2014; WEF, 2015, 2015, 2016) especially when their employers lump their salaries with the intermittent income from consultancy assignments for income tax purposes. Such managerial practices have an effect of projecting such hardworking staff as high-income earners hence they are moved to the next suitable income tax bracket in which they, in actual fact, do not belong. The practice is a direct tax on productivity hence can discourage the concerned employees from working hard.

Furthermore, the inclusion of all the above-stated variables in the case study countries' economy factors is consistent with the literature. For instance, South Africa's positive stakeholder nation FDI brand equity in respect of item 3.4.9 Reputable industries, is in harmony with the findings of Sun's (2009) study covering 24 countries most of them developed. The study found that there was a positive relationship between perceived reputable industries and FDI, which shows that a country with more reputable industries attracts more FDI than countries with fewer reputable industries (Sun, 2009:86). In addition, South Africa has been featuring in Deloitte Global and US Council on Competitiveness's GMCI since the index's inception in 2010. South Africa exports "commodities involving little or codifiable intellectual property, major brand automobiles, and smaller volumes of high technology (Kahn, 2011:495).

Sun (2009:86) recommends that when a country crafts its nation branding strategies, it should showcase its reputable brands if it has such an advantage. South Africa's automobile assembly industry is well established. Kim (2016:23) found empirical evidence supporting that company reputation may contribute to developing favourable country reputation. A country with reputable industries and brands is competitive in that these are proof of what the country can manufacture. Such industries and brands need not be necessarily 51 percent owned by locals. The ownership issue *per se*, whether domestic or international, is ultimately immaterial in the decision to approve FDI, because stakeholders need companies that do the right thing for all concerned (Kalfadellis & Gray, 2005:8). In fact, the idea is that, in time, a country can incrementally build on the capabilities of multinational firms operating under its jurisdiction to establish locally-owned reputable industries and brands. FDI may facilitate knowledge and technology transfer (Abala, 2014; Cywiński & Harasym, 2012; Iamsiraroj & Doucouliagos, 2015; Wang & Wang, 2014; Salem, 2015; World Bank, 2015b; WEF, 2015a). South Africa seems to be in that path in respect of its automotive industry. All it needs is to strengthen its innovation base and design its own automobile building on the experience it has gained through global auto assembly lines it is hosting. Judging by the amount of shelf space occupied by South African brands in retailers in SADC countries, particularly those in the Southern African Customs Union (i.e. Botswana, Lesotho, Namibia, and Swaziland), Mozambique, Zambia and Zimbabwe, the country also dominates in processing food-related products retailed in the region.

On the contrary, while at independence in 1980 Zimbabwe inherited a diversified economy with a solid manufacturing base by Sub-Saharan Africa standards then, the country has slipped from that position due to unrelenting political and economic crisis since 1999. Between the mid-1960s and the period just before the crisis (late 1990s), the country's manufacturing competitiveness benefited from the vibrant commercial agricultural sector and an import substitution strategy designed by the minority government of Ian Smith to insulate the country from international sanctions imposed on his government following its Unilateral Declaration of Independence in 1965. This virtually imposed import substitution industrialisation regime meant the country had to produce most of what it used to import to cater for the needs of its population (Mlambo, 2017:100). Zimbabwe has continued to follow the policy of import substitution to this day. African Development Bank (2011:55) argue that, while import substitution policies shield many industries from international markets hence allowing them to

develop, the success of such policies in Zimbabwe has been mixed. Protection has costs in respect of lost growth thus import substitution policies were harmful (African Development Bank, 2011:55).

Zimbabwe's ratings for items 3.4.9 Reputable industries and 3.4.10 Number of reputable brands are below the cutoff point. This is consistent with the general sentiments in Zimbabwe that the country has deindustrialised (Confederation of Zimbabwe Industries, 2014; Mlambo, 2017; Zimbabwe National Budget Statement, 2013:98). What is more worrying about Zimbabwe's economy element is that "there seem to be no deliberate, focused, appropriate plan of action towards addressing the crisis that is upon the economy" (Gadzikwa, 2013). A comparison of the GDP changes of the Zimbabwean and Zambian economies over the last 16 years ending 2014 shows the extent to which the former's economy has not fully recovered since the crisis decade i.e. 1999 to 2008. Zimbabwe recorded a GDP of US$6.4 billion in 1998 which expanded to US$14.2 billion in 2014 compared to Zambia's GDP which grew from US$3.5 billion in 1998 to US$27.1 billion in 2014 (World Bank, 2017). Thus if Zimbabwe had fully recovered from the crisis, its economy should have been by now bigger than Zambia's.

During the crisis period, the country's GDP fell cumulatively by at least 40 percent (Confederation of Zimbabwe Industries, 2010; Zimbabwe National Budget Statement, 2009) to 50 percent (African Development Bank, 2011; Mlambo, 2017; ZIMASSET, 2013). The official position is that "Zimbabwe experienced a deteriorating economic and social environment since 2000 that was caused by illegal economic sanctions imposed by the Western countries" (ZIMASSET, 2013:17). Nevertheless, "the crisis can be attributed largely to a combination of factors, including economic mismanagement, poor governance mainly arising from weaknesses in the rule of law in the context of the Government's fast-tracked land reform program, the concomitant loss of support from the international community, capital flight, and low investment" (African Development Bank, 2011:4). Stakeholder perceptions around these policy issues are likely to have affected the Zimbabwe brand.

11.2.2.4 Technology: Factor 5 (South Africa) and Factor 10 (Zimbabwe)

Out of the 10 and 12 components in South Africa's and Zimbabwe's factor structures respectively, technology is the only one that has retained all its eight items in the technology construct of the study's conceptual framework with the only variation being the empirical arrangement of the constituent variables in each country factor **(Tables 8.5 & 8.9 in Chapter 8 and 9.5 & 9.13 in Chapter 9)**. This is the only factor in which the empirical analysis meshed 100 percent with the researcher's theorisation (**H_2** of the study) about the influence of technology on stakeholder-oriented country FDI brand attractiveness except only in the arrangement of constituent attributes. Drawing on standardised regression weights as a basis, the items in the technology component of South Africa are 3.2.8 Intensity of university-industry collaboration in research and development (R&D), 3.2.6 Availability of quality R&D institutions (universities included), 3.2.3 Company investments in R&D, 3.2.4 Capacity to create successful new products/services and systems, 3.2.7 Availability of scientists and engineers, 3.2.5 Government funding for R&D (universities included), 3.2.1 Quality of technologies available in local firms, and 3.2.2 Quality of information technology in government institutions. South Africa's overall and attribute mean scores in this dimension are ≥4, the study's cutoff mean score, which means it is doing relatively well. But one item, 3.2.5 Government funding for R&D (universities included), has a marginally positive mean of 4.09. This scores perhaps reinforce why South African public universities have been rocked with student demonstrations over fees in the last two years.

While all the indicators are retained in the Zimbabwean technology sub-index, they are distinctively arranged as already stated. Secondly, only one item out of the eight items, 3.2.7, has a mean greater than the threshold. The third unique feature about the Zimbabwean vis-à-vis South African technology sub-index is the overall technology SON-FDIBE mean rating (i.e. Zimbabwe = 3.60; South Africa = 4.52). The overall mean scores are coherent with those the countries got in the Technological readiness (9th Pillar) of the GCI (i.e. South Africa = 4.7; Zimbabwe = 2.7) (WEF, 2016:324 & 368). Apparently, South Africa is the stronger of the two countries in technology and innovation terms in both the current study and GCI and GII 2015.

Zimbabwe's mean rating of 4.33 for item 3.2.7 Availability of scientists and engineers is incoherent with mean score of 3.2 it got in the GCI (e.g. WEF, 2016:369). This finding is also

inconsistent with the country's overall performance in the GII out of 100 percent and 141 countries (Score = 22.5; Rank = 133) (Cornell University, INSEAD & WIPO, 2015:276 & 302). Zimbabwe has experienced sustained human capital flight since the late 1990s when its relentless economic decline began. Although the actual statistics on brain drain are not available, it is likely that engineers and scientists are among the masses of professionals who have emigrated regionally and globally in search of greener pastures.

Technology strengthens a nation's brand image and reputation including its attractiveness as an FDI location (Bivolaru, Andrei & Purcăroiu, 2009; Buhmann & Ingenhoff, 2015; Cywiński & Harasym, 2012; Hornberger, Battat & Kusek, 2011; WEF, 2014; Rojas-Me´ndez, 2013). Moreover, FDI can bring foreign technology to host countries, particularly those countries at a less advanced stage of technological development (Abala, 2014; Anyanwu, 2012; Cywiński & Harasym, 2012; Denisia, 2010; Kalfadellis & Gray, 2005; Kurtishi-Kastrati, 2013; Mohamed & Sidiropoulos, 2010; Organisation for Economic Cooperation and Development, 2014a; Salem, 2015; Wang & Wang, 2014; WEF, 2016). Interestingly, the latest GCI suggests that FDI is more effectively facilitating technology transfer in South Africa than it is doing in Zimbabwe. The former has a mean score of 4.6 for the variable FDI and technology transfer (WEF, 2016:325) while the latter has a mean rating of 2.8 for the same indicator (WEF, 2016:369).

11.2.2.5 Organisation: Factor 6 (South Africa) and Factor 11 (Zimbabwe)

Organisation is one the common latent variables extracted and confirmed in both countries with mean scores below threshold (South Africa = 3.76; Zimbabwe = 3.26) yet in standardised regression weight terms, it is highly fundamental just like the government component with which it is also highly correlated (South Africa = 0.860; Zimbabwe = 0.910) **(see Figures 8.3 & 9.3, Chapter 8 & 9)**. This factor is literally an extension of the government component discussed above because it not only deals with administrative or institutional issues but also draws some measures from the original hypothetical government construct. The determinant corresponds well with institutions-related components of practitioner-owned indices like the GII, FSI, IIAG, and GCI (see Cornell University, INSEAD & WIPO, 2015; Fund for Peace, 2016; Mo Ibrahim Foundation, 2016; WEF, 2016). Nation branding literature argues that to a large extent, the government's responsibility can be equated with that of the general

management of a company (Fehlmann *et al*., 2002; Passow, Fehlmann & Grahlow, 2005). Considering that South Africa and Zimbabwe have poor ratings in the organisation and government sub-indexes, it is important for them to attend to their institutional or administrative competences urgently if they are to turnaround their inward FDI performance in the medium- to long-term.

Out of the 11 variables in the organisation factor of South Africa, only three i.e. 3.6.14 Efficiency of public transport system, 3.5.18 State of industrial relations, and 3.6.13 E-government effectiveness (availability of government documents on Internet e.g. statutes, reports, business forms, etc.) are rated ≥4. The country's mean scores in the following eight items are below the threshold point: 3.7.2 Clear national values, 3.7.1 Clear shared national vision, 3.7.3 Effectiveness of national development plan, 3.5.16 Capability to attract qualified foreign citizens, 3.7.5 Stakeholder trust in country, 3.7.4 Stakeholder participation in policymaking (e.g. local businesses, foreign investors, labour, academic, media, and general public), 3.5.9 Work ethic of workforce, and 3.3.5 Capability to retain qualified citizens.

In comparison, Zimbabwe's mean scores in all 10 attributes in its organisation element are below the cut-off point: 3.7.3, 3.7.1, 3.7.2, 3.7.5, 3.7.4, 3.8.3 Efficiency of government bureaucracy (paperwork, agencies licensing one business, etc.), 3.8.2 Competency of public institutions, 3.8.1 Political unity and stability, 3.8.4 Fairness of public institutions, and 3.6.13. African Development Bank (2011:8) attributes the decline in Zimbabwe's manufacturing sector (see capacity utilisation) to a mix of challenges resulting from **unstable and unpredictable policies** (emphasis added) that led to high and unpredictable inflation, acute shortages of foreign exchange, an overvalued exchange rate, persistent fuel shortages, inadequate and costly infrastructure services (particularly power and water), inefficient transport, as well as price controls and shortage of skilled labour associated with brain drain and tough labour regulations.

With respect to item 3.8.3 Efficiency of government bureaucracy (paperwork, agencies licensing one business, etc.) Zimbabwe appears to be chewing its own competitiveness through bureaucracy, multiple licensing agencies, and onerous regulations. "For example, formalities for setting up a typical formal housing delivery project in Zimbabwe take a minimum of 53 months (4.5 years), primarily reflecting bureaucracy and inefficiencies in our institutions and

local authorities" (Zimbabwe National Budget Statement, 2015:220). In the medical and dental sector, a registered practitioner with a current practicing certificate of the Medical and Dental Practitioners Council of Zimbabwe (MDPCZ) is still required to obtain a letter from the MDPZ, which presently costs US$1100, to apply for a license to establish a private medical or dental services firm from the Health Professions Authority (HPA). Concurrently or sequentially, the practitioner-cum-entrepreneur should apply for another license from the local authority where the practice will operate, which costs US$360 in the case of Harare Municipality. Having obtained the licenses from the local authority and MDPZ the practitioner then has to apply for a license of registration from the HPA as a private medical or dental institution, which costs US$260. If the practice is registered, then it pays annual license fees to the HPA and the local authority, which currently are at the same level as the above-stated application fees for the two. The role of the MDPCZ in the licensing value chain is not clearly defined especially given that the administrative agency does not render any service whatsoever in the process.

In economies with particularly burdensome regulations, levels of informality tend to be higher (World Bank, 2014a:20; 2015a:20, 2016a:22). In the past, Doing Business Index has noted that "Zimbabwe went the furthest in making business regulation less business-friendly" (World Bank, 2012:9). However, it should be comforting to any policymaker anywhere that "Doing Business is not about less regulation but about better regulation" (World Bank, 2014a:2). "In essence, *Doing Business* is about SMART business regulations – Streamlined, Meaningful, Adaptable, Relevant, Transparent – not necessarily fewer regulations" (World Bank, 2013:2). Regulations are good and necessary for efficient and transparent business operations in a country but they need to be revised the moment they begin to stifle business operations.

South Africa's and Zimbabwe's mean ratings for variables 3.7.2 Clear national values, 3.7.1 Clear shared national vision, 3.7.3 Effectiveness of national development plan, 3.5.16 Capability to attract qualified foreign citizens, 3.7.5 Stakeholder trust in country, 3.7.4 Stakeholder participation in policymaking are below cut-off point hence can be deemed inconsistent with expectations in the existing literature. Social values are those abstract standards that are thought to be vital and suitable for binding a group together (Rojas-Me´ndez, 2013:469). Existing country branding literature acknowledges the important role played by national values in designing and managing nation brand strategies (Dinnie, 2008; de Chernatony, 2008; Moilanen & Rainisto, 2009; Rainisto, 2003). A nation with clear shared

values has a good chance of having a shared vision, speaking with one voice, and of being united. A nation branding campaign should be steered by the identification and selection of a set of suitable brand values through extensive qualitative and quantitative study covering all the nation's stakeholder groups (Dinnie, 2008:172). Making precise the values and promised experience of the nation brand must involve the collective participation of the key stakeholders (de Chernatony, 2008:16). A nation brand vision is a yardstick of where a nation would want to be in the future" (Lee, 2009:166) thus is the starting point in designing a country branding strategy (Balakrishnan, 2009:621). Countries, like organisations, have values, visions, and plans (Fehlmann *et al*., 2002; Passow, Fehlmann & Grahlow, 2005).

The two countries should be concerned with their poor rating in item 3.7.5 Stakeholder trust in country (their mean ratings are below threshold). The mean scores, nonetheless, corroborate their unsatisfactory performance in variable 1.04 Public trust in politicians of the GCI's institutions pillar (South Africa = 2.2; Zimbabwe = 1.6) (WEF, 2016:325 & 369). Trust is a vital facet of corporate brands (Laforet, 2010; Keller, 2013) and much so for country brands (Anholt, 2013a; Anholt-GfK Roper, 2009; Jacobsen, 2009; WEF, 2014; ZAD Group, 2008). Nations are corporate brands too because they have sub or daughter brands e.g. tourism, people, exports, investment, public diplomacy all of which also have their own sub brands. Corporate trustworthiness is the degree to which consumers believe the company is determined to be "honest, dependable, and sensitive to customer needs" (Keller, 2013; Keller, Parameswaran & Jacob, 2011). This virtue is equally critical to countries and their governments as it is to organisations. In any case, a government is an organisation because it has goals, stakeholders, executives, and staff. Due to globalisation, countries are competing for the attention, respect and **trust** (emphasis added) of investors, tourists, consumers, donors, immigrants, media, and the governments of other nations (ZAD Group, 2008:37). Jacobsen (2009:78) argues that the trustworthiness of a place brand is an intangible asset possibly affecting brand benefits. Given the complexity of country brands, many things – including overregulation, bureaucracy, corruption, lack of transparency in public policymaking, policy inconsistencies and instability, lack of judicial independence, crime, disrespect of citizens and investor's rights, lack of rule of law, wastefulness of government spending, political instability, propaganda – can remove the trust that stakeholders have in a country. Consumers give their trust and loyalty with the implicit understanding that the brand will behave in certain ways and provide them utility (Keller, 2013:34). The issue of trust and confidence in government is a critical one for both

South Africa and Zimbabwe (South Africa National Budget Speech, 2012:27, 2016:8; Zimbabwe National Budget Statement, 2015:131, 2016:205) but especially the latter because it is long standing. Among others, the strategic objectives of the 2002 Zimbabwe national budget were to: "provide a platform for restoring positive co-operative relations with the international donor and business communities and establish confidence in, and credibility of government among citizens of our country, citizens as individuals, organisations and businesses" (Muzondo, 2003; Zimbabwe National Budget Statement, 2002). These objectives remain critical today as they were then.

Before organising itself to execute its corporate vision, a country must design its brand strategy and this is precicely the act of nation branding. Shared national vision and shared national values must be an integral part of a grand country development plan. Nation brand management should never be taken as a campaign that is divorced from planning, governance or economic development but as a vital element of national policy (Anholt, 2008a:23). Planning within a country branding context is important and should be participatory because its outputs, outcomes, and impacts have implications for a broad range of stakeholders without which a country can succeed. The involvement of stakeholders is fundamental to the success of nation brands existing in today's competitive and complex global environment (Aronczyk, 2008; Kasabov & Sundaram, 2011; Kavaratzis, 2012; Mbaiwa, 2016; Tatevossian, 2008; Temporal, 2014; Tiberghien, Garkavenko & Ashirbekova, 2013; Zouganeli *et al*., 2012). Inclusiveness is important to success, and a failure to include all stakeholders in the nation branding process will certainly lead to a sub-optimum outcome characterised by intrabrand competition, a duplication of resources, and perhaps some confused consumers (Temporal, 2014:21). Winning the support of a destination's stakeholders is not only an important platform for successful place branding but also an indicator of a sustainable approach to destination brand development (Zouganeli *et al*., 2012:740). If a nation branding campaign is to be successful, it should have top-down direction in order to rally internal stakeholders to support the initiative in line with the guiding principles (Brand Finance®, 2015:22). Nonetheless, the direction must be managerial rather than authoritarian because it is crucial to develop a consensus among stakeholders about the brand vision (Brand Finance®, 2015:22).

South Africa's mean rating in respect of 3.5.18 State of industrial relations is somewhat inconsistent with the general feelings in the country and the country's ratings in recent years in

the GCI's cooperation in labour-employer relations attribute. Compared to Zimbabwe, South Africa has a strong labour movement and militant workforce. The strength of a country's trade union movement has an effect on nation FDI brand equity (Ham & Kleiner, 2007; Njoroge & Okech, 2011). Ham and Kleiner (2007:324) found that FDI increased more rapidly in countries moving to less restrictive industrial relations systems compared to similar countries that maintained relatively restrictive systems.

In respect of item 3.6.15 E-government effectiveness, the positive mean rating of South Africa and negative mean rating of Zimbabwe are coherent with the countries' technological competency and FDI inflows. Within the realm of ICT, e-government is an emerging aspect that countries can focus on to improve their global attractiveness, and particularly for the two case countries given the standardised regression weights for this item (South Africa = 0.614; Zimbabwe = 0.548) **(see Tables 8.9 & 9.9, Chapters 8 & 9 of thesis)**. Nonetheless, save for Bloom Consulting's CBR-T model, the e-government attribute is only acknowledged in a few leading, but default, country reputation indices like the GII, WCS/Y and the GCI (see Cornell University, INSEAD & WIPO, 2016; IMD, 2014; WEF, 2015) yet some of these indices e.g. GCI are yet to include the indicator. From 2016, Bloom Consulting launched the Digital Country Index (DCI) now in its second edition, which measures the brand appeal of countries and territories in the digital world focusing on the five dimensions or objectives of the CBR. South Africa was ranked 29 in the DCI overall, 41 in exports, 10 in investments, 46 in tourism, 28 in talent, and 45 in prominence dimensions out of 243 countries and territories included in the DCI 2017 edition (see Bloom Consulting, 2017b). This is good performance particularly in the context of investments and consistent with the country's performance in the current study in respect of item 3.6.15. For the same period, in comparison, Zimbabwe was ranked 111 overall, 119 in exports, 91 in investments, 161 in tourism, 116 in talent, and 75 in prominence dimensions. Zimbabwe's DCI performance is also generally consistent with the findings of the current study in terms of variable 3.6.15. The country's generally better performance in the prominence dimension needs to be further investigated to learn the aspects that searchers look for in Zimbabwe, for instance whether it is positive or negative events since both contribute to country brand equity. E-government assesses the quality of government's delivery of online services (WEF, 2015:64). The CBR-T model includes a proprietary-owned Online Search Demand (OSD) function, which evaluates foreign investors' online searches and decisions in respect of where FDI goes. This has become important because at least 58 percent

of investors now evaluate investment risk online compared to 49 percent who consult directly with their financial advisors (Bloom Consulting. 2013:7). Therefore, e-government and e-participation are an essential element of country FDI brand equity. Unfortunately, the ICT sector in Zimbabwe has experienced serious brain drain during the economic crisis (African Development Bank, 2011:57).

Although the mean score of 3.12 for item 3.8.4 Fairness of public institutions attained by Zimbabwe in the current study is way better than those the country attains in similar attributes in the GCI such as Judicial independence and Favouritism in decisions of government officials (see WEF, 2015:371, 2016:369), the ratings in the two studies are consistent as they are all below cut-off point. The quality of institutions affects the inward FDI competitiveness of countries (Bénassy-Quéré, Coupet & Mayer, 2007; Böckem & Tuschke, 2010; Dumludag, 2009; Bloom Consulting, 2013; IMD, 2013; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010; World Bank, 2014a; WEF, 2014; Rojas-Me´ndez, 2013; Transparency International, 2014). Some economic theorists (e.g. Nunn, 2006; Nunn & Wantchekon, 2011) and economic historians (e.g. Acemoglu & Robinson, 2010; Alemazung, 2010; Robinson *et al*., 2012; Hrituleac, 2011) claim that slave trade and colonialism affected the development of quality domestic political and economic institutions in Africa. But the current political systems, including leadership style, in African countries also affects the quality of their institutions. In Zimbabwe, public institutions continue to receive poor appraisal (138^{th}), particularly related to corruption, government favouritism, and the protection of property rights thereby reducing the incentive for businesses to invest in the country (WEF, 2014:41, 2016:369). Such poor performance cannot be entirely blamed on colonialism but also on existing national development management dynamics. Negative stereotypes about a country's administrative institutions can negatively affect the whole country brand. If the stereotype is that a certain country's public administration is supportive and efficient, the information value of that stereotype may make it more likely for the country to be an attractive location for FDI (Kalamova & Konrad, 2010:401). Compared with a country with poor institutions, a country with sound institutions can attract up to 29 percent more per capita FDI inflows (Al-Sadig, 2009:268). Regardless of its level of corruption, a country with good-quality institutions may still attract higher FDI inflows than one with poor-quality institutions (Al-Sadig, 2009:285). Bénassy-Quéré, Coupet and Mayer (2007:768) found that the quality of institutions in the host country has a considerable effect on inward FDI.

Zimbabwe also needs to be concerned with stakeholder perceptions on 3.8.1 Political stability and unity (Mean = 3.57), which is below the study's threshold point. This mean rating is broadly in harmony with the country's rating in the Fund for Peace's FSI. With a global mean score of 103.0 and mean rank of 11 out of 178 countries included in the FSI for the six-year period ending 2016 **(Fund for Peace, 2011-2016; see Table 3.48, Chapter 3 of thesis)**, Zimbabwe is the second most fragile country in the SADC. It only beats the Democratic Republic of Congo (DRC) that has a global mean score of 110.6 and mean rank of 4 for the same period. Zimbabwe and the DRC are in the High Alert and Very High Alert bands of the FSI respectively. Therefore, Zimbabwe needs to examine itself and seek ways to improve how it is perceived by stakeholders in respect of fragility or stability. The FSI measures the pressures on countries hence provides political risk assessment and early warning of conflict to policymakers and the general public (Fund for Peace, 2015:40). Political stability and unity is a critical component of a nation brand hence a determinant of country FDI attractiveness (Al-Sadig, 2009; Buhmann & Ingenhoff, 2015; Cywiński & Harasym, 2012; Dinnie, 2008; Hornberger, Battat & Kusek, 2011; Kalamova & Konrad, 2010; Moilanen & Rainisto, 2009; Ong'ayo, 2008; Satyanand, 2011; Osei & Gbadamosi, 2010). Before a country articulates a desired brand, it must first ensure "that it is politically stable, respects human rights, and does not engage in violent internal and external conflicts" (Fetscherin, 2010:475). Human rights are the pillar of human development (UNDP, 2016:8) in any society.

Some proxy indicators of political instability are political, religious or xenophobic violence (Bitzenis, Tsitouras & Vlachos, 2009; Fund for Peace, 2015; Mo Ibrahim Foundation, 2014; Outhavong, 2007), factionalised elites, group grievance, and communal violence (Fund for Peace, 2015:17). Bitzenis, Tsitouras & Vlachos (2009:698) found that 17.3 percent of multinational corporations in Greece, mostly from the United States and United Kingdom, regarded political violence as an important barrier for their FDIs in Greece.

Since its independence 1980 to this day Zimbabwe has always has always been polarised on political party affiliations. Despite the high levels of literacy, elections in the country have always been characterised by political violence and disputes since 1985, which feed on intolerance of differences in political opinion. The country has suffered an increase in the

level of political and social polarisation that, clearly, transformed into violence, compromising the security and protection of persons (Government of Zimbabwe and United Nations Country Team, 2010:13). The extreme polarisation that distinguishes most of Zimbabwe's electoral processes fuels violence in communities (Government of Zimbabwe & United Nations Country Team, 2010:71).

About 100 (McGreal, 2008; Zimbabwe Human Rights NGO Forum, 2009) to 200 (Freedom House, 2010:3) opposition supporters, mainly belonging to the Movement for Democratic Change (MDC) Tsvangirai (T) that won the first round, were killed in the run up to the violent and disputed presidential runoff election in June 2008. Furthermore, statistics on opposition supporters who were raped, abducted, and tortured vary according to sources. For example, according to Freedom House (2010:3), international and domestic human rights organisations recorded that 5 000 people were tortured by security forces or militias and more than 10 000 required medical treatment for injuries sustained. For the 12 months ending December 2008, Zimbabwe Human Rights NGO Forum (2009:2) recorded "137 abuductions/kidnappings, 1 913 cases of assault, 19 cases of dissappearances, 629 of displacements and 2 532 violations on freedoms of assocaition and expression". Consequently, the SADC and AU helped Zimbabwe to negotiate the establishment of a government of national unity (GNU), which ran the country until June 2013. As evident in Kenya in 2007, Gambia in 2017, and Zimbabwe in 2008, election disputes that lead to external intervention are not a good sign of political stability and the nation brand. "When the state fails to meet its international or domestic obligations, external actors may intervene to provide services or to manipulate internal affairs" (Fund for Peace, 2016:13). Given the risk of conflict in Zimbabwe, including electoral conflict, the country should be commended for having established the National Peace and Reconciliation Commission (NPRC) in its new constitution gazetted in 2013. The functions of NPRC are, among others, to (a) ensure post-conflict justice, healing and reconciliation and (b) bring about national reconciliation by encouraging people to tell the truth about the past and facilitating the making of amends and the provision of justice (Constitution of Zimbabwe Amendment Act No. 20, 2013:99).

Bona fide and default nation branding literature includes the conduct of election as a determinant of country reputation ranking (e.g. Adebola, Talabi & Lamidi, 2012; Fund for Peace, 2016; Mo Ibrahim Foundation, 2015). Fund for Peace's FSI has "flawed elections" as

a measure of country stability and Mo Ibrahim Foundation's IIAG has "free and fair executive elections" as an indicator of good governance. "Some African countries have learnt to conduct elections gracefully; South Africa and Ghana are good examples" (Adebola, Talabi & Lamidi, 2012:427). Those countries are performing fairly well in regional and global rankings and their economies are also doing relatively well compared to those who grapple with managing elections. Electoral violence does not lend a country positive SON-FBIBE.

Religious and political violence can be categorised as xenophobic violence, which is a symptom of fragile and politically unstable communities. Zimbabwe's two leading political parties, which ruled the country as coalition between 2009 and 2013 – the Zimbabwe African National Union (ZANU) Patriotic Front (PF) and the MDC-T alongside a then splinter MDC-Mutambara are both characterised by "factionalised elites", another negative indicator for political stability. The social contract is undermined when local and national leaders engage in deadlock and brinksmanship for political gain (Fund for Peace, 2016:13). Stakeholders, current and prospective foreign investors included, are likely to be concerned with factionalism and incessant interparty fights in a country. "Political instability in Africa, which also underpins the economic development often, has strong links to internal especially leadership and external special interests time and again" (Ong'ayo, 2008:5).

Another potential threat to peace and stability in Zimbabwe is the high level of unemployment and informalisation of the economy. A walk in the streets of central business district of Harare, the capital, and its townships any day of the week between 0800 hours and 2200 hours can reveal the desperate levels of unemployment in the country. An overwhelming number of people earn a livelihood from selling in the streets, including as touts of commuter omnibuses. The informal sector now provides self-employment to the bulk of economically-active citizens in the country (Mlambo, 2017:100; Zimbabwe National Budget Statement, 2012:121&126). Formal unemployment levels are estimated above 80 percent (African Development Bank, 2011:4; Zimbabwe National Budget Statement, 2013:11). By mid 2015, Zimbabwe had turned into a nation of vendors, with approximately 90 percent of its population unemployed and struggling to earn a living in the mushrooming informal economy (Mlambo, 2017:100) and the statistic has certainly increased today. Having so many active people on the streets with no formal jobs does not augur well for social cohesion and peace in a country. Among the self-employed are thousands of university, college, A-level, and O-level graduates and former

employees who have been retrenched as companies liquidate or downsize. Zimbabwe is deindustrialising (Confederation of Zimbabwe Industries, 2014; Mlambo, 2017; Mugaga cited by Mhlanga, 2016; Zimbabwe National Budget Statement, 2013) and has a highly "informalised economy" (Mlambo, 2017; Zimbabwe National Budget Statement, 2012, 2013).

11.2.2.6 Markets: Factor 7 (South Africa) and Factor 9 (Zimbabwe)

While the markets element comprises partly different items for the case countries drawn from the same-name markets construct of the conceptual framework, it is an important factor in both nations in respect of standardised regression weights (South Africa = 0.800; Zimbabwe =0.810). This factor is generally consistent with the GCI (WEF, 2013a, 2014, 2015a) where markets comprises three pillars i.e. Goods Market Efficiency (6th Pillar), Labour Market Efficiency (7th Pillar), and Financial Market Development (8th Pillar). All nine items in the South African markets component are rated above the study's threshold mean score (Factor μ = 4.52) while all seven attributes in the Zimbabwean component are below the cutoff point (Factor μ = 3.26). Three common variables in the countries' markets factor are 3.5.10 Capacity utilisation of local firms, 3.5.13 Effectiveness of financial sector supervision, and 3.5.14 Soundness of banks.

Capacity utilisation of firms trading in an economy is an important indicator of country competitiveness (see Confederation of Zimbabwe Industries, 2015; Mbaiwa, 2016; Wilson, Baack & Baack, 2014). Like in other items in this factor South Africa has a better and positive mean rating on capacity utilisation (μ = 4.07) than Zimbabwe (μ = 3.34). While the indicator is fundamental for both countries in standardised regression weight terms i.e. its explanatory power to the component (South Africa = 0.735; Zimbabwe = 0.592), it is Zimbabwe that needs more urgent policy redress for this attribute in mean score terms than South Africa. The issue of capacity utilisation in Zimbabwe arose during and after the economic decline that affected the country's productive sector in the years running to 2008 (Goriwondo, 2013; ZIMASSET, 2013). According to the government's economic blueprint, the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZIMASSET) (2013:17), the low capacity utilisation in the manufacturing sector stems from structural and infrastructural bottlenecks such as erratic power supply, obsolete machinery, dilapidated infrastructure, and lack of and high cost of capital. ZIMASSET's hypothesis shows that the markets dimension is

significantly correlated with infrastructure and technology components in the Zimbabwean case. Goriwondo (2013) argues that it is important for organisations and the nation in general to know the capacity they have as that enhances their plans for economic revival and associated growth.

The Confederation of Zimbabwe Industries (CZI), an association of large manufacturing businesses in Zimbabwe, mourns that capacity utilisation in the country's manufacturing sector sank to about 10 percent at the peak of the country's economic crisis in 2008 (CZI, 2008, 2010) but then gradually increased until it climaxed at 57.2 percent in 2011 (CZI, 2011:3). Thereafter, it began to fall again in subsequent years (CZI, 2012, 2013, 2014, 2015; Mlambo, 2017; ZIMASSET, 2013). Thus the country's capacity utilisation rating in this study corroborates the findings of the CZI manufacturing surveys in recent years as indicated above. CZI moans that capacity utilisation in the country fell from 36.5 percent in 2014 to 34.3 percent in 2015 (CZI, 2015:13). However, according to the CZI 2016 manufacturing survey released in November, capacity utilisation in the country's manufacturing sector has increased to 47.4 percent, an improvement queried by economic analysts and independent media (Majaka, 2016; Mhlanga, 2016). CZI attributes the improvement in capacity utilisation to Statutory Instrument 64 of 2016, which seeks to protect local industry from cheap imports. An independent newspaper, *DailyNews*, notes that the CZI 2016 survey is surprisingly optimistic despite the worsening economic situation in the country that has seen the year's forecast GDP growth rate being slashed by half (Majaka, 2016). Another independent newspaper, *Zimbabwe Independent*, reports that economic experts including Christopher Mugaga of the ZNCC, a trade association of medium-size businesses, argue that while the results of the latest CZI survey are positive, one cannot ignore concerns from stakeholders about the quality of information captured in the survey and the fact that Zimbabwe is de-industriliasing because companies have closed and some are operating at zero percent (Mhlanga, 2016). Mugaga cited by Mhlanga (2016) further argues: "If we are looking at figures here, they are looking at capacity utilisation vis-à-vis companies which are operating but the flaws of taking such an approach is this does not reflect the actual economy." Mugaga's sentiments are sensible particularly as there are no consolidated statistics on companies that have liquidated since the economic crisis began 18 years ago.

South Africa performed fairly well in respect of items 3.5.7 Availability of financial services, 3.5.13 Effectiveness of financial sector supervision, 3.5.12 Ease of access to loans, 3.5.11 Cost of financial services, and 3.5.14 Soundness of banks. The country's mean ratings in these indicators, except 3.5.10, corroborates its performance in the financial market development pillar of the GCI (WEF, 2015a:326). South Africa hosts Africa's most efficient financial market (12th) and benefits from a sound goods market (38th), which are driven by strong domestic competition (28th) and an efficient transport infrastructure (29th) (Sala-i-Martín *et al*., 2015a:23). Zimbabwe's ratings on items 3.5.14 and 3.5.13, which are below 4, are coherent with its mean scores in the GCI too (WEF, 2015a:371).

The other items in South Africa's markets component are 3.5.1 Intensity of domestic competition, 3.5.8 Abundance of low-cost unskilled workforce, and 3.4.10 Number of reputable brands. The country's rating in the current study is consistent with its rating in the GCI in respect of attribute 3.5.1. Wilson, Baack and Baack (2014) suggest that intensity of domestic competition is an important variable in promoting FDI. Countries derive competitiveness from their reputable brands (Sun, 2009), products and services (Buhmann & Ingenhoff, 2015) or country-of-origin or "made-in" labels (FutureBrand, 2014; Kalamova & Konrad, 2010; Laforet, 2010) as already discussed. The availability of abundant of low-cost unskilled labour in a place is also a competitive advantage in attracting FDI (Adam & Filippaios, 2007; AT Kearney, 2016; Böckem & Tuschke, 2010; Chellaraj & Mattoo, 2015; Dunning, 1993; Denisia, 2010; Faeth, 2008; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013; Markusen 2002; Nayak & Choudhury, 2014). For instance, Chellaraj and Mattoo (2015:105) argue that there are sectors that employ a large number of unskilled or semi-skilled workforce and FDI in these sectors can target states even with poor educational infrastructure to source needed workforce at lower wage rates.

Additional variables in Zimbabwe's markets component are 3.5.16 Capability to attract qualified foreign citizens and 3.5.15 Capability to retain qualified citizens. These attributes correspond to the immigration and people dimension of Anholt-GfK Roper's NBI^{SM} and the labour market pillar of the GCI. Migration is a determinant of nation reputation (Anholt-GfK Roper, 2014a; Fetscherin, 2010; Kalamova & Konrad, 2010; Simonin, 2008; Rojas-Me´ndez, 2013). Zimbabwe's mean ratings in these two variables corresponds to its ratings for items 7.08 Capacity to retain talent and 7.09 Capacity to attract talent of the GCI (WEF, 2015a:371).

Nation competitiveness does not hinge on having quality education alone but also ability to retain the output of that subsystem i.e. the talent or human capital. Talent, skilled or qualified labour is a component of country brands (Anholt, 2005a; Anholt-GfK Roper, 2014b; Anyanwu, 2012; Bloom Consulting, 2013; Brand Finance®, 2013; Carr, Markusen & Maskus, 1998; Chellaraj & Mattoo, 2015; Dinnie, 2008; Faeth, 2008; Fetscherin, 2010; Fund for Peace, 2014; FutureBrand, 2014; Hornberger, Battat and Kusek, 2011; IMD, 2013; Kalamova & Konrad, 2010; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013; Markusen 2002; WEF, 2013b, UNDP, 2014). Due to poverty, lack of employment opportunities, poor quality of life, poor remuneration, growing competition for scarce skills from emerging and developed countries, many developing countries fail to retain the skills they have so dearly invested their national resources in. While reliable statistics on brain drain are scarce, the fact that Zimbabwe's mean ratings in these two indicators are below the threshold point is probably evidence supporting that emigration far outweighs what the country is able to retain from within and attract through migration—whether it is foreign students or qualified people.

11.2.2.7 Education and Training: Factor 8 (South Africa) and Factor 2 (Zimbabwe)

Education and training emerged as a significant determining factor of stakeholder-oriented nation FDI brand equity in South Africa (PVE = 1.755; SRW = 0.810; μ = 4.17; SD = 1.149) and Zimbabwe (PVE = 4.25; SRW = 0.270; μ = 4.98; SD = 1.000). A country's education system is a fundamental pillar of nation competitiveness (Anholt-GfK Roper, 2014b; Buhmann & Ingenhoff, 2015; Dinnie, 2008; Fund for Peace, 2014; Outhavong, 2007; Passow, Fehlmann & Grahlow, 2005; UNDP, 2014; WEF, 2016). States with good educational infrastructure may attract higher FDI inflows (Chatterjee, Mishra & Chatterjee, 2013:105). The quantity of education is measured by the number of years spend in school (UNDP, 2014:163) and the quality is measured on the level of literacy obtaining in a country (Fund for Peace, 2014:10). In South Africa, the determinant comprised four variables, namely, 3.1.4 Attractiveness to foreign students, 3.1.5 Foreign language skills (e.g. Chinese, French, Portuguese, etc.), 3.1.3 Quality of higher education and training, and 3.1.2 Quality of primary and secondary education. In Zimbabwe, it consisted of five variables four of which are as given above in the South Africa case plus 3.1.1 Population size hence the slight modification in the factor's name in the latter's case. Generally, the two countries' mean ratings in the factor's constituent items are consistent with mean ratings for corresponding attributes in the GCI (see WEF, 2015a:327 & 371).

Basic education improves the competence and productivity of employees. Often, workers with little formal education can only perform simple manual duties and find it tough to adapt to advanced production processes and techniques so they contribute little to designing or implementing innovations (WEF, 2014:7). WEF also argues that lack of basic education can become a limitation on business development, with companies finding it challenging to manufacture more complex or value-intensive products. Items 3.1.2 deal with basic (primary and secondary) education and 3.1.3 with higher education and training. Zimbabwe's basic education was highly rated in the current study ($\mu = 5.77$; SD 1.307; SRW = 0.708), which corroborates the country's performance in the GCI ($\mu = 4.4$) (WEF, 2016:369). Nonenethess, the huge disparities in pass rates between the country's General Certificate of Education (GCE) Ordinary (O) Level and GCE Advanced (A) Level is indicative of a national education system that is not in a favourable spot **(Appendix 8)**. Statistics published by the Zimbabwe National Statistics Agency (ZIMSTAT) show that O-level GCE pass rates for the five-year period 2007 to 2012 ranged between 16.9 percent and 21.3 percent compared to 83.3 percent to 90.6 percent for the same period for A-level GCE students (ZIMSTAT, 2014:35). In 2012, only 31 407 students out of the 147 333 who sat for O-level examinations passed i.e. obtained the minimum national five GCE passes while 18 714 out 20 658 students who took A-level examinations in the same year passed (ZIMSTAT, 2014:35). The national benchmark for a pass at A-level is two points in any two A-level subjects (students normally write examinations in any three subjects consistent with a career path of their choice).

The consistently low O-level pass rate is an indication of the need to reform the country's secondary education system. Part of this strategic gap in performance may be attributed to inadequate resources and low motivation in the sector at a time of huge demand for primary and secondary education. The other causal factor might be the exclusive or elitist manner in which top performing public and missionary schools select students for Form 1 and A-level. Those schools take students with the best Grade 7 results (graduating from primary school) into Form 1 (marking the beginning of secondary school) and students with the best O-level passes into A-level. Grade 7, O-level, and A-level students take public examinations administered by the Zimbabwe School Examinations Council (ZIMSEC). However, though the evidence is anecdotal, private colleges and non-formal schools take failing and usually average students into Form 1, give failing O-level students an opportunity to supplement their

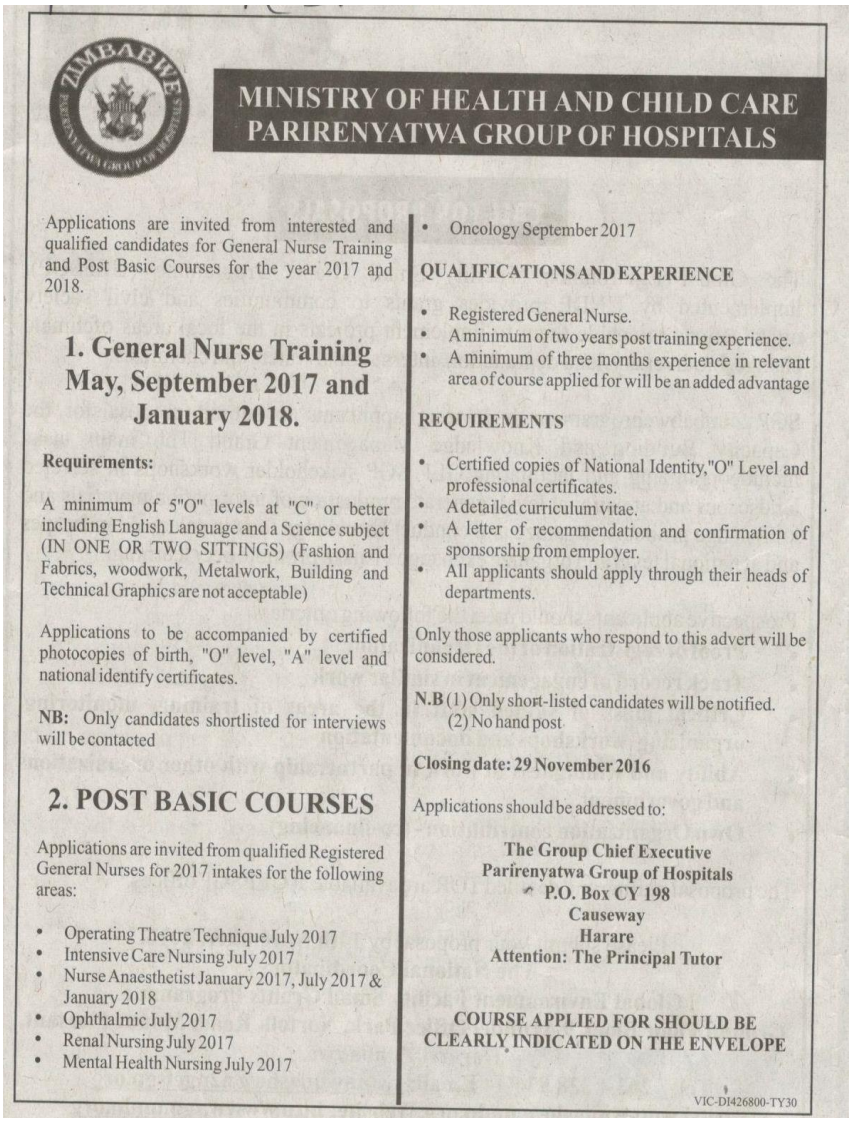
O-levels, and average O-level students into A-level and the students have been getting above-average to good results. At the core of challenges facing Zimbabwe's public basic education sub-system are huge classes or high pupil-teacher ratio way above the country's own recommended ratio of 40:1 (Kanyongo, 2005; Mawonde, 2016), poorly remunerated hence demotivated teachers, and lack of textbooks. High pupil-teacher ratios are a challenge to quality of education (UNDP, 2016:69) in many countries in Sub-Saharan Africa. The pupil-teacher ratio is an attribute in some default nation brand competitiveness indices (e.g. Cornell University, INSEAD & WIPO, 2016; IMD, 2014).

In comparison, South Africa has a weak rating in 3.1.2 Quality of primary and secondary education ($\mu = 3.88$; $SD = 1.596$) yet the variable has a strong correlation with the factor ($SRW = 0.814$). South Africa's weak performance in this variable in the current study is consistent with its mean rating in the GCI ($\mu = 2.7$) (WEF, 2016:325). This finding also indicates the need for reform in the South African basic education system. To carry out the reform there is need for the country to investigate further the underlying causes of the poor rating in both this study and the GCI. "[A] country may attain universal primary education, but the quality of learning may vary between schools in rich neighbourhoods and schools in poor neighbourhoods" (UNDP, 2016:105). This is likely to be the case in both South Africa and Zimbabwe but perhaps more so in the former due to historical factors. South Africa attained majority rule in 1994 whereas Zimbabwe got the same in 1980 hence, ceteris paribus, the latter has had more time to correct the disparities although it has less resources.

As already reported above, the relationship between this independent factor (education and training) and the dependent variable, SON-FDIBE, is actually much stronger in South Africa than it is in Zimbabwe. However, from a policy coherence viewpoint, it is Zimbabwe that has key issues to address in its higher education sub-system. South Africa only needs to find ways to motivate its citizens to have a desire to develop themselves. Zimbabwe needs to resolve the policy inconsistences in its higher education sector to enable citizens with practical subjects at O-level and those holding technical and vocational education and training (TVET) and professional qualifications to develop themselves without undue obstacles. Figure 11.1 is an advertisement placed in the local media by one of the country's two biggest public hospitals inviting applications for nurse training.

Dewah, Mbudzi, Gweru, Mukova and Chinwadzimba (2005:12) note that the Ministry of Education, Sports and Culture's Secretary's Circular No. 2 of 2001 made at least one of the technical and vocational subjects taken at "O" level compulsory. They further note that the Secretary's Circular No. 14 of 2004 reinforced the provisions of Circular 2 of 2001 by making technical and vocational subjects compulsory at junior and middle secondary levels, in line with the recommendations of the 1999 Presidential Commission of Enquiry into Education and Training. But as evident in the advertisement, those subjects are not recognised for nurse training purposes in Zimbabwe. The fundamental question, however, is 'where else are those subjects being shunned in the selection of students for career training in Zimbabwe?' Besides having a vocational orientation, those subjects also have a scientific, technical and/or design orientation hence they resonate with the country's science, technology and innovation (STI) and science, technology, engineering and mathematics (STEM) policies. In fact, what many people who have not done practical subjects may not realise is that students who are not good in sciences may not do extremely well in metalwork and wordwork for instance. Metalwork students good in sciences could easily be inspired to follow a career in engineering including mechanical engineering and metallurgy. Woodwork students good in sciences could be counselled to follow careers in wood technology, which is studied upto doctoral level in other countries like the United Kingdom (UK). Technical graphics students good in sciences could be encouraged to follow careers in design and architecture. Students with fashion and fabrics could be encouraged to study fashion design.

Figure 11.1: Advertisement for nurse training from a government hospital rejecting applicants with Ordinary Level passes in practical subjects



MINISTRY OF HEALTH AND CHILD CARE
PARIRENYATWA GROUP OF HOSPITALS

Applications are invited from interested and qualified candidates for General Nurse Training and Post Basic Courses for the year 2017 and 2018.

1. General Nurse Training May, September 2017 and January 2018.

Requirements:

A minimum of 5"O" levels at "C" or better including English Language and a Science subject (IN ONE OR TWO SITTINGS) (Fashion and Fabrics, woodwork, Metalwork, Building and Technical Graphics are not acceptable)

Applications to be accompanied by certified photocopies of birth, "O" level, "A" level and national identify certificates.

NB: Only candidates shortlisted for interviews will be contacted

2. POST BASIC COURSES

Applications are invited from qualified Registered General Nurses for 2017 intakes for the following areas:

- Operating Theatre Technique July 2017
- Intensive Care Nursing July 2017
- Nurse Anaesthetist January 2017, July 2017 & January 2018
- Ophthalmic July 2017
- Renal Nursing July 2017
- Mental Health Nursing July 2017
- Oncology September 2017

QUALIFICATIONS AND EXPERIENCE

- Registered General Nurse.
- A minimum of two years post training experience.
- A minimum of three months experience in relevant area of course applied for will be an added advantage

REQUIREMENTS

- Certified copies of National Identity,"O" Level and professional certificates.
- A detailed curriculum vitae.
- A letter of recommendation and confirmation of sponsorship from employer.
- All applicants should apply through their heads of departments.

Only those applicants who respond to this advert will be considered.

N.B (1) Only short-listed candidates will be notified.
(2) No hand post

Closing date: 29 November 2016

Applications should be addressed to:

The Group Chief Executive
Parirenyatwa Group of Hospitals
P.O. Box CY 198
Causeway
Harare
Attention: The Principal Tutor

COURSE APPLIED FOR SHOULD BE CLEARLY INDICATED ON THE ENVELOPE

VIC-DI426800-TY30

From the advertisement, it appears the Ministry of Health and Childcare does not accept for nurse training any applicants whose five O-level subjects include practical subjects such as fashion and fabrics, woodwork, metalwork, building, and technical graphics. However, in their professional work, nurses use many basic technologies. Nurses with a basic appreciation of design gained through practical subjects at O- or A-levels, including Fashion and Fabrics, may be more innovative than their counterparts from non-technical backgrounds. If subjects like history, French, and geography are acceptable for nurse training in Zimbabwe, certainly the practical subjects in question cannot be irrelevant given that they even have a scientific and technological orientation. So, there is no justification whatsoever for discriminating against applicants with the named practical subjects in their five O-levels when recruiting and selecting

students for nurse training or any course offered in Zimbabwe for that matter. Such discrimination contradicts government policy as spelt out in the above-named circulars of the then Ministry of Education, Sports and Culture and now Ministry of Primary and Secondary Education. It is gratifying to note that the Secretary's Circular No. 2 of 2001 and Circular No. 14 of 2004 of the Ministry of Primary and Secondary Education made at least one technical and vocational subjects taken at O-level compulsory (Dewah *et al*., 2005:14).

In Zimbabwe, practical subjects and vocational education are stained with the prejudices of the past colonial and minority governments yet the two are themselves relevant to the STEM and STI development-orientation the country is following. The introduction of the F (2) system in the country's secondary education sector in 1966 focusing purely on a practical curriculum running parallel to the academic and more prestigious F (1) stream was very unpopular with the people for many reasons (Dewah *et al*., 2005:12):

> "First, the system was made racial since it was only available to blacks and not to the white, Asian and coloured populations. Second, it was seen as being inferior, not only to the F (1) stream, but also to the technical and vocational system then running at the Salisbury Polytechnic and Bulawayo Technical College for white, Asian and coloured populations. Third, it was a dead end whose products could not proceed further with education after four (4) years secondary education… The system itself looked down upon its own products since they could not train as teachers or nurses at the time."

Dewah *et al*. (2005:12) argue that, as a result, the F (2) schools were phased out at independence and changed into conventional schools in 1981 hence abandoning an excellent opportunity to develop technical and vocational education using the resources that had been mobilised then. A parallel system for whites, Asians and coloureds had been developed in pre-independent Zimbabwe and technical high schools and secondary technical institutions like Salisbury (now Harare) Polytechnic and Bulawayo Technical College were producing highly qualified artisans and technicians following the City and Guilds system of the United Kingdom (UK) (Dewah *et al*., 2005:12). In fact, a technical college that had been built at Luveve, Bulawayo, before independence to produce comparable black skilled workers was dismantled and its equipment given to Salisbury Polytechnic because its products were perceived to be competing with whites causing distortions in occupational roles in industry where they were supposed to work (Dewah *et al*., 2005:13). Consequently, independence found a racially divided TVET system in place, one perceived as inferior for blacks and the other whose standards were benchmarked on the internationally recognised City and Guilds system (Dewah *et al*., 2005:12).

As already acknowledged above, practical subjects have a science, technology and vocational orientation hence feed into TVET qualifications. It appears that the prejudice against the TVET sector fostered in the manner the system was designed and administered during the colonial era has persisted to this day in respect of recognition for university education purposes. Specialised apprenticeship programmes eventually create the human capital that will give competitive advantage to a nation (see Porter, 1990a:89). Nziramasanga, Malaba, Kachingwe, Gerbecks, Zwangobani, Huruba, Mangena, Blachfield, Benoy, Sithole, Pryke, Hallack and Masango (1999:493) lament that entry requirements into university education are rigidly enforced and prior development of the applicant through other studies or work-related learning are ignored. At least 60 percent of university students should be in science and technology skills development (STI Policy of Zimbabwe, 2012:5). Thus the potential contribution of practical subjects and TVET qualifications to the attainment of the goal defined above and success of Zimbabwe's STI and STEM policies cannot be underestimated. In addition, holders of TVET qualifications cannot all be expected to advance themselves through the Harare Institute of Technolohy's B-Tech, M-Tech and D-Tech programmes or technology related university like the National University of Science and Technology and Chinhoyi University of Technology alone. Some of the TVET qualifications are in the humanities i.e. marketing management, purchasing and supply management, tourism and hospitality management, human resources management, accountancy, pensions management, and transport mananement.

South Africa and Zimbabwe were both highly rated in the country brand attribute 3.1.3 Higher education and training with the former having a lower mean rating, standard deviation and causal relationship ($\mu = 4.86$; SD = 1.355; SRW = 0.759) and the latter having higher rating ($\mu = 5.72$; SD = 1.360; SRW = 0.795). However, as already highlighted in the Ministry of Health and Childcare advertisement above, it is Zimbabwe whose national higher education policy need to be harmonised as it relates to applicants seeking access through mature entry, experience, and TVET and professional qualifications. South Africa's performance in this attribute is consitent with its mean score in the GCI ($\mu = 4.2$) but Zimbabwe's performance is not ($\mu = 3.2$) (WEF, 2016:325 & 368). The disparity in the study's findings in this variable vis-à-vis the GCI in the case of Zimbabwe might be in the differences in the samples. Zimbabwe's sample in this study was dominated by young and less experienced people studying for honours degrees whereas the GCI survey focuses on executives. Hence despite

the higher mean rating attained by Zimbabwe in this variable in the current study, it is Zimbabwe that has more policy issues related to access to attend to than South Africa.

"Overall, we find that national education leaders cannot solely focus on the quality of education available to their population, but must pay attention to the level of access to these institutions as well" (Social Progress Imperative, 2016a:101). For a nation reputed in Sub-Saharan Africa for its high literacy rate and education, Zimbabwe should be concerned that it is rated at 27.14 percent for access to advanced education (see Social Progress Imperative, 2016a:137). Within the SADC, Zimbabwe's access to advanced education rating is surpassed by South Africa (53.14 percent) and Mauritius (30.69) **(see Social Progress Imperative, 2016a:136-137; Table 3.8, Chapter 3)**. An inaccessible university education system weighs heavily on the pace of development in a country. Moreover, an ideal national higher education system requires a university education sub-system that is not only accessible to A-level but also graduates of TVET or vocational education and training (VET) colleges including professional associations and mature students. In Zimbabwe, entry requirements to university education are rigid including the combination of subjects required for A-level (Nziramasanga *et al*., 1999:488). However, economic development depends to a large extent on adapting TVET systems to meet social and economic demands (World Bank, 2010:183). As science teachers, **technicians and professionals** (emphasis added) need to continuously advance themselves, this requires "the establishment of national professional and scholarly associations and societies and maintaining these at a level that is internationally respected—both for organizations and the individual members" (STI Policy of Zimbabwe, 2012:6).

Higher education and training is a critical component of nation competitiveness (IMD, 2014; WEF, 2015; NECF, 2015). Stereotypes about the labour market of a host country, including employees' qualifications, capabilities, motivation and skills are a determinant for FDI location decisions because locally trained and situated people meet the labour needs of foreign investors (Kalamova & Konrad, 2010:404-405). Although education and training are a determinant of FDI competitiveness in both South Africa and Zimbabwe and all except one item in each country's education factor are rated above the cut-off point, the two nations should be concerned about their ability to retain the talent they train. Their overall mean scores in the labour market pillar of the GCI is below 4 and, as already discussed elsewhere in this chapter, their mean ratings in the GCI's items 7.08 Capacity to retain talent and 7.09 Capacity to attract

talent (WEF, 2015a:327 & 371) are also below the threshold point. Developing talent needs a huge national investment in higher education hence the two countries must invest as much in policies for retaining their qualified citizens. Zimbabwe experienced massive brain drain during the crisis decade (African Development Bank, 2011; STERP, 2009) and continues to lose its qualified people due to poor remuneration as its economy is yet to fully recover. An estimated over 3 million Zimbabwean nationals, most of them with critical skills or professional qualifications are working in other countries within Africa and beyond (African Development Bank, 2011; STERP, 2009).

Furthermore, while education and training has emerged as a determinant of FDI brand equity in the two countries and the two are positively rated on this factor, Zimbabwe needs to further clarify its higher education policy if it is, perhaps, to register commensurate human development. Perceptions on the country's education and training factor registered in this study are inconsistent with the country's rating in the UNDP's Human Development Report (HDR) or HDI. The HDI measures the opportunities that people have during their lifetime i.e. life expectancy at birth (measured in years), mean years of schooling and expected years of schooling, and gross national income (GNI) per capita, which are aggregated into an HDI value ranging from 0 to 1. The HDI classifies countries into four bands, namely 0–0.549 representing *Low Human Development*, *0.550–0.699* representing *Medium Human Development*, *0.700–0.799* representing *High Human Development*, and *0.800–1.0* representing *Very High Human Development* (see UNDP, 2016:198-200). Zimbabwe's annual and mean HDI values for the four-year period ending 2016 are all below 0.549, which is indicative of its position as a *Low Human Development* country (see UNDP, 2016:198-200). The country's mean rank out of 187 countries included in the HDI for the four years is 159, a weak position in the HDI globally and even by SADC standard where it outperforms only three countries—the DRC, Mozambique and Malawi **(Table 3.11, Chapter 3)**. For a country with such a highly rated higher education system (see Cornell University, INSEAD & WIPO, 2015; Social Progress Index, 2016a; WEF, 2016), Zimbabwe deserves higher ranks and values in the factor than it is currently getting in globally reputable proprietary indices like the HDI, GCI, SPI and GII. In comparison, South Africa had a mean HDI value of 0.655 and mean rank 119 out of a mean of 187 covered in the HDI for the four years ending 2016 **(Table 3.11, Chapter 3)**. South Africa's mean HDI value qualifies it as a *Medium Human Development* country (see UNDP, 2016:198-200) and is way above the SADC mean HDI of 0.552. Within the SADC, South

Africa is only outsmarted by Botswana, Mauritius and Seychelles. Education is key to the socio-economic, technological and political development of a country because it underpins the social well-being of a country's citizens (ZIMSTAT, 2014:i). Therefore, education systems should be carefully designed to serve the economic and social objectives of society such as inclusive growth and development, pursuit of social justice and greater access to knowledge for its own sake (ZIMSTAT, 2014:i). Democratising education, especially tertiary education, would benefit people from poorer backgrounds (UNDP, 2016:12) who are usually the majority in a population of a developing country like Zimbabwe. An elitist education policy does not yield the desired results for the country in terms of access to higher education by the majority. Hence compared to a liberal and accessible system, an elitist education system contributes modestly to national productivity and competitiveness—the levers of nation brand equity. Holders of TVET qualifications, most of who are in employment and have considerable years of relevant experience, should be given access to university education with appropriate recognition of prior learning if Zimbabwe is to improve its productivity hence nation equity and competitiveness. "Increased access to higher education is needed to achieve a productive, talented, and diverse labour force and an empowered citizenry" (World Bank, 2016b:8, **also see SDG 4 of the United Nations**).

An equitable national higher education system is one that is accessible, recognises prior learning, and awards exemptions to deserving applicants in order to enhance value creation and return on investment for the individuals concerned, employers, and the country at large. The majority of students who exit school after O-level and/or sit for A-level examinations but fail to attain good grades either end up competing for the scarce jobs in the national job market or enroll for TVET qualifications at private colleges offering certificates, diplomas and professional qualifications or public (polytechnic) colleges offering national certificates (NCs), national diplomas (NDs) and national higher diplomas (HNDs). As evident from statistics compiled by ZIMSTAT for the years 1997 to 2012, colleges and professional associations have been and still are a key player in Zimbabwe's higher education system **(Appendices 9A & 9B)**. Of course, the fact that "private colleges offer primary, secondary and tertiary" education up to degree level (ZIMSTAT, 2014:43) implies that their enrolment figures need to be disaggregated for better policy evaluation and formulation.

Unlike South Africa and other countries posting better performance in regional and global default and bona fide destination branding indexes, Zimbabwe does not have a clear national qualification framework (NQF) harmonising the TVET and academic (university) sub-sectors. As such, the country does not have a clearly-defined and equitable policy that facilitates movement of vocational including professional (TVET) graduates into university education. TVET and university graduates can benefit greatly from the development of national and regional qualifications frameworks that facilitate rationalisation, standards and mobility at national and regional levels (Shoko, Chikomo & Chisita, 2015:6). Tuck (2007:v) argue that a qualification framework indicates the comparability of different qualifications such that a person can move from one level to another, within and across occupations or industrial sectors (and even across vocational and academic fields if the NQF is designed to include both vocational and academic qualifications in a single framework). "NQFs reflect a conceptual shift from the classic focus on the input process to a more modern focus on outputs and toward adherence to a market-oriented policy agenda" (World Bank, 2010:185). NQFs stress the competencies acquired not the avenues or the institutions that teach the skills (World Bank, 2010:185). Zimbabwe has reached a crossroads. It requires a harmonised NQF and national qualification authority in order to further develop its pool of citizens holding HNDs and professional qualifications. Those graduates have five Ordinary Level passes and some even Advanced Level passes.

HNDs are in most cases three-tier qualifications comprising NC (minimum duration one year depending on discipline but is three years for engineering fields), ND (duration two years), and HND (duration one year) of fulltime study and longer if taken through part-time study. Thus the Zimbabwean HND is a four-year post secondary school qualification attainable after GCE O-level or A-level. Zimbabwean HNDs are generally modelled along the lines of UK HNDs. In the UK, holders of HNDs or equivalent qualifications can enroll for top-up honours degrees, where they, depending on their pace of studying, can complete the degree within a duration of one to three years **(see also Appendix 15)**. In South Africa, national diplomas or HNDs are designed to progress to the Bachelor of Technology (BTech), Master of Technology (MTech), and Doctor of Technology (DTech) degrees. The South African NQF places HNDs at Level 8 (Shoko, Chikomo & Chisita, 2015:6). Dewah *et al*. (2005:16) states that "the 1990 policy aligned TVET qualifications to the academic sector qualifications in order to enable mobility of learners from TVET to academic thus setting a blueprint for the [Zimbabwe Qualifications

Framework or] ZQF." It has been possible for polytechnics to upgrade TVET qualifications to graduate and post graduate levels, effective 2004, by adding only one year to the HND leading to a B-Tech (Honours) degree, hoping to progress to M-Tech and D-Tech in the normal way in the future (Dewah *et al*., 2005:16). A lecturer-training programme for polytechnics at B-Tech, M-Tech and D-Tech levels started at Harare Institute of Technology in September 2004 (Dewah *et al*., 2005:16). But as already noted by Shoko, Chikomo and Chisita (2012:9), it seems that this policy shift is hardly being followed by universities because HND holders in library and information science are facing a challenge when they want to crossover or transfer credits to academic institutions in Zimbabwe. "This anomaly is a result of lack of coordination between the two systems resulting in individual departments in universities having the discretion to place transfers at any level they deem fit" (Shoko, Chikomo & Chisita, 2012:9). The establishment of NQA and a Credit Accumulation and Transfer System (CATS) will facilitate mobility in higher education.

The South African NQF places HNDs at Level 8 (Shoko, Chikomo & Chisita, 2015:6), which is the same level bachelor's general and honours degrees are placed. In their study Shoko, Chikomo and Chisita (2015:9) found that holders of the HND in library and information science in Zimbabwe face challenges when they want to transfer credits to academic institutions—universities. This challenge is caused by lack of coordination between the TVET and universities systems in the country, which results in local universities having the discretion to place transfers at any level they deem fit (Shoko, Chikomo & Chisita, 2015:9). In fact, holders of all HNDs seem to face the same challenge even though the curricula they followed is largely similar to that of corresponding bachelor's degrees, in terms of learning outcomes. Some Zimbabwean universities even consider an HND holder for entry into the first degree even at Level 1. The situation is even more bleak for holders of private college certificates and diplomas although the colleges are registered and their qualifications accredited with Ministry of Higher and Tertiary Education, Science and Technology Development (MHTESTD) in terms of the Manpower Planning and Development Act (Chapter 28:02). Ironically, those same private college qualifications, HNDs and professional qualifications are well placed in the South African and British NQFs. As a result, holders of such qualifications have better opportunities for advanced education in South Africa and the UK than they have in universities in their own country. Zimbabwe is characterised by policy inconsistency (Mlanga, 2014b; Reserve Bank of Zimbabwe, 2012; WEF, 2016) and is poorly rated on this important variable

3.8.23 in this study (μ = 2.99; SD = 1.791; SRW = 0.754). The failure by university policymakers to appropriately place TVET qualifications within the appropriate level is an exhibition of the lack of appreciation of the roles TVET vis-à-vis university education plays in national development. This is robbing the country of the value it should be enjoying if necessary recognition was given to this subsector. If TVET graduates upgrade their skills they will contribute to the improvement of productivity in the country than is the case now. Many TVET graduates are already in jobs and have considerable experience. It is through the establishment of a CATS that mobility may be facilitated (Shoko, Chikomo & Chisita, 2015:6).

Recognition of TVET and professional qualifications for advanced education purposes in Zimbabwe is likely to be adversely affected by a circular of the Zimbabwe Council for Higher Education (ZIMCHE), a statutory board regulating university education in the country, of 24 August 2011. The circular, directed to vice chancellors, ZIMCHE decrees that:

> "Following **intense and thorough research and consultations** (emphasis added), ZIMCHE resolved that the following qualifications are below degree level and thus should not be equated to degrees: all professional qualifications e.g. CIS[sic], ACCA etc; all diplomas and Higher National Diplomas; non-degree qualifications from the School of Mines, School of Music, Hospitality Industry and other sectors."

ZIMCHE, therefore, advised universities to take note of its resolution when they enrolled students or recruited staff. However, there appears to be policy inconsistence between the ZIMCHE directive, "the 1990 policy" aligning TVET qualifications to the academic sector (Dewah *et al*., 2005:16), and even the STI Policy of Zimbawe. In particular, the Skills Development section of the STI Policy of Zimbabwe (2012:6) states that:

> "Science teachers, technicians and professionals [need] to continuously advance themselves. (This includes the establishment of national professional and scholarly associations and societies and maintaining these at a level that is internationally respected—both for organizations and the individual members).

Chartered professional qualifications such as the Institute of Chartered Secretaries and Administrators of Zimbabwe (ICSAZ), referred above by ZIMCHE as CIS, Association of Chartered Certified Accountants (ACCA), Chartered Institute of Management Accountants (CIMA) are placed at NQF Level 7 in the UK, their country of origin, so their holders can be enrolled into postgraduate qualifications in the UK and some overseas universities. Furthermore, the Public Accountants and Auditors Act (27:12) as amended in 2014 stipulates that ICSAZ, ACCA Zimbabwe Branch, CIMA Zimbabwe Branch, Institute of and Chartered Accountants of Zimbabwe (ICAZ) are principal constituent bodies while the Institute of Certified Tax Accountants of Zimbabwe (ICTAZ), Institute of Administration and Commerce

(IAC) and Southern Africa Association of Accountants (SAAA) are associate constituent bodies of the Public Accountants and Auditors Board (PAAB). A registered full member of ICAZ and ACCA can be registered to practice as either a public auditor or accountant in Zimbabwe and a full member of ICSAZ, CIMA and IAC can be registered to practise as a public accountant in terms of the same legislation. A person cannot be registered to practice as a public auditor or public accountant in Zimbabwe until she or he has been registered to do so in terms of the Public Auditors and Accountants Act. This technically means that a person has to be a member of one of the above-stated associations and that implies that one must have the full professional qualification of the association concerned.

While in this study both South Africa and Zimbabwe have been rated below the cutoff mean score in respect of item 3.8.22 Readiness to adapt national character to fit global economy, it is Zimbabwe that has the worst rating of the two ($\mu = 3.20$; SRW = 0.773; SMC = 0.597) vis-à-vis South Africa's ($\mu = 3.53$; SRW = 0.780; SMC = 0.609) **(see Tables 8.9 and 9.10 in Chapters 8 and 9 of this thesis)**. The rigid manner in which Zimbabwe's university education system is being defined in terms of how it relates to TVET and professional qualifications in the absence of an NQF seems to be consistent with the above rating the country got in respect of item 3.8.22. ICSAZ, ACCA, CIMA are four-tier qualifications with their Level 1 through 4 generally corresponding to Year 1 through 4 of an bachelor's honours degree in accountancy in respect of learning outcomes. Corresponding observation is also made in respect of HNDs in marketing, human resources management, accountancy, and tourism and hospitality management. In Austria, many VET qualifications lead directly to tertiary education (Anholt, 2013a:189). "The graduates from other VET programmes either directly enter the labour market or take bridge exams and continue with university studies (Anholt, 2013b:189). There are hardly any bridging programmes for HND holders wanting to enroll in degree programmes offered in Zimbabwe and this leaves the country's flanks open to attack by foreign universities. For example, there is no justification the country's postgraduate programmes in tourism management, marketing, computer science, accountancy, and management, to name but a few, should be struggling to increase their throughput when polytechnical colleges have been chunning out HNDs since the 1980s to date.

Considering initiatives at regional level to establish a SADC Qualifications Framework (SADCQF) and SADC Qualifications Authority (SADCQA) (Krönner, 2005; Tuck, 2007), it

is critical for Zimbabwe to have an equitable NQF recognising all branches of its higher education system if it is to get a good return on the investment it has made in the TVET sector since the 1980s to date. The country cannot expect its TVET qualifications to have equitable recognition in the proposed SADCQF if Zimbabwe itself does not have an equitable NQF. The European Union (EU) has developed a European Qualifications Framework (EQF) with eight (8) levels. As evident from the Level 6 and 7 of the EQF **(Appendix 14)**, university bachelor's degrees and master's degrees have their workplace-based equivalents for senior managers. The UK national qualification framework is also designed in the same manner with even doctoral degrees having their vocational qualification equivalents at Level 8 **(see Appendix 15)**. Consequently, within the UK system, final qualifying professional awards of most chartered professional bodies such as ICSA, ACCA, CIMA, Chartered Institute of Purchasing and Supply (CIPS), Chartered Institute of Marketing (CIM) are typically placed at Level 7, i.e. above honours degrees, which are at Level 6. Before sitting for final qualifying examination for ACCA, a student can first submit a research project to earn a first degree in accountancy with the Oxford Brookes University in the UK. The South African NQF also has bachelor's degree and bachelor's honours degree equivalent occupational or vocational qualifications **(NQF levels 7 and 8 in Appendix 10)**. As highlighted at the foot of the South African NQF in Appendix 10A, the Department of Higher Education and Training and SAQA provide room for developing occupational qualifications that are equivalent to both academic and professional master's and doctoral degrees. Therefore, South Africa is way ahead of Zimbabwe and other African countries in branding itself as an FDI destination through education and training. Other countries with NQFs within the SADC are Botswana, Mauritius and Namibia.

First designed in Australia, New Zealand, and the UK, the idea and principles of NQFs are being adopted in a growing number of countries (World Bank, 2010:185). Krönner (2005:14) notes that the shared characteristics of NQFs of South Africa, Mauritius and Namibia are integration, credibility, coherence, flexibility, and recognition of prior learning **(see Appendices 10 to 12)**. It is debatable whether these values are present and/or unquestionably respected in the Zimbabwean higher education system. On flexibility, Krönner argues that an NQF allow for multiple pathways leading to the same learning outcomes or ends. The aim of an NQF is to facilitate assessment, certification, quality assurance, and learner mobility across education and training systems (Krönner, 2005:14). The fact that a person holds a professional qualification or an HND does not necessarily mean they have inferior knowledge compared to

someone with a first degree in the same area awarded by a traditional university. Professional associations and polytechnic colleges use the same textbooks as universities, at least in the area of commerce or management. Nevertheless, in terms of research skills some TVET qualifications may have no or smaller component of research training. Where this is the case, the TVET qualification may need to be improved or a university can actually develop a bridging course(s) to enable holders of such a qualification to quickly progress to the next level they deserve without punishing them for having taken the TVET route in their personal career development as it appears to be in Zimbabwe.

The National Qualifications Framework Act 67 of 2008 of South Africa establishes three quality councils – i.e. the Council on Higher Education (CHE) responsible for university education as provided for in the Higher Education Act, UMALUSI that oversees General and Further Education and Training as provided for in the General and Further Education and Training Act, and, lastly, Trades and Occupations as provided for in the Skills Development Act – which are all supervised by SAQA in respect to their roles in the South African NQF. Thus the South African NQF Act of 2008 integrates the three legislations each of which controls the respective quality council. According to this NQF legislation, professional bodies or associations should cooperate with quality councils. The legislation also provides for 10 levels, organised in ascending order, which the quality councils must develop in a participatory manner before they are endorsed by SAQA and incorporated in the NQF **(see Appendix 10A)**.

Countries can brand themselves through education (Anholt, 2013a; Anholt-GfK Roper, 2014a; Buhmann & Ingenhoff, 2015; Dinnie, 2008; Fund for Peace, 2014; FutureBrand©, 2010; IMD, 2014; Passow, Fehlmann & Grahlow, 2005; UNDP, 2014; WEF, 2013b; Rojas-Me´ndez, 2013; Social Progress Imperative, 2016b). The education facet covers all terms related with professionalism and educational level shown by people from a given country (Rojas-Me´ndez, 2013:468). Higher education plays an important role in preparing school leavers for the job market and ensuring that a country has a pool of qualified people to support the needs of its industry (NECF, 2015:14). A country's pool of talent, skilled or qualified labour is a source of its overall global competitive advantage including FDI attractiveness (Anholt-GfK Roper, 2014b; Anyanwu, 2012; AT Kearney, 2015; Bloom Consulting, 2013; Brand Finance®, 2013; Carr, Markusen & Maskus, 1998; Chellaraj & Mattoo, 2015; Dinnie, 2008; Faeth, 2008; Fetscherin, 2010; Fund for Peace, 2014; FutureBrand, 2014; Hornberger, Battat & Kusek,

2011; IMD, 2013; Kalamova & Konrad, 2010; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013; Markusen 2002; WEF, 2013b, UNDP, 2016). The degree of staff training is taken into consideration because vocational and continuous on-the-job training – which is ignored in many countries – is vital for guaranteeing continuous advancement of workers' skills (WEF, 2014:7). Thus higher education does not just cover university education but also TVET and professional education. Policymakers in Zimbabwe's higher education system, particularly the university sub-sector, need to move with the times and benchmark the country's education policies with those of other countries in the region and global community.

Many factors contribute to the success of a country's TVET system. The critical success factors for TVET in Austria are "the involvement of the social partners, the close link to the business world, updated curricula with a focus on employability, teachers and trainers with working experience, a wide and well-balanced mix of different programs offering attractive options for the different expectations and learning preferences and backgrounds of the young people as well as safety nets for young people at risk" (Anholt, 2013a:189). It is such level of involvement of social partners that seems to be lacking in Zimbabwe hence universities may tend to look down upon private colleges, polytechnic colleges, and professional associations yet universities ought to be taking advantage of these institutions to create downstream qualifications that enhance than degrade TVET qualifications whether it is in terms of technical and/or conceptual skills. The Zimbabwean government, through its MHTESTD, has the duty to ensure that there is policy coherence in the country's higher education sector. Currently, the country is not fully benefitting from its decades of investment in TVET education due to policy inconsistences and/or weak policing in the national higher education system. This reality is denying the country the potential to improve its workforce productivity by upgrading the skills of TVET graduates who are already in jobs and have years of experience. This has left the country defenseless in the face of regional and global competition for talent especially by rival nations offering better remuneration and opportunities for further human development. Zimbabwe is also losing considerable hard currency it could invest in other more deserving areas when its TVET graduates enroll with foreign universities because domestic universities, for one reason or another, shun them or enroll them with heavy penalties such as degrading their vocational qualifications to A-level GCE or even less. After all, technology transfer that may be facilitated through FDI is not necessarily absorbed through university graduates only but also TVET graduates who drive workshops and factories particularly in scientific and

technical areas. Artisans are not likely to play any less significant role in such FDI-based technology transfer in a host nation. In fact, if the TVET and university education sector are training and developing talent for the country's industry and commerce, there certainly cannot be total incompatibility for learning outcomes of the qualifications offered by the two sub-sectors.

Zimbabwe is currently grappling to grow its pool of science workforce and if Doctor of Philosophy (PhD) graduates are to be the means test (and not necessarily natural science and technology undergraduates and postgraduates alone), the country needs to expand its pool of university graduates by enabling TVET graduates to further develop themselves through traditional university qualifications and eventually into postgraduate and PhD studies. It would be naïve for anyone to think that the pool of young people enrolling in universities after A-levels will have an interest in pursuing PhDs when they still are grappling to earn a living. Going by ZIMSTAT statistics of TVET graduates in Zimbabwe for years 2007 to 2012 **(Appendix 9A)**, the country has a relatively substantial pool of professionals and artisans the majority of whom are mature, employed, and experienced. Given the thirst for education in Zimbabwe, these professionals could benefit from bridging courses that would enable them to be enrolled in the final year of honours degree programmes in the areas of their TVET qualification. It is such professionals who could be persuaded to enroll for postgraduate studies eventually leading to PhDs hence contribute to the country's pool of scientists or technologists, as many of them already have relevant work experience. "Mechanism such as **specialized apprenticeship programs** (emphasis added), research efforts in universities connected with an industry, trade association activities, and, most important, the private investment of companies ultimately create the factors that will yield competitive advantage" (Porter, 1990a:89). This thesis argues that countries such as South Africa, Australia, New Zealand and the UK appreciate the value of Zimbabwean TVET programmes including apprenticeships hence absorb their graduates while at the same time their universities provide them with irresistible opportunities for further training. However, locally the question is to what extent do Zimbabwean universities appreciate the strength of the country's TVET programmes?

It should also be a concern to South Africa and Zimbabwe that they were both rated below the study's cutoff point in respect attribute 3.1.5 Foreign language skills (e.g. Chinese, French, and Portuguese). Bona fide nation branding theorists (e.g. Bivolaru, Andrei & Purcăroiu, 2009;

Kalamova & Konrad, 2010; Szondi, 2007; Rojas-Me´ndez, 2013) and their default counterparts—economists (e.g. Hornberger, Battat & Kusek, 2011; Bénassy-Quéré, Coupet & Mayer, 2007; Somlev & Hoshino, 2005) agree that language is one of the attributes on which countries can build sustainable competitive advantage to attract FDI. Language is an important element of culture without which verbal, written, non-verbal communication is impossible (Onkvisit & Shaw, 2004; Rojas-Me´ndez, 2013). Language is part of the psychic distance factors alongside culture, political system, level of education, level of industrial development (Kadasah, 2006; Musso & Francioni, 2012; Newman, 2012), the economy and the legal system (Kadasah, 2006:76). 'Psychic' factors impact the decision-making process and allocation of FDI (Kadasah, 2006:76). Sharing a common language has a positive influence on FDI inflow (Bénassy-Quéré, Coupet & Mayer, 2007; Kalamova & Konrad, 2010) and would increase FDI activity between countries by US$530 million (Kalamova & Konrad, 2010:412). China is now the second biggest economy on the planet after the USA, but its language of commerce is not English. South Africa and Zimbabwe may increase their trade with China, including FDI inflow from the Asian giant if their citizens learn Confucian culture including language. Chinese or Mandarin is the most spoken language in the world (Ghauri & Cateora, 2014:18). Countries such as South Korea (Schorr, 2011:57) and China are investing in the teaching of English to their citizens as they work towards integrating themselves into the global economy where the English language has carved a niche for itself as an international language of commerce. China has also setup the Confucius Institute in other countries to teach Chinese language and culture. As the Chinese economy advances from its second position to be the biggest economy, it is critical that nations that seek to increase trade with China consider learning Chinese language and culture as this would reduce cultural distance. China is moving to be the biggest trading partner of Zimbabwe.

Zimbabwe has been in economic decline since 1999. The country could increase its trade with Angola if its citizens were to learn Portuguese, the business language of Angola. Angola meets most of its basic requirements, from food to consumer durables, through imports. Though Angola is geographically close to Zimbabwe, it is psychologically far because of its different language of commerce. It appears that Zimbabweans are proud English Language speakers who are not keen to learn other languages. English is the third most spoken language in the world (Ghauri & Cateora, 2014:18) but is not the language of business in Mozambique, Madagascar, the Democratic of Congo, and Angola. To increase trade with Angola,

particularly exports, Zimbabweans need to learn Portuguese. "For Zimbabweans to make a breakthrough into the Angolan market, it is encouraged to first learn Portuguese" (ZimTrade & Africa Corporate Advisors, 2014:34). Portuguese is the seventh most spoken language in the world (Ghauri & Cateora, 2014:18). Within the SADC, Portuguese is the language of commerce in Angola and Mozambique. In 2014 Angola recorded an annual gross domestic product (GDP) of nearly US$127 billion (World Bank, 2017; **Table 3.19, Chapter 3**).

A survey carried out by ZimTrade in 2014 found that Angola imports about 90 percent of all its consumer goods and utilities (ZimTrade & Africa Corporate Advisors, 2014:7). Currently trade in Angola is dominated by Portugal, Brazil, China and South Africa, which is the only main exporter from the SADC region (ZimTrade & Africa Corporate Advisors, 2014:7-8). Moreover, Mozambique is also another geographically close but psychologically distant country for Zimbabwe within the SADC. This is despite that the country share the border and common cultures right from the Zimbabwe-Mozambique-South Africa frontier in the south to the Zimbabwe-Mozambique-Zambia frontier in the north. Although Mozambique has joined the Commonwealth, a loose coalition of the UK and its former colonies, hence is encouraging its nationals to learn English, Mozambicans predominantly speak Portuguese. Consequently, it is sensible for Zimbabweans to learn Portuguese to speed up the rate of cultural and trade integration between Zimbabwe and Portuguese-speaking nations of Mozambique and Angola.

Compared to the other 10 components in Zimbabwe's SON-FDIBE factor solution except Population and Country Health (Factor 5), reforming and enforcing a harmonised higher education system in Zimbabwe will undoubtedly have the second least contributory effect to the country's FDI attractiveness (SRW = 0.270; **Figure 9.3, Chapter 3**). Nevertheless, it is still critical for that policy shift to be effected and enforced. It will not only improve access to university education for holders of TVET and professional qualifications thereby increasing the country's human development competitiveness but also unlock downstream national value since the education component is significantly correlated with other factors. Pearson's correlations coefficients of Zimbabwe's factor solution show that Factor 4 (Education and Population) is significantly correlated with Factor 4 (Telecommunications Infrastructure and Public Transport) (r = 0.300; p = 0.000), Factor 9 (Markets) (r = 0.293; p = 0.000), Factor 10 (Technology) (r = 0.388; p = 0.000), and Factor 12 (Economy) (r = 0.347, p = 0.000) at the 5 percent level of significance **(Table 9.6, Chapter 9)**. This is corroborated by correlation

coefficients generated by the statistically more robust CFA technique for the same component versus Factor 4 (r = 0.335), Factor 9 (r = 0.293), Factor 10 (r = 0.372), and Factor 12 (r = 0.324) **(Appendix 6)**. Factor 9 is included in this list because its correlation coefficient in both PCA (Pearson's correlation analysis) and CFA can be rounded off to 0.300, the baseline for significant correlations. Reform carried out in Zimbabwe's education system, which de-racialised and democratised the system for the benefit of the majority who had been denied equal access to education for almost 90 years of the colonial governance system, contributed vastly to the Zimbabwe's nation brand equity. However, in the euphoria of independence in 1980, policymakers might have overlooked the elitist orientation in the education system. Because of the elitist nature of the system it is the minority, the academically gifted learner, who has benefitted the most from the country's huge investment in education and it is that same graduate who has left or is likely to leave the country for greener pastures. The Presidential Commission of Inquiry into Education and Training found that citizens were concerned with the inflexible entry requirement into polytechnic colleges and universities (Nziramasanga *et al*. 1999:483). Other countries rate Zimbabwean HNDs as a qualification to enter university (Nziramasanga et al., 1999:483). The harmonisation of higher education in Zimbabwe in order to facilitate access, mobility, and recognition of prior leaning for holders of TVET and professional qualifications has become a corporate social responsibility issue for the government. Corporate social responsibility for countries is fundamental (Anholt, 2013a; Passow, Fehlmann & Grahlow, 2005). If a country wants to be admired, it should make itself relevant by participating usefully, productively, and imaginatively in the global conversations on the topics that matter to people worldwide one of which is education (Anholt, 2013a:4-5). Educational achievement is a key lever for preserving socioeconomic stratification across generations hence acess to higher education should be flexible and democratised.

11.2.2.8 Generic Infrastructure: Factor 9 (South Africa) and Factor 7 (Zimbabwe)

South Africa and Zimbabwe are both poorly rated in terms of their generic infrastructure component; their factorial mean scores are below the cutoff point. Three of the six of variables in South Africa's Factor 9 are drawn from the infrastructure construct of the conceptual framework (i.e. 3.6.1 Quality of roads, 3.6.2 Quality of railroads, and 3.6.6 Quality of electricity—frequency of load shedding), two are from the government hypothetical dimension (3.8.1 Political stability and unity and 3.8.2 Competence of public institutions), and one from

the society theoretical component—3.1.8 Public healthcare (availability of practitioners, equipment and drugs). Zimbabwe's generic infrastructure (Factor 7) has 10 items of which nine are drawn from the infrastructure construct—i.e. 3.6.9 Number and capacity of airports, 3.6.2, Quality of railroads 3.6.3 Nearness to quality ports, 3.6.7 Domestic and international airline departures per day, 3.6.6 Quality of electricity, 3.6.9 Availability of fixed-line telephones, 3.6.1 Quality of roads, and 3.6.5 Water, sanitation and waste management. The odd item in Zimbabwe's generic infrastructure factor is 3.8.8 Resolving insolvency and retrenchment, which was drawn from the conceptual framework's government construct. Items in South Africa's and Zimbabwe's generic infrastructure component drawn from the government (i.e. 3.8.1, 3.8.2, and 3.8.8) and society (i.e. 3.1.8) constructs as indicated above qualify as infrastructure through the firm infrastructure facet of Porter's (1998) value chain model. Firm infrastructure comprises several aspects like general management, accounting, legal, government affairs, and quality management (Kotler & Keller, 2016; Porter, 1998) and this seems to cover exceptionally well items like 3.8.1 Political stability and unity, 3.8.2 Competency of public institutions, 3.1.8 Public healthcare, and 3.8.8 Resolving insolvency and retrenchment, which are all intangible and administrative in nature. Firm infrastructure is at times seen as a cost yet it is a source of competitive advantage (Porter, 1998:45).

The findings on this component in South Africa and Zimbabwe are consistent with the general sentiments in the two countries and existing literature. Infrastructure in South Africa is running at full capacity (Mashego, 2013:5). In Zimbabwe, there is inadequate infrastructure in terms of electricity, water and sanitation and poor infrastructure which requires urgent maintenance and upgrading in respect of roads, rail and broadcasting transmission equipment (see e.g. African Development Bank, 2011; NECF, 2015; ZIMASSET, 2013). The presence of structural constraints and the severe deterioration in the basic infrastructure of Zimbabwe in the past decade has eroded the country's international competitiveness (African Development Bank, 2011:16). A robust infrastructure network and system plays an important function in the socio-economic development of Zimbabwe (ZIMASSET, 2013:39). Evidence from enterprise surveys indicate that infrastructure constraints account for almost 40 percent of productivity handicaps faced by firms operating in Africa (Foster & Pushak, 2011:3). Unlike South Africa, the infrastructure sector of Zimbabwe has suffered dramatic brain drain. Inadequate technical and management capacities in the infrastructure sectors of Zimbabwe have been worsened by massive emigration of skilled labour out of Zimbabwe in the crisis decade (African

Development Bank, 2011:100) i.e. from 1999 to 2008. The country has not recovered from brain drain because its economy is yet to recover from the crisis.

Getting electricity is a key competitiveness issue (World Bank, 2014) because economies need reliable and adequate electricity supplies so that businesses can operate uninterrupted (IMD, 2014; WEF, 2014). The GCI, however, positively rates the overall infrastructure of South Africa and in particular the quality of roads, quality of port infrastructure, and quality of air transport infrastructure (WEF, 2015a:327). Zimbabwe's GCI rating of quality of overall infrastructure is consistent with the findings of the current study including in terms of roads, electricity, railroads, and port infrastructure. It is likely that the port infrastructure variable of the GCI in Zimbabwe may include ports of entry into the country since the country is landlocked hence does not have seaports. In the current study, the item was restricted to access or proximity to quality seaports in neighbouring countries e.g. Angola, DRC, Mozambique, Namibia, South Africa, and Tanzania.

11.2.2.9 Society: Factor 3 (South Africa), Population and Country Health (Factor 5) and Crime and Natural Disasters (Factor 6) (Zimbabwe)

Viewing the society factor of South Africa broadly in comparison with Zimbabwe's population and country health and crime and natural disasters components, it is clear that the three factors share roughly the same underlying variables. Attributes in South Africa's society latent variable are 3.1.11 Frequency of violent crime, 3.1.13 Risk of xenophobic or political violence, 3.1.14 Level of corruption, 3.1.9 Prevalence of HIV and AIDS, 3.1.10 Risk of tuberculosis, cholera and Malaria, 3.1.7 Prevalence of poverty, 3.1.12 Level of personal security, 3.1.15 Control of corruption. The four variables in Zimbabwe's population and country health element are 3.1.9, 3.1.10, 3.1.7, and 3.1.14, and those in the country's crime and natural disasters factor are 3.1.11, 3.1.13 and 3.3.3 Risk of natural disasters (e.g. droughts, floods, etc), and 3.1.12. Whereas South Africa received a rating below threshold in its society component (μ = 3.96; SD = 1.806; SRW = 0.480; SMC = 0.530) Zimbabwe got good ratings in its population and country health (μ = 4.24; SD= 1.260; SRW = 0.240; SMC = 0.292) and crime and natural disasters (μ = 4.16; SD = 1.430; SRW = 0.800; SMC = 0.362) sub-indexes.

At any point in time, South African media carry a substantial number of news stories about murder, rape, armed robbery, muggings. To date, the country has experienced a number of shocking episodes of xenophobic violence against fellow black Africans from fellow African countries, the worst of which took place in May 2008. Nonetheless, South Africa got positive ratings in the two items dealing with violent crime ($\mu = 4.08$; SD = 2.131; SRW = 0.850; SMC = 0.772) and risk of xenophobic or political violence ($\mu = 4.16$; SD = 1.799; SRW = 0.820, SMC = 0.672) in this study—i.e. 3.1.11 and 3.1.13 respectively. These ratings are inconsistent with South Africa's image projected in current literature and the mean score it got in this study for item 3.1.12 Level of personal security ($\mu = 3.85$; SD = 1.730; SRW = 0.675; SMC = 0.455).

Xenophobic violence against foreign nationals and other 'outsiders', which has gradually increased during the recent past in townships and informal settlements, has been an ongoing reality in post-apartheid South Africa (International Organization for Migration, 2009:22). At its peak in May 2008, the violence was extraordinary. It left 62 people, including 21 South Africans, dead; more than 670 injured; several women raped; over 100 000 people displaced (International Organization for Migration, 2009; Misago, 2016); and, property worth of millions of Rands looted, destroyed or seized by local residents and leaders (International Organization for Migration, 2009:2). For a country considered a model of democracy and economic development in a continent stigmatised for dictatorships and undervelopment, xenophobic violence is a stain on the beautiful face of South Africa. An analysis of the demographic profile of perpetrators of xenophobic violence would lead one to the "old" South Africa characterised by apartheid, racism, discrimination, poverty, and inequality (International Organization for Migration, 2009; Misago, 2016; Oliva & Stringari, 2014). Except for apartheid, most of these social anomalies have persisted in South Africa to this day. Nobody denies that South Africa requires huge investments in time, effort, finance and material resources to address the effects of these social defects, low literacy included, on which xenophobia seems to breed and feed on. However, the "new" South Africa cannot be spared the blame either especially for the manner it has dealt with and its attitude towards the problem. For example, when the severe violence of 2008 subsided, so did the government's commitment to resolve xenophobia (Misago, 2016; Misago, Freemantle & Landau, 2015; Polzer & Takabvirwa, 2010). Misago, Freemantle and Landau (2015:25) further argue that:

> "Both before and after the 2008 attacks, it is often said that the overall government response to xenophobia and related violence in South Africa has been characterized by 'denialism.' In many cases, such denialism is rooted in a discourse which labels all xenophobic violence as 'just crime and not xenophobia,' a categorization that demands few specific interventions or policy changes."

A study conducted by Oliva and Stringari found that South Africa is broadly perceived by the online community as a country affected with numerous social conflicts. "The most recurrent semantic field found in the comments is 'social problems' which encloses entries related with crime, violence, poverty, inequality, sexual assaults, racism and discrimination" (Oliva & Stringari, 2014:63). These social ills are consistent with the country's performance in the 2016 Social Progress Index's personal safety (41.84 percent) and health and wellness (45.63 percent) sub-categories **(Table 3.8, Chapter 3)**.

The prevalence of crime and personal insecurity in a country determines the brand strength of a country (Abala, 2014; Adebola, Talabi & Lamidi, 2012; Fund for Peace, 2014; Oliva & Stringari, 2014; Mo Ibrahim Foundation, 2014; Passow, Fehlmann & Grahlow, 2005; Rojas-Me´ndez, 2013) and FDI inflows (Abala, 2014; Lederman, Mengistae & Xu, 2012; Viosca, Bergiel & Balsmeier, 2004). Economists have investigated the relationship between crime or personal security and FDI behaviour (e.g. Lederman, Mengistae & Xu, 2012; Viosca, Bergiel & Balsmeier, 2004). Nonetheless, such studies are generally scarce within the *bona fide* nation branding literature (exceptions are Adebola, Talabi & Lamidi, 2012; Rojas-Me´ndez, 2013). Safety relates to the public order existing in a country that contributes to the friendliness of people (Rojas-Me´ndez, 2013:469) and is an important attribute affecting the competitiveness of a country (WEF, 2013b:5).

Zimbabwe has a low violent crime rate hence a mean score above the threshold point attained in this study is coherent with general observations reflected in the media. Nonetheless, personal security in the country is a concern for foreign tourists and perhaps investors too. Almost 50 percent of respondents in a recent study on rebranding Zimbabwe to enhance sustainable tourism development agreed that "peace and security" is an unpleasant experience in the destination (Ndlovu & Heath, 2013:950). In addition, as already discussed elsewhere in this chapter, political violence is a deep-seated culture in pockets of the Zimbabwean community especially in the run up to general elections. Zimbabwe's negative mean rating on item 3.1.13 Risk of xenophobic or political violence ($\mu = 3.80$; SD = 2.386; SRW = 0.737; SMC = 0.543) is in harmony with the observations in existing literature (Mugobo & Ukpere, 2011; Ndlovu & Heath, 2013). Zimbabwe is known for political violence (Mugobo & Ukpere, 2011:8252). While inflammatory political statements by politicians might be partly to blame

for political violence, most perpetrators of this criminal act are generally people who are in the vulnerable and lower social groups of society in rural communities, peri-urban areas, and suburbs dwelt by people with low incomes and low educational attainment—high density suburbs. As already highlighted above, a similar pattern is observed in South Africa in terms of who perpetrates xenophobic violence and where they live. Thus Zimbabwe and South Africa have a literal replication, i.e. similarity, with respect to attribute 3.1.13 in reality. However, perhaps Zimbabwe's mean rating for item 3.1.12 Level of personal security (μ = 4.92; SD = 1.684) is positive because political violence usually surfaces in the run up to general and presidential elections. A culture of political violence tarnishes a country's image. Zimbabweans from all walks of life need to mature and tolerate diversity of political opinion.

Governments must not tolerate xenophobic violence (e.g. South Africa) and/or political violence (e.g. Zimbabwe) because such violence tarnishes the image of a country. With social media tools such as YouTube and Whatsapp, it is difficult for countries to conceal these organised and cruel acts of violence from the scrutiny of global citizens some of who are business people or proxies of investors.

The remaining variable in Zimbabwe's crime and natural disasters' factor is 3.3.3 Risk of natural disasters (μ = 3.78; SD = 1.995; SRW = 0.579). Zimbabwe frequently suffers from natural disasters especially droughts. The country needs to put in place a mechanism to ensure that it is able to cope with the effects of such disasters during their occurence and in the aftermath.

South Africa is negatively rated in respect of 3.1.9 Prevalence of HIV and AIDS, 3.1.10 Risk of tuberculosis, 3.1.7 Prevalence of poverty and 3.1.15 Control of corruption (prosecutions, sentences) but positively rated i.e. ≥ 4 on 3.1.14 Level of corruption. The country's ratings in 3.1.9, 3.1.7 and 3.1.14 are consistent with the literature. With an estimated HIV and AIDS prevalence rate of 19.1 percent in adults aged between 15 and 49, South Africa has the third highest rate in the SADC after Botswana at 21.8 percent and Lesotho at 22.9 (World Bank, 2014a; World Bank, 2015; UNAIDS, 2013). South Africa also has the biggest HIV and AIDS prevalence rate among the top three economies in Africa of which the other two are Egypt and Nigeria, and among the BRICS countries of which the other four economies are Brazil, Russia, India and China **(see Tables 3.1 & 3.2, Chapter 3)**. Tuberculosis is an opportunistic disease

associated with poverty and people with a compromised immune system like those people living with HIV. Zimbabwe is the fourth worst affected country in terms of HIV and AIDS prevalence in the SADC. Its perceived FDI brand equity from an HIV and AIDS prevalence perspective (μ = 4.23; SD = 1.505) and risk of tuberculosis, cholera and malaria (μ = 4.01; SD = 1.637) are inconsistent with the country's reality with respect to these variables **(see Table 3.3)**. The image and reputation of Africa and its countries are scarred by persistent epidemic diseases (Fund for Peace, 2014; FutureBrand, 2011; Klufio, 2011; Osei & Gbadamosi, 2010) such as HIV and AIDS, cholera, malaria, and tuberculosis, which are generally associated with poverty (Bhutta *et al*., 2014; World Bank, 2014a; Talavera & Pérez, 2009). The diseases disproportionately affect the poorest people in the world hence contribute to the vicious cycle of poverty due to decreased productivity resulting from long-term illness, disability, and social stigma (Bhutta *et al*., 2014:1). Schorr (2011:56) notes that "The FDI data speaks for itself: even when African countries are rated highly in global competitiveness, South Africa still receives less investment than Vietnam." This probably shows that, in Africa, perceptions more than fundamentals explain FDI patterns.

South Africa's rating in 3.1.14 level of corruption in this study which is ≥ 4 is somewhat consistent with the country mean ranking in the Transparency International's CPI in the last five years ending 2016. Based on its mean rank of 67 out of 176 countries and mean value of 44 percent in the CPI, South Africa is the sixth least corrupt country in the SADC after Botswana (first), Seychelles (second), Mauritius (third), and Namibia (fourth), and Lesotho (fifth) **(Table 3.4)**. In a continent renowned for corruption, South Africa's corruption mean rank and mean value for the period under review is indicative of a country that is performing relatively well. Nonetheless, the CPI rankings also seem to be suggesting that corruption in South Africa's public sector is growing at a faster rate than in other least corrupt SADC countries within the region. Perhaps that is why in this study the country was poorly rated in terms of its effort to control the scourge of corruption (item 3.1.15) (μ = 3.12). This result is consistent with the country's mean rating in a corresponding item of the GCI i.e. 1.07 Favouratism in the decisions of government officials (μ = 2.3; Global Rank 115 out of 138 countries) (WEF, 2016:325).

In comparison, Zimbabwe's mean score in this study with respect to attribute 3.1.15 Control of corruption (μ = 4.77; SD = 2.327) is in disharmony with both its positioning in the GCI and

CPI. The country has a GCI mean of 1.9 and global rank of 133 out of 138 countries on item 1.07 Favouratism in the decisions of government officials (WEF, 2016:369). With a global mean rank of 156 out of 176 countries and mean value of 21 percent in the CPI over the last five years ending 2016, Zimbabwe is the second most corrupt nation in the SADC outsmarting Angola only **(see Table 3.4)**. Given that this attribute has a standardised regression weight of 0.785 and squared multiple correlation value of 0.616, which express validity and causality and reliability respectively, the need to arrest corruption as an explanatory variable of FDI cannot be overemphasised.

The prevalence of corruption affects the flow of FDI into economies (Abala, 2014; Adebola, Talabi & Lamidi, 2012; Bénassy-Quéré, Coupet & Mayer, 2007; Bitzenis, Tsitouras & Vlachos, 2009; Fund for Peace, 2014; Hornberger, Battat & Kusek, 2011; Kalamova & Konrad, 2010; Klufio, 2011; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010; Osei & Gbadamos, 2010; Rojas-Me´ndez, 2013) because corruption is normally viewed as an additional cost of doing business or a tax on profits (Al-Sadig, 2009:282). Corruption is the misuse of public power for private gain, such as, bribery of public officials, kickbacks in public procurement, or embezzlement of public funds (Bitzenis, Tsitouras & Vlachos, 2009:696), permits, investment licenses, tax assessments, and police protection (Al-Sadig, 2009:282). In recent years, the level of corruption in the host country has been introduced as one of the factors among the determinants of FDI location (Al-Sadig, 2009; Anyanwu, 2012; Kalamova & Konrad, 2010; Ledyaeva, Karhunen & Whalley, 2013). In a study on the effect of corruption on host country FDI inflows Al-Sadig (2009:267) found that a one-point increase in the extent of corruption in a country explains a decline in per capita FDI inflows by around 20 percent. Moreover, corruption is correlated with several other attributes of the host country like cultural values, lack of competition, and the quality of institutions (Al-Sadig, 2009:272). The control and punishment of corruption (Anyanwu, 2012; Lederman, Mengistae & Xu, 2012; Hornberger, Battat & Kusek, 2011; Kalamova & Konrad, 2010; Transparency International, 2014) and the strength and effectiveness of public sector anti-corruption efforts (Transparency International, 2014) are fundamental to assisting a country to improve its competitiveness. Interestingly, some academics have observed that corruption can have mixed effects on FDI depending on who is investing and the investment location (de Beule & van den Bulcke, 2012; Ledyaeva, Karhunen & Whalley, 2013). de Beule and van den Bulcke (2012:21) found that variations in corruption do not yield a significant coefficient for Chinese greenfield investors,

suggesting that they do not target corrupt economic environments, in particular, but are also rather indifferent towards corruption whereas their Indian transnational counterparts are discouraged by corruption. But in their homeland, the Chinese do not tolerate corruption hence punish it harshly for convicts. Citizens of South Africa and Zimbabwe in particular and Africa in general must be concerned that Chinese greenfield investors are rather indifferent towards corruption in the host country (de Beule & van den Bulcke, 2012:21) and yet China today leads as Africa's main source of FDI (Kahn, 2011:493).

11.2.2.10 Factor 10: Ecology and Tourism (South Africa)

In mean rating terms, this is the latent variable in which South Africa performed extremely well both overall ($\mu = 5.26$) and at item level: 3.3.2 Natural resource endowment (e.g. soils, minerals and metals) ($\mu = 5.4$), 3.3.1 Favourability of climate and weather ($\mu = 5.32$), and 3.4.12 Country attractiveness to international tourists ($\mu = 5.11$). This factor is indicative of positive stakeholder-oriented FDI brand equity. South Africa attracts significant natural resource seeking FDI because of its rich mineral resource endowments e.g. gold, platinum, coal, and chrome. Attribute 3.3.2 was deleted from the Zimbabwe empirical factor solution because it correlated with totally unrelated attributes. The relevance of this item to the country should still be investigated because Zimbabwe is rich in natural endowments too—gold, platinum, chrome, coal, and natural gas.

Natural resource endowment affects country competitiveness including FDI attractiveness (Adam & Filippaios, 2007; Adebola, Talabi & Lamidi, 2012; Andrés, Nunnenkamp & Busse, 2013; Böckem & Tuschke, 2010; Hornberger, Battat & Kusek, 2011; Demirhan & Masca, 2008; Garelli, 2014; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010; Rojas-Me´ndez, 2013; Sun, 2010; WEF, 2013b). Moreover, the probability of offsetting for a lack of natural resources is limited (Garelli, 2014:490). Therefore, it is a deficiency that leading bona fide practitioner-owned nation branding indices like Anholt-GfK Roper's NBI^{SM}, FutureBrand's CBI, Brand Finance$^{®}$'s NBIF^{TM}, and academic ones influenced by the NBI^{SM}, i.e. Fetscherin's (2010) Country Brand Strength Index (CBSI) and Kalamova and Konrad's (2010) Nation Branding and FDI do not include natural resource endowments in their constructs. The SON-FDIBE framework is thus filling a gap in the existing literature with respect to some existing proprietary and academic models of nation branding particularly as

they pertain to countries endowed with natural resources like South Africa and Zimbabwe. However, Africa's resources have never been its blessing but a curse (Ong'ayo, 2008:5). Natural resources can erode competitiveness by corrupting political institutions and distorting economic policy choices (Delgado *et al*., 2012:12). Moreover, endowments in themselves are not necessarily a source of competitive advantage unless the country has a conducive business environment. The standard economic theory that factor conditions – i.e. labour, land, natural resources, capital, infrastructure – determine competitiveness, which "date back to Adam Smith and David Ricardo and that is embedded in classical economics, is at best incomplete and at worst incorrect (Porter, 1990a:79).

Countries with plentiful natural resources attract resource-seeking FDI (Adam & Filippaios, 2007; Böckem & Tuschke, 2010; Denisia, 2010; Demirhan & Masca, 2008; Dunning, 1993; International Monetary Fund, 2014; Faeth, 2008; Nayak & Choudhury, 2014). Nonetheless, Noorbakhsh, Paloni and Youssef (2001:1603) claim that countries which depend on natural resources only for competitiveness can find it challenging to attract FDI into high value-added industries hence experience slower economic growth. Thus natural resources must be complemented with talent development and retention variables discussed in the education and training factors of the case study countries above. A major concern in respect of FDI inflows into African countries is that an overwhelming majority of them go into natural resource exploitation (Anyanwu, 2012:428). At the same time, most primary industries that extract natural resources in developing countries, South Africa and Zimbabwe included, export them as commodities. As a result, countries with natural resource endowments may attract considerable FDI but still remain underdeveloped. Countries rich in natural resources like the two case study countries require policies that guarantee them benefits from their endowments whose proceeds they can invest in building competitiveness in other areas of national development. Policies are completely reliant upon the determination of people (Garelli, 2014:490). National prosperity is not inherited but created (Porter, 1990a:73).

Favourability of climate and weather is also a critical component of nation FDI brand equity and so is country attractiveness to international tourists, in the case of South Africa. Climate, weather and soil fertility or aridity endow countries with given images, positive or negative (IMD, 2014; Njoroge & Okech, 2011; Rojas-Me´ndez 2013). In regards to climate, many expressions that reveal how easily respondents identify this facet include "sunny", "warm",

"hot", "cold", "wet", "dry", and "tropical" (Rojas-Me´ndez, 2013:468). South Africa is blessed with good weather. The majority (73.3 percent) of respondents in a study on factors influencing FDI inflows in Kenya's horticultural industry agreed that the country's climatic conditions and fertile soils facilitated the flow of FDI (Njoroge & Okech, 2011:104).

Tourism is one of the highly visible proxy constructs by which tourists build an image of a given country (Anholt, 2005; Anholt-GfK Ropper, 2014; Bloom Consulting, 2013 & 2014; Brand Finance®, 2013; Dinnie, 2008; Fetscherin, 2010; FutureBrand, 2014; Kalamova & Konrad, 2010; Kemming, 2009; Rojas-Me´ndez, 2013; Simonin, 2008; WEF, 2013b). Tourists will visit a country with a greater appeal and attractiveness—measures influenced by the success of that country's brand (Bloom Consulting, 2014:6). Tourism makes both direct contributions to national economies, by raising the national income and improving the balance of payments, and indirect contributions, through multiplier effects and by providing the foundation for connecting countries, via hard and soft infrastructure—aspects that are essential to a country's broad economic competitiveness (WEF, 2013b:xv). Among other measures, a country's tourism brand is evaluated through tourism arrivals and receipts (Fetscherin, 2010; Bloom Consulting, 2014) and tourism receipts growth rate, culture (historical sites, food, local people, local traditions, museums, performing arts), leisure (beaches, boating, entertainment parks, gambling, leisure activities, nightlife, shopping, special events), outdoors (adventures, fishing, hiking, hunting, sports), business tourism, and value for money (Bloom Consulting, 2014; Brand Finance®, 2013; FutureBrand, 2014). A country perceived as an attractive tourism destination can attract investors building hotels or holiday resorts to exploit the local public goods which generate this attractiveness (Kalamova & Konrad, 2010:404). However, in their empirical study Kalamova and Konrad (2010:417) found that tourism has a weak and ambiguous effect on FDI. Nonetheless, in the current study, South Africa's attractiveness to international tourists had a strong contributory effect to its SON-FDIBE (SRW = 0.711; SMC = 0.507) while in Zimbabwe it had a relatively strong causal effect (SRW = 0.492; SMC = 0.242) **(see Factor 12, Zimbabwe)**.

11.2.2.11 Factor 3: Taxation and Domestic Competition (Zimbabwe)

Although the taxation and domestic competition factor had an important causal effect on Zimbabwe's stakeholder-led FDI brand competitiveness (SRW = 0.550; SMC = 0.416), its

mean rating was below the study's threshold point (μ = 3.91; SD = 1.250). Only two of the six attributes in this element have mean scores equal or greater than 4 i.e. 3.5.3 Effect of taxation on incentive to invest and 3.5.2 Tax rates (corporate tax, custom duties and personal tax). The mean scores of all remaining four variables are below 4 and their standardised regression weights, together with those of items 3.5.3 and 3.5.2 range between 0.442 and 0.778, i.e. 3.5.4 Effect of taxation on incentive to work, 3.5.11 Cost of financial services, 3.5.1 Intensity of domestic competition and 3.5.5 Prevalence of foreign ownership. This means all the six attributes have a significant causal contribution to the country's FDI reputation hence potential inflows. A country's overall and FDI brand equity are influenced by taxation (AT Kearney, 2016; Bellak & Leibrecht, 2011; Bitzenis, Tsitouras & Vlachos, 2009; Fahmi, 2012; Grzegorczyk & Budzyński, 2015; Passow, Fehlmann & Grahlow, 2005; WEF, 2014). High taxes – especially corporate income taxes – are often viewed as a constraint to multinational corporations, because they reduce their after-tax profits (Bellak & Leibrecht, 2011:23). Different taxation rates and statutory definitions lead to tax competition among countries, which tend to influence foreign investors' choice of investment location (Grzegorczyk & Budzyński, 2015:1086). A study done in Kenya in 2011 found that high taxes and a complex tax regime limited the flows of FDI into the country's horticultural industry (Njoroge & Okech, 2011:104). In its 2015 survey, AT Kearney (2015:8) found that tax rates and ease of tax payment was the third most important variable out of 17 that companies consider when choosing an FDI destination. Demirhan and Masca (2008:366) found that low tax rates is an important determining factor for FDI to developing countries. Default and proprietary country branding models such GCI and the WCS/Y include the effect of taxation on employee incentive to work and seek personal advancement (IMD, 2014; WEF, 2015). The finding on item 3.5.3 is incoherent with the country's rating in a similar attribute in the GCI while that of item 3.5.4 is coherent (e.g. WEF, 2015:371).

Zimbabwe's mean rating for variable 3.5.1 Intensity of domestic competition (μ = 3.97) is somewhat consistent with its ratings on a similar item in the GCI i.e. 6.03 Effectiveness of antimonopoly policy (μ = 3.5) (see WEF, 2015:371). The country's rating on 3.5.5 Prevalence of foreign ownership in this study (μ = 3.63) is nevertheless inconsistent with its rating in a corresponding item of the GCI i.e. 6.11 Prevalence of foreign ownership (μ = 4) (see WEF, 2015:371). The disparity between the findings of this study and the GCI may be coming from the knowledge respondents had about and how they interpret laws such as the Indigenisation

and Economic Empowerment Act Chapter 14:33, which seek to cede 51 percent of shares in all foreign-owned companies trading in Zimbabwe to locals. The share of foreign-owned companies in an economy is an important predictor of country attractiveness (IMD, 2014; Lederman, Mengistae & Xu, 2013; WEF, 2015). Country competitiveness is affected by restrictive and discriminatory rules on FDI that limit foreign ownership (WEF, 2014:7). IMD (2014:326) argue that the freedom of foreign investors to acquire control in domestic companies is source country competitiveness.

11.2.2.12 Factor 8: Macroeconomic influences (Zimbabwe)

Zimbabwe's overall and item ratings in its macroeconomic influences component are below the cutoff point but the overall and attribute standardised regression weights range from 0.492 to 0.706. This implies that although the country has poor ratings in this factor and all three items i.e. 3.4.6 Inflation rate, 3.4.7 Interest rates, and 3.4.8 Exchange rate, the component importantly affects the nation's FDI attractiveness hence potential inflows. The factor is correlated with the economy factor of the country discussed above, where it drew these items from in the conceptual framework. Perception on Zimbabwe's inflation attribute in this study ($\mu = 3.79$) is inconsistent with the current rate of inflation in the country since the introduction of the multicurrency regime in early 2009, which is single digit. The country's inflation rate soared markedly from 2000 attaining triple digits in 2006 and then switched to severe hyperinflation in 2007 climaxing at 500 billion percent by end of 2008 (African Development Bank, 2011:4). Hyperinflation in Zimbabwe "was fueled by years of money creation to finance public expenditures and quasi-fiscal spending by the Reserve Bank of Zimbabwe" (African Development Bank, 2011:4). The African Development Bank notes that sustained high inflation contributed to real output contraction, while widespread controls of producer and retail prices heightened shortages of most consumer goods. These conditions apparently had a negative impact on Zimbabwe's brand image and brand equity. Zimbabwe's FDI inflows were at their lowest level ever during the decade of hyperinflation between 1999 and 2008 and in its immediate aftermath i.e. 2009 to 2010 **(see World Bank, 2017; Table 3.22, Chapter 3**). For instance, the country's annual FDI inflows ranged from a lowest of US$4 million for 2001 and 2003 to the highest of US$69 million for 2007 compared to US$444 million in 1998, before the economic and political crisis, and US$473 million and US$399 million in 2014 and 2015 respectively, since the end of the crisis **(Table 3.22)**.

Low inflation is the key ingredient for a stable macroeconomic environment (WEF, 2015:47) hence a country's inflation rate affects its international competitiveness (Anyanwu, 2012; Fund for Peace, 2015; IMD, 2014; Mohamed & Sidiropoulos, 2010; WEF, 2013b). Low inflation rates have a positive effect on FDI inflow to developing countries (Demirhan & Masca, 2008:366). However, Anyanwu (2012:447) found that inflation has a negative but statistically insignificant influence on where FDI goes in Africa. Anyanwu's finding is challenged by WEF (2015:47) that claims that when inflation is high, it is not easy to forecast future prices with certainty hence returns are also less predictable and long-term projects become riskier, and this reduces the motivation of firms to invest. As indicated in Chapter 3, and already reported above, Zimbabwe attracted very low FDI inflows during the crisis decade between 1999 and 2008. Many extant bona fide country branding models, nonetheless, do not include inflation in their measures or indicators (e.g. Anholt-GFK Roper, 2013; Bloom Consulting, 2013; Brand Finance®, 2013; Fetscherin, 2010; FutureBrand, 2014-2015; Fetscherin, 2010; Kalamova & Konrad, 2010; Lee, 2009; Outhavong, 2007; Rojas-Me´ndez, 2013; Sun, 2009). Thus the current study has plugged a gap in existing nation branding literature.

Neoclassical theories of FDI argue that the behaviour of FDI is influenced by varying interest rates among economies so capital is thought to move from countries with low interest rates to those with higher interest rates (Tvaronavičienė, Kalašinskaitė & Šimelytė, 2009; Faeth, 2008). Therefore, building from the assumptions of neoclassical theories of FDI, interest rates must be an important indicator of brand equity of nation FDI. As inflation rate affects destination competitiveness (Anyanwu, 2012; Fund for Peace, 2014, 2015; IMD, 2014; Mohamed & Sidiropoulos, 2010; WEF, 2015) interest rates should also have an effect on the same since they are also affected by inflation. If a foreign investor foresees itself borrowing additional capital from the financial market of the prospective host country, it may consider interest rates in its FDI destination decision making process. Existing literature confirms that financial market depth influences country competitiveness (IMD, 2014; Mohamed & Sidiropoulos, 2010; Walsh & Yu, 2010; WEF, 2015). In this study, interest rates were found to have a profound impact on the SON-FDIBE of Zimbabwe (SRW = 0.663).

The exchange rate is the value of a country's currency vis-à-vis a basket of other currencies. In accordance with the FDI theory based on strength of currency (Aliber cited in Nayak &

Choudhury, 2014; Nayak & Choudhury, 2014) the value of a country's currency is a source of nation brand equity. Exchange rate stability is an important determining factor for nation competitiveness (IMD, 2014) including FDI (Anyanwu, 2012; Kok & Ersoy, 2009; Nayak & Choudhury, 2014; WEF, 2013b). However, existing key nation branding models have not included exchange rate in their measures of country brands (e.g. Anholt-GfK Roper, 2014; Bloom Consulting, 2013; Brand Finance®, 2013; FutureBrand, 2014; Anholt, 2005, 2013; Kalamova & Konrad, 2010; Rojas-Me´ndez, 2013; Sun, 2009). Moreover, researchers have found conflicting results on the effect of exchange rate stability on FDI inflows (Anyanwu, 2012:439). For instance, Kok and Ersoy (2009:109) found that the real exchange rate has a positive effect on FDI if it is combined with trade openness, domestic investment and government consumption but its impact becomes negative when domestic investment is excluded. Anyanwu (2012:447) found that, in Africa, exchange rate has an insignificant but positive effect on where FDI goes. In the current study the standardised regression weight or β coefficient for 3.4.8 Exchange rate was 0.706, which indicates that this variable has a fundamental impact on Zimbabwe's FDI competitiveness.

11.2.3 Secondary objective 6: Strategic issues in calculating South Africa's and Zimbabwe's SON-FDIBE indices

Models must not include complex mathematics because decision makers usually prefer simple models that everyone can immediately understand over complicated ones that are hard to grasp (Zikmund & Babin, 2013; Zikmund *et al*., 2010, 2013). Policymakers and destination managers prefer simple and condensed information. "Composite indexes aggregate sets of variables to condense large amounts of information in a meaningful way" (Fetscherin, 2010:471). The SON-FDIBE conceptual framework has 105 variables. The South African and Zimbabwean empirical versions of the SON-FDIBE have 96 and 91 indicators respectively, which are still too many for brief and meaningful interpretation. As a result, the fourth empirical secondary (and last to be discussed) objective of this study was "to calculate the stakeholder-oriented nation FDI brand equity (SON-FDIBE) indices of South Africa and Zimbabwe". To meet this objective, the researcher designed, test-drove, and theoretically contrasted four alternative index calculation techniques on the country datasets—two unweighted or equal-weighted and two weighted. The Organisation for Economic Cooperation and Development (OECD) argues that equal weighting does not suggest "no weights" but

means that the weights are equal in the composite index (OECD, 2008:31). Although most composite indexes rely on equal weighting, that may disguise the absence of an empirical foundation e.g. a lack of agreement on the alternative or inadequate knowledge about the causal relationships (OECD, 2008:31). In general, the four indices suggest that South Africa has somewhat strong SON-FDIBE i.e. above the study's cut-off point while Zimbabwe has somewhat weak SON-FDIBE i.e. below the threshold. This finding is largely consistent with proprietary bona fide and default country branding indexes where South Africa has always been found to have stronger brand equity than Zimbabwe (e.g. Bloom Consulting, 2013; Brand Finance®, 2013; Cornell University, INSEAD & WIPO, 2015; Fund for Peace, 2015; FutureBrand, 2014; Mo Ibrahim Foundation, 2015; Social Progress Imperative, 2016a; UNDP, 2015; WEF, 2015a; World Bank, 2015a; **see Chapter 3 for summaries of these indices**).

The first index in the first set is a basic aggregation of the mean scores of the 105 attributes in the theoretical model before validation was done save partially through literature review, expert comments, and pretesting. While this crude index may be useful as a starting point in FDI policy formulation and evaluation, it may be overly simplistic. The second index in this set, which is the foundation of the two weighted indices in the second set, is based on the case countries' empirical models validated by PCA and CFA. This index is a simple aggregation of the sub-indices or items in each country factor model. It is better than the previous one because its underlying factors are empirically validated by the above-mentioned methods of factor analysis. The weakness of such an index is that since variables are grouped into dimensions, and those are further aggregated into the composite, then giving equal weighting to the attributes can imply an unequal weighting of the dimensions as those with the largest number of indicators will have higher weights (OECD, 2008:31). This may lead to an unbalanced structure in the composite index (OECD, 2008:31). Nonetheless, for an exploratory and original conceptual index such as the SON-FDIBE, it may be sensible to proceed by way of assigning factors equal weights. It is always good to start with a simplified version of the model, which can be purified in the future (Fetscherin, 2010:471).

Nonetheless, as hinted earlier on, the second set of two SON-FDIBE indices are weighted based on empirical factor models of the case study countries. Aggregation has always been a likely area of methodological controversy in the process of constructing a composite index (Fetscherin, 2010:471). Several aggregation (e.g. additive, multiplicative) and weighting

(e.g. equal, regression) methods exist and the choice of a suitable method is informed by the goal of the composite indicator and the subject being measured (Fetscherin, 2010:471). Selecting relevant components of a composite index and its weights is an essential step in the aggregation process. A review of extant literature confirms that factor analysis e.g. PCA (Cornell University, INSEAD & World Intellectual Property Organisation, 2015; OECD, 2008; Social Progress Imperative, 2016b; Steenkamp & Viviers, 2012) and CFA (Hugo, Squalli & Wilson, 2006) is one of the foundations for determining underlying factors and weights for calculating composite indices. Through factor analysis, weighting intervenes only to correct overlaps between two or more interrelated variables but is not a measure of the theoretical importance of the associated indicator (OECD, 2008:89). This study used PCA and CFA to determine the factors to include in the SON-FDIBE index and their weights. But weights cannot be forecasted with statistical methods such as factor analysis if no association subsists between indicators (OECD, 2008:32).

The first index in the second set is computed using factor weights drawn from percentage of variance of factors in each country's factor solution, an output of PCA. Percentages of variance are essentially eigenvalues hence the weights of components for each country are generally in chronological order from Factor 1 (the most important) to Factor 10 for South Africa and Factor 12 for Zimbabwe (the last and least important factors) **(Appendices 3 & 4)**. This rigidly predefined ordering of factors may not theoretically resonate with reality. A number of existing default nation brand indexes apply PCA to determine weights (e.g. Cornell University, INSEAD & WIPO, 2015; Social Progress Imperative, 2016b).

Due to weaknesses of the eigenvalues-based SON-FDIBE index highlighted above, the second and last index in this set was calculated using weights drawn from CFA i.e. standardised regression weights. CFA has been employed to validate factors in product or company branding (e.g. Baalbaki, 2012; Cho, 2011; Fombrun, Ponzi & Newburry, 2015) and nation branding studies (e.g. Lamelas, 2011). However, as far as this researcher knows, there is hardly any composite stakeholder-driven FDI destination branding index based on standardised regression weights. Consequently, the last weighted SON-FDIBE index should be one of the pioneering, if not the first index, to apply standardised regression weights to model the attractiveness of an FDI destination from a stakeholder perspective. From the sizes of its weights **(see Chapter 8, Tables 8.13 & 8.14; Chapter 9, Tables 9.12 & 9.13)** it is

conceptually clear that the component weights are not necessarily arranged in the chronological order of their extraction pattern. This contradicts with the eigenvalue-based weighted index calculation methodology discussed earlier. Hence the originality, value, and usefulness of this exploratory index cannot be taken for granted in this emerging theory of nation branding and FDI. Moreover, as CFA with its SEM technology is actually much more statistically rigorous than PCA, this index model is the most recommended of the four.

With hindsight, two critical issues have arisen in the effort to conceive and calculate the composite SON-FDIBE index, which policymakers, destination managers, consultants and researchers should consider in analysing, applying, and/or refining this exploratory model. First, while the data used to validate the factors underlying the composite index computation methodologies were gathered in a participatory manner, the validation and weighting methods (i.e. PCA and CFA) applied are statistical rather than participative save that data were gathered through a survey. Many weighting methods exist e.g. factor analysis (used in this study), data development analysis, benefit of doubt approach, unobserved component models, budget allocation process, public opinion, analytic hierarchy, conjoint analysis (OECD, 2008:89-98), and subjective i.e. based on global experience of respondents (Deloitte Global & US Council on Competitiveness, 2016:65) which were not considered in this thesis. From their names, some of the alternative weight techniques sound more participatory and fitting in a study of this nature, e.g. the budget allocation process and public opinion methods. Certainly, the budget allocation process (with its sub-index weights decided by component experts) and public opinion method may generate weights that better reflect policy realities of a country than statistical methods such as PCA and CFA.

Second, and last, the cut-off point of ≥ 4 was determined by the researcher drawing on the basic formula for calculating the arithmetic mean. While this method of selecting the threshold sounds rational, especially as it relates to the 7-point Likert scale used in this study, it did not involve the respondents in making this fundamental decision. In a study following the theory of stakeholder-based brand equity, like this one, stakeholders need to be provided the opportunity to decide the cut-off point themselves as evaluators. Best practice in customer satisfaction measurement literature recommends that the users of an index must decide its cut-off point (Hirschfeld & Thielsch, 2015; Rodrigo-Rincón, Reyes-Pérez & Martínez-Lozano, 2014). Across countries, economic policymaking has become increasingly people-centered

and embedded in overall societal goals (Samans, 2015:xiii). Economic policymaking and economic development cannot be divorced from nation brand management (Anholt, 2008; Lee, 2009; Matiza & Oni, 2013). Nation brand equity needs to be measured from a stakeholder perspective if countries are to generate sustainable competitiveness and growth for themselves. Therefore, stakeholders must be consulted to suggest lower threshold levels for any measurement scale.

11.3 SUMMARY

This chapter has discussed the key findings of the study under themes informed by theorical and empirical research objectives and factors extracted from the two country datasets, South Africa and Zimbabwe. It has, therefore, illuminated how policymakers, destination managers, academics, and consultants can conceptualise and measure stakeholder-based nation FDI brand equity. The chapter discussed the findings from a comparative analysis viewpoint (the fifth or last empirical objective of the study, which subsumes all four prior secondary empirical objectives). This has helped to explicate and position the study's findings within the context of the existing nation branding literature, proprietary and academic, bona fide and default, highlighting where gaps existed and how the study plugged them. By so doing the chapter has enabled policymakers and destination managers especially, to appreciate how a country's FDI brand can be assessed in the real world. Most fundamentally, the discussion has set the scene for the next chapter, conclusion and recommendations.

CHAPTER 12

CONCLUSIONS AND RECOMMENDATIONS

12. CONCLUSIONS AND RECOMMENDATIONS

12.1 INTRODUCTION

Chapter 11 discussed the study's empirical findings on the stakeholder-oriented conceptual framework to measure brand equity of nation foreign direct investment (FDI) drawing on South Africa and Zimbabwe as a comparative case study. This chapter draws conclusions, contributions, limitations, recommendations, and areas of further research from that discussion and presents each under a theme informed by the study's secondary objectives. The primary objective of this study was to design and validate a stakeholder-oriented conceptual framework to measure brand equity of nation FDI. This principal objective was serviced by seven secondary objectives, the first two of which were theoretical and the rest empirical, namely to: (1) perform an environmental analysis of South Africa and Zimbabwe by means of a literature study; (2) develop a stakeholder-oriented conceptual framework to measure brand equity of nation FDI; (3) measure South Africa's and Zimbabwe's FDI brand competitiveness by means of the conceptual model; (4) validate the theoretical model by measuring country FDI brand strength of South Africa and Zimbabwe; (5) empirically evaluate the conceptual framework as a measure of country FDI brand attractiveness; (6) calculate the stakeholder-oriented nation FDI brand equity (SON-FDIBE) indices of South Africa and Zimbabwe; and (7) compare the stakeholder-oriented nation FDI brand reputations of South Africa and Zimbabwe. Whereas the discussion chapter focused on the fifth empirical, or seventh or last, secondary objective, the conclusions are based on the first six secondary objectives of the study. Conclusions on the second and third empirical secondary objectives are presented simultaneously under the second empirical objective. The conclusions also assess the extent to which secondary objectives were fulfilled hence the primary objective. Lastly, the contributions, recommendations, limitations of the study, areas for further research, personal reflections, and summary are presented.

12.2 CONCLUSIONS

12.2.1 Secondary objective 1: Environmental analysis of South Africa and Zimbabwe

The first conceptual secondary objective of this study was "to perform an environmental analysis of South Africa and Zimbabwe by means of a literature study". Sun (2009:96) appeals for studies on country branding that cluster countries by factors such as national image, geographic location, and political policies. This study focused on the FDI daughter brands of the two neighbouring countries both of which are members of the Southern African Development Community (SADC). To fulfill the study's first conceptual objective, a brief historical background of the countries was given tracing each country back to the period just before it gained independence and how it has evolved to the present day. The countries were then analysed in respect of their present socio-economic situation covering variables such as population size, prevalence of the Human Immuno Deficiency Virus (HIV), Acquired Immuno Deficiency Syndrome (AIDS), and poverty, and economic performance focusing on gross domestic product (GDP), GDP growth rate, GDP per capita, and FDI inflows.

Furthermore, the countries' performance in selected principal *bona fide* and *default* proprietary-owned nation branding indices was analysed dating back the last three to six years. The indices used in the desk review for both countries were FutureBrand's Country Brand Index (CBI), Brand Finance®'s Nation Branding Impact™ Framework (NBIF™), Bloom Consulting's Country Brand Ranking – Trade (CBR-T), the Global Competitiveness Index (GCI) of the World Economic Forum (WEF), World Bank's Doing Business, Fund for Peace's Fragile States Index (FSI), Transparency International's Corruption Perception Index (CPI), the Human Development Index (HDI) of the United Nations Development Programme (UNDP), Mo Ibrahim Foundation's Ibrahim Index of African Governance (IIAG), and Social Progress Imperative's Social Progress Index (SPI), and Cornell University, Institut Européen d'Administration des Affaires (INSEAD) and World Intellectual Property Organization's (WIPO's) Global Innovation Index (GII). In addition, due to the sophistication of South Africa as a brand, its performance in proprietary indices such as the Anholt-GfK Roper's Nation Brand Index℠ (NBI℠), AT Kearney's FDI Confidence Index®, World Competitiveness Scoreboard or Yearbook (WCS/Y) of the Institute of Management Development (IMD), and Deloitte Global & US Council on Competitiveness's Global Manufacturing Competitiveness Index

(GMCI) was also analysed in relation to fellow top two African economies and BRICS countries (i.e. Brazil, Russian Federation, India, China, and South Africa) who are some of its key competitors outside the SADC.

The common competitive set for South Africa and Zimbabwe are the 13 other member countries of the SADC—Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, Tanzania, and Zambia. The competitive set for South Africa was extended to two other biggest economies in Africa – Egypt and Nigeria – and the BRICS diplomatic group of which it is a member. This was done because South Africa's GDP is not only bigger in comparison to the GDPs of all other SADC member countries individually and combined, but also the most advanced economy in Africa. Within the nation branding context, a competitive set is a group of countries with which a defined country competes. Nations compete for finite resources such as tourists, businesses, FDI, residents, talent, exports, and political influence. Country reputation gives a country a competitive advantage in mobilising these resources.

From the situational analysis of South Africa and Zimbabwe done on the basis of the above-mentioned socio-economic variables and proprietary indices, it was seen that both countries occupy untenable FDI brand positions within the SADC. It was also confirmed that South Africa occupies an indistinct FDI brand position in Africa and an unfavourable one in the BRICS. Each of the two case study countries has more weaknesses than strengths and more threats than opportunities **(see Tables 1.5, 3.51 & 3.52 in Chapters 1 & 3)**.

On the basis of the theoretical situational analysis done on South Africa and Zimbabwe in Chapters 2 and 3, the study's first conceptual secondary objective was fulfilled. The situational analysis facilitated an evidence-based description and understanding of the countries' current FDI brand positions from an internal strengths and weaknesses and external opportunities and threats viewpoint. Consequently, policymakers and destination managers can assess country reputation and FDI brand performance basing on a mix of selected socio-economic variables and proprietary nation brand tracking indices. Proprietary indices seem to be much more popular with policymakers than academic models because they are longitudinal in nature i.e. they track country reputations annually. They are also more comprehensive in respect of their constituent variables. For example, almost all 13 proprietary indices reviewed in this thesis are

published annually and have more than 50 items each particularly those published by non-profit organisations and freely available on the internet—e.g. GCI, GII, Doing Business, FSI, and IIAG **(see Chapters 3 & 5)**. In particular, the GCI has 114 variables, the GII has 80, IIAG has 93 indicators, and the WCS/Y has 320 attributes. Thus proprietary indices enable destination managers and policymakers to monitor changes to reputations of their countries vis-vis their competitors and in a much more comprehensive manner than academic models. So far there are barely any academic nation brand indices being published regularly and with more than 50 variables each. This qualifies academic models only as a starting point for measuring nation brands but not as comprehensive measures.

12.2.2 Secondary objective 2: Development of stakeholder-oriented nation FDI brand equity (SON-FDIBE) conceptual framework

The second, or last, theoretical secondary objective of this study was "to develop a stakeholder-oriented conceptual framework to measure brand equity of nation FDI". Compared to related domains of nation branding such as tourism and public diplomacy, FDI is the least researched area (Dinnie, 2008; Szondi, 2007; Van den Akker, 2011; Wilson, Baack & Baack, 2014). Globalisation is stimulating intense competition among countries thus making the concept of nation branding an essential consideration (Donner, Fort & Vellema, 2014; Simons, 2013; Oliva & Stringari, 2014; Sun 2009). Countries are competing for a share of the world's finite resources such as tourism, businesses, FDI, exports, talent, and residents. Many governments have realised that the notion of country branding can assist them to build competitiveness for their countries. Nonetheless, nation branding is an emerging, complex and controversial concept with increased practical activity but fairly limited theory (Bisa, 2013; Dinnie, 2008; Donner, Fort & Vellema, 2014; Rojas-Me´ndez, 2013). In fact, there is still little evidence about the conceptualisation and measurement of the performance of place brands (Donner, Fort & Vellema, 2014; Outhavong, 2007). Moreover, the the fact that nation branding is controversial because it is an extremely politicised activity that produces strongly held and often conflicting viewpoints and opinions (see Dinnie, 2008:13; Fetscherin, 2010:467; Rojas-Me´ndez, 2013:462) tends to complicate the evaluation of country brands or national development policies. "Persons occupying different positions in the policy process, such as legislators and administrators, or national and state officials, or possessing differing ideological or philosophical perspectives, may define goals differently, act accordingly,

and reach differing conclusions about a program's accomplishments or success" (Anderson, 2015:307-308).

Like its parent notion of country branding, FDI destination branding is a complex, controversial and highly politicised acitivity with significant real-world activity but little empirical theory. For instance, many countries have established investment promotion agencies and use FDI incentives in an attempt to attract foreign investors. Noneheless, there is limited theory on FDI destination branding despite that early writings on FDI, in the field of standard or classifical economics, date back to the 1950s (Dumludag, 2009:17) and the concept of nation branding dates back over two decades ago.

Since the emerging concept of FDI destination branding is a sub-area of nation branding, it can borrow constructs and attributes from existing generic place branding models and related sub-areas like tourism destination branding and public diplomacy. The dimensions of nation branding are many and complex. There are many proprietary nation branding indices (e.g. Anholt-GfK Roper, 2016b; AT Kearney, 2016; Bloom Consulting, 2017a&b; Brand Finance®, 2015; Fund for Peace, 2016; FutureBrand, 2014; IMD, 2014; Mo Ibrahim Foundation, 2016; WEF, 2016; World Bank, 2016; Social Progress Imperative, 2016b; UNDP, 2016) and academic country branding models (e.g. de Queiroz & Giraldi, 2015; Fetscherin, 2010; Hakala, Lemmetyinen & Kantola, 2013; Jacobsen, 2009; Rojas-Me´ndez, 2013; Ruzzier & Petek, 2012; Sun, 2009). These models can be classified into five macro theories or approaches to measuring nation brand equity i.e. customer-based brand equity (CUBBE), company-based brand equity (COBBE), customer- and company-based brand equity (CUCOBBE), resource-based view of brand equity (RBVBE), and stakeholder-oriented brand equity (SOBE) **(see Chapters 1, 4 & 5)**. The challenge is that existing nation branding literature usually acknowledges only two of these approaches i.e. CUBBE and COBBE and tends to assess place brands from their perspectives. CUBBE models measure nation brands from a customer perspective and COBBE models from a shareholder or company perspective. The other macro theories are acknowledged in a few academic papers hence they are barely known. As far as this researcher knows, there is hardly any literature summarising all these five approaches. At the same time, although place branding theory has been in existence for over two decades, there is a scarcity of academic studies that have reviewed several existing proprietary-owned and

academic nation branding models to build a comprehensive stakeholder-oriented theory of nation FDI brand equity. The SON-FDIBE conceptual framework has thus filled that gap.

To build the eight-dimensional SON-FDIBE conceptual framework with its 105 variables in total, over 40 extant academic and proprietary country branding models were reviewed **(see Tables 5.1 & 6.1 in Chapter 5 & 6 respectively)**. The eight dimensions or constructs are **society** (Bivolaru, Andrei & Purcăroiu, 2009; Social Progress Imperative, 2016b; Rojas-Me´ndez, 2013), **technology** (Buhmann & Ingenhoff, 2015; Hornberger, Battat & Kusek, 2011; IMD, 2014; Salem, 2015; UNCTAD, 2016a), **ecology** (Adebola, Talabi & Lamidi, 2012; Garelli, 2014; World Bank, 2016b), **economy** (Bloom Consulting, 2013; Deloitte & US Council on Competitiveness, 2016; Wilson, Baack & Baack, 2014), **markets** (AT Kearney, 2015; Bellak *et al*., 2008; Ledyaeva, Karhunen & Whalley, 2013), **infrastructure** (African Development Bank, 2011; Bitzenis, Tsitouras & Vlachos, 2009; Cornell University, INSEAD & WIPO, 2015; Sun, 2009; WEF, 2016), **organisation** (Rainisto, 2003; Moilanen & Rainisto, 2009), and **government** (Anholt-GfK Roper, 2016b; Dinnie, 2008; Fetscherin, 2010; FutureBrand©, 2014; Kalamova & Konrad, 2010; Reputation Institute, 2016; Kemming, 2009). The constructs are correlated hence each constitutes a hypothesis giving eight of the 10 hypotheses of the study (H_3 to H_{10}). Hypothesis H_1 of the conceptual framework was that "*There are statistically significant differences in stakeholder perceptions on determinants of SON-FDIBE in South Africa and Zimbabwe"* and hypothesis H_2 was that *"There are eight determinants of SON-FDIBE in South Africa and Zimbabwe"*. The constructs and items of the conceptual framework were drawn from a blend of operational nation branding models regardless of each model's underlying macro theory—CUBBE, COBBE, CUCOBBE, RBVBE or SOBE. Many variables of the theoretical model were drawn from studies on FDI determinants done in classical economics, which fall under the foreign trade theory of FDI. In this thesis, the foreign trade theory of FDI is classified as a COBBE approach to FDI destination branding because of its dominant reliance on fundamentals or objective secondary data. The conceptual framework informed the study's questionnaire. The dependent variable of the study was SON-FDIBE and the independent variables were the individual items in each construct, numbering 105 altogether. As far as this researcher knows, the number of variables in the SON-FDIBE theoretical model makes it one of the most comprehensive academic frameworks of nation branding designed to date. Most existing academic models in this field have under 50 items (see e.g. de Queiroz & Giraldi, 2015; Hakala, Lemmetyinen & Kantola, 2013; Pike *et*

al., 2010; Passow, Fehlmann & Grahlow, 2005; Rego, Billet & Morgan, 2009; Ruzzier & Petek, 2012; Sartori, Mottironi & Corigliano, 2012).

From the foregoing brief description, it is clear that the second, or last, theoretical objective of the study was achieved. The conceptual framework enabled the operationalisation of the measurement of the concept of SON-FDIBE. However, whereas the literature suggests that a conceptual framework can be developed by carrying out literature review, interviews and observations (Baalbaki, 2012; Malhotra & Dash, 2011; Sekeran & Bougie, 2013), the SON-FDIBE theoretical model was designed basing on a review of literature only.

12.2.3 Secondary objective 3: Stakeholder perceptions on South Africa's and Zimbabwe's FDI brand competitiveness

The third, or first empirical, secondary objective of the study was "to measure South Africa's and Zimbabwe's FDI brand competitiveness by means of the conceptual model". This objective was reasonably achieved by operationalising the measurement of the countries' SON-FDIBE through a 7-point Likert scale ranging from 1 = Very Weak, 4 = Neither Weak nor Strong, to 7 = Very Strong. South Africa's performance in terms of the 105 SON-FDIBE items in the study's questionnaire was satisfactory as 53 of the variables had mean ratings above the cutoff point i.e. greater than or equal to 4. In construct terms, South Africa received mean scores above the threshold point as six out of the eight constructs in the conceptual framework i.e. society, technology, ecology, economy, infrastructure, and markets were somewhat strongly rated. The country received weak mean ratings, less than 4, in two constructs—organisation and government. Based on the 105 variables combined, South Africa had an overall equal weighted mean score of 4.16 **(Table 8.10, Chapter 8)**.

In comparison, Zimbabwe has an overall equal weighted SON-FDIBE mean rating of 3.74. The country has ratings ≥ 4 in 21 of the 105 items and two of the eight theoretical factors only, society and ecology **(Table 9.16, Chapter 9)**. Therefore, of the two case study countries, South Africa has somewhat strong SON-FDIBE while Zimbabwe has somewhat weak SON-FDIBE **(Chapters 8, 9 & 10)**. While the conceptual model had not been empirically validated when the first empirical objective was attained, except through literature review and expert comments, both countries need to improve their SON-FDIBE mean ratings.

12.2.4 Secondary objectives 4 & 5: Validating conceptual model as a measure of country FDI brand strength – Exploratory and confirmatory factor analysis viewpoints

The fourth and fifth, or second and third empirical, secondary objectives of this study were "to validate the theoretical model by measuring country FDI brand strength of South Africa and Zimbabwe" and "to empirically evaluate the conceptual framework as a measure of country FDI brand attractiveness". Despite the different wording, the mutual underlying rationale of these objectives is that they sought to validate the study's SON-FDIBE hypothesised framework. The second empirical secondary objective was attained by validating the theoretical model through principal component analysis (PCA), a technique of exploratory factor analysis (EFA). The third empirical secondary objective was fulfilled through confirmatory factor analysis (CFA), a structural equation modelling (SEM) technique. Factor analysis was employed to validate the conceptual framework (Rattray & Jones, 2007; Sekeran & Bougie, 2013; Zikmund *et al.,* 2013) with PCA used to reduce the number of variables into a manageable number of factors (Green & Salkind, 2011; Malhotra & Dash, 2011; Tabachnick & Fidell, 2007; Zikmund *et al*., 2013) and CFA and SEM to confirm those factors (Cho, 2011; Malhotra & Dash, 2011; Wang & Ahmed, 2004) i.e. independent variables and their relationships with the dependent variable (SON-FDIBE). Construct validity was ascertained through PCA using factor loadings and then through CFA and/or SEM using standardised regression weights (SRWs), squared multiple correlations (SMCs) and goodness-of-fit indices (GFIs) i.e. Chi-square statistic, Comparative Fit Index (CFI), root mean square error of approximation (RMSEA), and Hoelter's critical N. The reliability of the model was ascertained through Cronbach's alpha at PCA level and squared multiple correlations at CFA level.

A total of 10 and 12 factors were extracted from the South African and Zimbabwean datasets respectively using the PCA and confirmed with CFA or SEM. The 10 factors in South Africa's factor solution, with a total variance explained of 65.88 percent, are government, ports and telecommunications infrastructure, society, economy, technology, organisation, markets, education and training, generic infrastructure, and ecology and tourism. Four of the components in South Africa's factor solution have mean scores below 4, the cutoff point, i.e. government, society, organistation, and generic infrastructure. In all, the South African factor

solution has retained 96 of the original 105 in the SON-FDIBE theoretical model **(Tables 8.5 & 8.9 & Figure 8.3 in Chapter 8)**.

The 12 factors in the Zimbabwean factor structure, with a total variance explained of 58.71 percent, are government, education and population, taxation and domestic competition, telecommunications infrastructure and public transport, population and country health, crime and natural disasters, generic infrastructure, macroeconomic influences, markets, technology, organisation, and economy **(Tables 9.5 & 9.13 & Figure 9.3 in Chapter 9)**. Of these 12 factors, only four have mean ratings ≥ 4, i.e. education and population, telecommunications infrastructure and public transport, population and country health, and crime and natural disasters. Ninety-one (91) items out the 105 in the conceptual framework were retained in the Zimbabwean factor solution. The overall mean score of these 92 items is 3.82, which is indicative of a somewhat weak stakeholder-oriented nation FDI brand attractiveness.

Most of the factors in each country factor solution are significantly correlated; most correlations coefficients are ≥ 0.3 (see Tabachnick & Fidell, 2007:614). However, none of the factors have correlation coefficients ≥ 0.9 which is evidence of multicollinearity (e.g. Green, Tull & Albaum, 1988; Farrar & Glauber, 1967; O'Brien, 2007; Yoo *et al*., 2014). Interrelated concepts show significant correlations (convergent validity) but are not so highly correlated that they cease to be independent concepts (discriminant validity) (Zikmund *et al*., 2010:309). The significant correlations in each country factor solution implies that the factors are correlated and should always be seen as influencing one another rather than as mutually exclusive. This means that a country's poor performance in one factor may affect its performance in other factors that are significantly interrelated with that factor.

As evident below, the South African and Zimbabwean SON-FDIBE factor solutions have evidence of literal and theoretical replication i.e. similarities and differences respectively. While they vary to a small or large extent in respect of constituent items, there are eight common factors in the two factor models i.e. government, telecommunications infrastructure, economy, technology, organisation, markets, education and training, and generic infrastructure. A **literal replication** of case studies selects similar cases and predicts that the processes and findings in each are also similar (Blumberg, Cooper & Schindler, 2011; Rainisto, 2003; Saunders, Thornhill & Lewis, 2012; Yin, 2003). South Africa and Zimbabwe may have

commonalities because they are neighbours and members of the same regional economic bloc, the SADC. A **theoretical replication** selects case studies that differ from each other on important constructs (Blumberg, Cooper & Schindler, 2011; Yin, 2003; Saunders, Thornhill & Lewis, 2012). Despite being neighbours and members of SADC, South Africa and Zimbabwe are unique political, economic and social systems. The South African factor model is unique in that it has two additional factors, i.e. society and ecology and tourism, and the Zimbabwean factor solution is differentiated by four additional factors i.e. taxation and domestic competition, population and country health, crime and natural disasters, and macroeconomic influences. The additional factors in each country factor model help to distinguish the case study countries hence proving the presence of theoretical replication in the study. From the foregoing summary explanation, it is evident that the second and third empirical objectives of the study were satisfactorily fulfilled.

12.2.4.1 Government: Factor 1 (South Africa) and Factor 1 (Zimbabwe)

Government emerged as the most fundamental determinant of stakeholder-based country FDI brand equity in both South Africa and Zimbabwe in terms of standardised regression weights (SRWs) or standardised factor loadings. Factor SRWs show the correlation between an independent and dependent variable, in this particular context the explanatory power of government as a predictor of SON-FDIBE. There are 24 items in the government sub-index of South Africa of which only three have mean scores above the cutoff point. In comparison, Zimbabwe's government sub-index has 20 variables all of which have mean ratings below 4. As a result, both countries have weak SON-FDIBE from the standpoint of government—i.e. administration or management. Since the role of government can be contrasted with that of the general management of a company (Fehlmann *et al*. 2002:9; Passow, Fehlmann & Grahlow, 2005:312) it is imperative for the South African and Zimbabwean governments to consider improving their managerial performance. They could do so by strengthening their management capacities in terms of, for example, marketing, policy analysis and evaluation, strategic leadership, and strategic management. According to Porter's national diamond theory, government plays a critical role in international competitiveness by creating conditions in which businesses can succeed (Delgado *et al*., 2012; Porter, 1990a; Smit, 2010). Nation branding literature suggests that government is a critical factor of nation brand equity (Anholt-

GfK Roper, 2016b; Dinnie, 2008; Fetscherin, 2010; FutureBrand©, 2014; Kalamova & Konrad, 2010; Kemming, 2009; Reputation Institute, 2016; Rojas-Me´ndez, 2013).

12.2.4.2 Ports and Telecommunications Infrastructure (Factor 2) (South Africa) and Telecommunications Infrastructure and Public Transport (Factor 4) (Zimbabwe)

The ports and telecommunications infrastructure component of South has seven items all of which are positively rated hence its overall mean rating for the factor is also strong. The Zimbabwean telecommunications infrastructure and public transport factor is also, overall, positively rated. However, the mean rating of one of its attributes, 36.14 Efficiency of public transport system, is below the threshold point. This suggests that respondents were dissatisfied with the quality of the country's public transport services. African Development Bank (2011:211) argues that there is a need for a sustainable urban public transport system in Zimbabwe. Public transport is an explanatory component of quality of life (Colmar Brunton, 2016:53) and is critical for ensuring investors that staff are able to commute to and from work on time. In addition, item 3.6.12 Affordability of internet including Broadbent internet services needs to be looked into regardless of having a positive rating ($\mu = 4.22$). The rating of this item could have been higher if the cost of Broadband internet services were more affordable in Zimbabwe. Economic and country brand literature acknowledges that telecommunications infrastructure is a critical facet of nation brand competitiveness (e.g. AT Kearney, 2016; IMD, 2014; Fund for Peace, 2014; Moilanen & Rainisto, 2009; Njoroge & Okech, 2011; Passow, Fehlmann & Grahlow, 2005; Sun, 2009).

12.2.4.3 Economy: Factor 4 (South Africa) and Factor 12 (Zimbabwe)

South Africa has a somewhat strong economy component as its mean rating is just above 4. There are 15 variables in this factor seven of which are rated below the cutoff point i.e. 3.4.7 Interest rates, 3.4.8 Exchange rates, 3.4.6 Inflation rate, 3.5.4 Effect of taxation on incentive to work, 3.5.4 Effect of taxation on incentive to invest, 3.4.2 Economic or GDP growth rate, and 3.4.3 Income distribution or GDP per capita. Furthermore, item 3.4.16 FDI incentives (e.g. tax holidays, special economic zones, etc.) is rated just above 4.

In comparison, Zimbabwe's economy factor is overall rated negatively. It has 10 items of which all but one have mean scores below 4. The only item with a mean rating above the threshold point is 3.4.12 Country attractiveness to international tourists. Existing literature suggests that the economy is an important determinant of place brand equity (e.g. Bloom Consulting, 2013; Deloitte & US Council on Competitiveness, 2016; Lee, 2016; Rojas-Me´ndez, 2013; Wilson, Baack & Baack, 2014).

12.2.4.4 Technology: Factor 4 (South Africa) and Factor 10 (Zimbabwe)

Technology has emerged as an important determinant of SON-FDIBE in the two countries. Their technology sub-indexes have retained all the eight items that were in the conceptual framework's technology construct. The South African technology factor is overall positively or strongly rated. Its government funding for research and development (R&D) (universities included) (item 3.2.5) is marginally positively rated, nonetheless. Zimbabwe's technology sub-index is overall weakly or negatively rated. All eight items, except 3.2.7 Availability of scientists and engineers, have mean scores below 4. Even for the positively rated 3.2.7, the reality is that the country is seriously affected by brain drain. Zimbabwe lost over 3 million of its residents, most of them with critical technical and managerial skills due to brain drain during the crisis decade (African Development Bank, 2011; Short Term Emergency Recovery Programme, 2009) and continues to lose its talent to other countries in the SADC and overseas. In addition to finding and adopting strategies to retain qualified citizens, both South Africa and Zimbabwe need to find ways for absorbing technologies brought into the countries through FDI for application in domestic businesses. The literature admits that technology is a fundamental component of nation FDI brand equity (Buhmann & Ingenhoff, 2015; Hornberger, Battat & Kusek, 2011; IMD, 2014; Salem, 2015; UNCTAD, 2016a).

12.2.4.4 Organisation: Factor 6 (South Africa) and Factor 11 (Zimbabwe)

In both case studies, this component retained all its five variables as hypothesised in conceptual model, although they are all negatively rated and now blended with a few items from the other constructs. The South African organisation element has 10 attributes of which all but three are rated below 4. The three attributes with mean scores ≥ 4 are 3.6.14 Efficiency of public transport system, 3.5.18 State of industrial relations, and 3.6.13 E-government effectiveness.

Of these three items, 3.5.18 is marginally positively rated. South Africa has a strong labour movement and generally militant workforce.

The Zimbabwe organisation factor also has 10 variables. Four of the other five items besides those from the organisation construct, are from the government construct of the conceptual framework and one, 3.6.13 E-government, is from the infrastructure dimension. The mean ratings of all 10 items are below the threshold point with the worst rated item, 3.8.3 Efficiency of government bureaucracy (paperwork, agencies licensing one business, etc.), having a mean of 2.96. Bureaucracy and multiple licensing agencies tend to increase the cost of establishing and doing business in the country.

Considering the findings of this study on the organisation dimension, both South Africa and Zimbabwe need to improve their SON-FDIBEs. Existing empirical and conceptual literature suggests that organisation is a fundamental element of a nation brand (e.g. Rainisto, 2003; Moilanen & Rainisto, 2009).

12.2.4.5 Markets: Factor 7 (South Africa) and Factor 9 (Zimbabwe)

Markets has emerged as an important latent variable in both nations. In South Africa the market factor has nine variables which are all rated above the cutoff point and so is the factor rating. Only one attribute in the South African markets component is marginally positively rated—3.5.10 Capacity utilisation of local firms ($\mu = 4.07$). Zimbabwe's markets factor has seven items all of which are negatively rated and so is the overall component rating. Consequently, of the two neighbouring nation brands, it is Zimbabwe that needs to do more work on the market dimension. Infering from economics literature, markets is an essential component of nation brand competitiveness (see e.g. AT Kearney, 2015; Bellak *et al*., 2008; Deloitte Global & US Council on Competitiveness, 2016; Ledyaeva, Karhunen & Whalley, 2013).

12.2.4.6 Education and Training (Factor 8, South Africa) and Education and Population (Factor 2, Zimbabwe)

Education and training is an important component in South Africa and Zimbabwe and is rated above the threshold point in both countries. There are four items in the South African factor and five in the Zimbabwean component. Four items in the two factor solutions are similar. The fifth item in Zimbabwe is 3.1.1 Population size. Only one item in this latent variable, 3.1.5 Foreign language skills (e.g. Chinese, French, Portuguese, etc.), is rated weakly in both countries. Chinese or Mandarin and Portuguese the first and seventh most spoken langauges in the world respectively (Ghauri & Cateora, 2014:18). South Africa and Zimbabwe need to learn these languages to grow their trade with China, Mozambique and Agola respectively. The positive overall rating South Africa got in this sub-index is consistent with the country's equitable and development-oriented education policy, which reflects international best practice. South Africa has a progressive national qualification framework (NQF) which integrates technical and vocational education and training (TVET) including professional education sub-system with its university education sub-system. The country's NQF enables students with TVET qualifications to further develop themselves through university qualifications. This is not just as it should be but also in line with global trends in higher education. Outcomes-based higher education systems recognise prior learning and are flexible; they provide a variety of entrance routes into university education. For example, in the United Kingdom (UK) a TVET qualification holder like a Higher National Diploma (HND) can study for a top-up honours degree (within a duration of one to three years, depending on the time one invests in studying) while holders for chartered professional qualifications like Association Chartered Certified Annountants (ACCA), Chartered Institute of Marketing, Chartered Institute of ManagementAccountants (CIMA), Institute of Chartered Secretaries and Administrators (ICSA), Chareted Institute of Marketing (CIM) to name but a few are enrolled directly into postgraduate qualifications at most UK universities including premium ones. In Austria, many VET qualifications lead directly to tertiary education (Anholt, 2013a:189) in some cases with bridging examinations.

In comparison, while Zimbabwe's higher education system has been positively rated in the study, it is characterised by rigidity and policy inconsistencies. The country has no statutory national qualification authority (NQA). A decree made by the country's university education

quality control council, the Zimbabwe Council for Higher Education (ZIMCHE), in 2011 negatively affects the reputation of professional and TVET qualifications for employment and studying purposes in the country's university education sector. The decree appears to be contradicting the country's national development policy and higher education aspirations as expressed in the Ministry of Higher Education's Rationalisation Policy of 1990 (see Dewah *et al*., 2005:16), the findings and recommendations of the Presidential Commission of Enquiry into Education and Training (see Nziramasanga *et al*., 1999), and international best practice **(see South African and UK NQFs, Appendices 10A &15)**. Many developed and developing countries have established NQF frameworks recognising equivalence of professional and academic (i.e. degree) qualifications for human development purposes. Examples of countries with such NQFs are the UK, South Africa, Australia, and New Zealand to name a few. The common values of NQFs of South Africa, Mauritius and Namibia, are *integration*, *credibility*, *coherence*, *flexibility* and *recognition* (Krönner, 2005:12). Integration focuses on exploring ways to integrate general academic education with technical and vocational education and training. Credibility deals with fostering national, regional and international value and acceptance of qualifications and coherence to facilitate learners to link credits into a meaningful learning or career pathway. Flexibility allows for multiple pathways leading to the same learning outcomes/ends. Last, recognition of prior learning is enabled through assessing and giving credit to learning which has already been acquired even in non-formal ways like through life/work experience. Currently, it appears these values have no place in Zimbabwe's education system. Zimbabwe barely has bridging qualifications to enable its TVET graduates to advance themselves through university education. World Bank (2010:185) argues that NQFs signal a theoretical transfer from the classic emphasis on the input process to a more modern concentration on outputs and toward adherence to a market-oriented policy agenda. NQFs stress the competencies developed, not the avenues or the institutions that teach the skills (World Bank, 2010:185).

Nonetheless, a comparison of courses and learning outcomes of Zimbabwean TVET qualifications i.e. HNDs in accounting, marketing, tourism, human resources, and purchasing and supply management, and foreign professional qualifications such as CIMA, ICSAZ, ACCA, CIM profesional pualifications, Institute of Marketing Management shows that they are generally at the same level with those of honours degrees. In this national diamond model, Porter (1990a:79) argue that: "In the sophisticated industries that form the backbone of any

advanced economy, a nation does not inherit but instead creates the most important factors of production—such as skilled human resources or a scientific base." It appears that there is an attitude in a section of the higher education sector in Zimbabwe, of looking down up TVET, professional, and any vocational qualifications while uplifting academic, degree or university qualifications. This attitude needs to be interrogated and changed if the country is to have an equitable, harmonised, and accessible development-oriented education system equivalent to those of other progressive members of the global community such as South Africa, Namibia, Mauritius, the UK, Austria, New Zealand, and Australia to name but a few.

The skills that Zimbabweans holding TVET qualifications have need to be upgraded through the country's own universities instead of through foreign higher education institutions, which seems to be the case at the moment because of the absence of an enabling policy framework in Zimbabwe. While polytechnic colleges and professional associations awarding these qualifications can further develop them, the contribution of universities in honing those skills cannot be underplayed. Moreover, since Zimbabwe barely has world class globally ranked universities yet its higher education system has strong global brand equity (see Social Progress Imperative, 2016a:101), it is imperative that the source of that competitiveness is identified. From a nation brand equity standpoint, it appears naïve for anyone in Zimbabwe to think that the positive global brand equity the country's education sub-brand enjoys is accounted for only by the country's university sector. National education leaders cannot just focus on the quality of advanced education available to their citizens, but should also pay attention to the level of access to relevant institutions (Social Progress Imperative, 2016a:101). Democratising education, especially tertiary education, would benefit people from poorer backgrounds (UNDP, 2016:12) who constitute the majority of its population. The issue of access to higher education particularly for people holding TVET qualifications is a critical one in Zimbabwe even at a time the number of universities in the country has risen from one 1988 to 15 in 2017. "While learners can move from one technical and vocational institution to the other without losing credits, they tend to get disadvantaged should they wish to join the academic institutions [i.e. universities] because there is no national policy that guides such movements" (Dewah *et al*., 2005:17). This abnormality is a result of lack of harmonisation between the two systems hence individual departments in universities have the discretion to place transfers at any level they deem fit (Dewah *et al*., 2005:17; Shoko, Chikomo & Chisita, 2015:9). Plans to legislate the Zimbabwe Qualifications Authority (ZIMQA) that will have developed and

administered the Zimbabwe Qualification Framework gained momentum in 2004 (Dewah *et al*., 2005:17) but fizzled out barely two years after that year before the ZIMQA bill was passed into law. The ZIMQA will have guaranteed fairness following the establishment of a Credit Accumulation and Transfer System to facilitate learner mobility (Dewah *et al*., 2005:17; Shoko, Chikomo & Chisita, 2015:9).

Depending on how one interprets the ZIMCHE decree to 24 August 2011, TVET and professional qualifications holders will continue to face diminished access to university qualifications in a manner that recognises their prior qualifications. As far back as before the new mellenium, many Zimbabweans thought that local "universities are not catering for a wide range of pre-entry backgrounds and abilities and career development interests" (Nziramasanga *et al*., 1999:482). Entry requirements for university degrees are rigidly defined including the combination of subjects needed for A-level (Nziramasanga *et al*., 1999:488) and the situation remained unchanged to this day. University entry requirements are rigidly enforced and prior development of the applicant through prior studies or work-related learning are ignored (Nziramasanga *et al*., 1999:493). Rigidity in entry requirements of university education should be avoided and, instead, many entrance routes into university education opened so that the widest possible access is attained (Nziramasanga *et al*., 1999:493). Education and development are correlated 'games of numbers'. A nation cannot expect to advance itself holistically in the shortest time desired when its higher education policy is elitist and denies access to the majority of its citizens. A country's education systems should emphasise outcomes and not necessarily the inputs i.e. that applicants should be enrolled in university based on their high school qualifications. In Zimbabwe one risks to be convinced, wrongly, that a senior secondary school leaving certificate such as A-level is higher than a post-secondary school diploma such as an HND or chartered professional qualification like ACCA and ICSA. "The fundamental direction of educational refom must be such that an inflexible education system which is examination-oriented must be changed into one that is efficient in the development of talent and personality" (Nziramasanga *et al*., 1999:492).

The disparity in O-level and A-level pass rates in Zimbabwe is indicative of a national basic education system in great need of reform. Statistics compiled by the Zimbabwe National Statistics Agency (ZIMSTAT) show that O-level GCE pass rates for the five-year period 2007 to 2012 ranged between 16.9 percent and 21.3 percent compared to 83.3 percent to 90.6 percent

for the same period for A-level GCE students (ZIMSTAT, 2014:35). This is a huge disparity indeed for a country renowned for its high literacy level and educated populace by sub-Saharan Africa and, to some extent, even global standards. Consequently, the fact that Zimbabwe's primary and secondary education system was well rated ($\mu = 5.77$) in this study than South Africa's ($\mu = 3.88$) should not be interpreted as an indication that the country just needs to maintain what it has been doing to earn that rating. Both nations need to improve their basic education systems in unique ways. For example, Zimbabwe needs to consider ways to improve its overall O-level pass rates and South Africa should improve the quality of its basic education system overall. Both countries need to improve their science and mathematics education. In that respect, South Africa's strategy of engaging foreign teachers, including Zimbabweans, and Zimbabwe's establishment of the Bindura University of Science Education to produce science teachers are steps in the right direction for both countries. Despite that Zimbvabwe is facing economic challenges, it needs to improve the remuneration of qualified teachers in order to reduce brain drain in the education sector. In addition, both countries need to improve their ratings in foreign language skills (variable 3.1.5) in which they were poorly rated. Zimbabwe should not be blinded by its good rating in this study in the variable 3.1.4 Attractiveness to foreign students ($\mu = 4.52$) which is positive and slightly smaller than South Africa's ($\mu = 4.56$). Even by simple observation, Zimbabwe does not seem to have the critical mass of foreign students at its universities comparable to those at South African universities. The reputation of a country's universities creates the nation brand (Kapferer, 2008:123).

In 2016, Zimbabwe got 27.14 percent in the "access to advanced education" component of the Social Progress Index (Social Progress Imperative, 2016a:137). While this places Zimbabwe on the third place within the 15-member SADC after South Africa on the first place with 53.14 percent and Mauritius on the second place with 30.69 percent (Social Progress Imperative, 2016a:136-137; Table 3.1 in Chapter 3), which is good performance by SADC standards in rank terms, the performance in percentage terms indicates a dire need for policy reform in higher education. Social progress is "the capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential" (Social Progress Imperative, 2016b:4). Education is fundamental to socio-economic, technological and political advancement of a country because it underpins the social well-being of a country's

citizens (ZIMSTAT, 2014:i). Consequently, education systems must be carefully designed to serve the economic and social objectives of society such as inclusive growth and development, pursuit of social justice and greater access to knowledge for its own sake (ZIMSTAT, 2014:i).

12.2.4.7 Generic Infrastructure: Factor 9 (South Africa) and Factor 7 (Zimbabwe)

Generic infrastructure has emerged as a critical determining factor in the two nations. They are all negatively rated in this sub-index. South Africa's generic infrastructure component has six items all of which have mean scores below 4 and Zimbabwe's has 10 items none of which have mean ratings above the study's cutoff point. The worst rated items in Zimbabwe's generic infrastructure element are 3.6.2 Quality of railroads, 3.6.3 Nearness to quality ports, 3.6.6 Quality of electricity (frequency of load shedding), 3.6.1 Quality of roads, 3.6.5 Water, sanitation and waste management, and 3.8.8 Resolving insolvency and retrenchment. The provision of adequate infrastructure in an economy builds competitiveness (African Development Bank, 2011; Cornell University, INSEAD & WIPO, 2016; Foster & Pushak, 2011; Lee, 2009; WEF, 2016; World bank, 2016a; Sun, 2009). Infrastructure in South Africa is running at full capacity (Mashego, 2013:5) and in Zimbabwe infrastructure such as electricity, roads (transport), rail, and broadcasting transmission equipment (communications), and water and sanitation is inadequate and in poor condition (African Development Bank, 2011; National Economic Consultative Forum, 2015; ZIMASSET, 2013; Zimbabwe National Budget Statement, 2014). Enterprise surveys suggest that infrastructure challenges account for roughly 40 percent of productivity handicaps faced by firms operating in Africa (Foster & Pushak, 2011:3). South and Zimbabwe need to invest in infrastructure to improve their FDI destination attractiveness. Infrastructure is a critical component of country competitiveness (African Development Bank, 2011; Bitzenis, Tsitouras & Vlachos, 2009; Cornell University, INSEAD & WIPO, 2015; Sun, 2009; WEF, 2016).

12.2.4.8 Society: Factor 3 (South Africa)

Society emerged as an important element of SON-FDIBE in South Africa. The factor has eight attributes of which only three have mean scores ≥ 4. The overall mean rating for the factor is

below 4 hence the country has weak stakeholder-oriented FDI brand attractiveness in respect of society. Social infrastructure or society is a source of destination competitiveness (African Development Bank, 2011; Bivolaru, Andrei & Purcăroiu, 2009; Lee, 2009; Social Progress Imperative, 2016b; Rojas-Me´ndez, 2013) hence South Africa needs to improve its FDI brand equity from the perspective of this factor.

12.2.4.9 Ecology and Tourism: Factor 10 (South Africa)

Ecology is the factor with the least number of variables in the South African factor solution, three. With an overall mean rating of 5.26, this is the factor with the highest mean rating in the country's factor structure. The mean scores of all items in the factor – i.e. 3.3.2 Natural resource endowment (e.g. soils, mineral and metals), 3.3.1 Favourability of climate and weather, and 3.4.12 Country attractiveness to international tourists – are greater than 5 denoting a strong rating. Nation brand and economic theorists acknowledge that countries are associated with tangible elements of their own geography and nature, ecology or natural environment (Adebola, Talabi & Lamidi, 2012; Bivolaru, Andrei & Purcăroiu, 2009; Garelli, 2014; Rojas-Me´ndez, 2013).

11.2.4.10 Taxation and Domestic Competition: Factor 3 (Zimbabwe)

Taxation and domestic competition emerged as an important latent variable in Zimbabwe although its mean score is below the cutoff point, which denotes that the country has weak SON-FDIBE. The factor comprises six items of which all but two – i.e. 3.5.3 Effect of taxation on incentive to invest and 3.5.2 Tax rates (corporate tax, custom duties, and personal tax) – have mean scores below 4. Items 3.5.3 and 3.5.2 are only marginally positively rated. Country and FDI brand equities are influenced by taxation (AT Kearney, 2015; Bellak & Leibrecht, 2011; Bitzenis, Tsitouras & Vlachos, 2009; Fahmi, 2012; Grzegorczyk & Budzyński, 2015; Passow, Fehlmann & Grahlow, 2005; WEF, 2014; UNCTAD, 2016a). High taxes – particularly corporate income taxes – are often viewed as a constraint to multinational corporations, because they reduce their after-tax profits (Bellak & Leibrecht, 2011:23).

12.2.4.11 Population and Country Health: Factor 5 (Zimbabwe)

Population and country health has turned out to be a critical determining factor of stakeholder-based country FDI brand competitiveness with an overall mean score of 4.24. The factor constitutes four items of which only one – 3.1.7 Prevalence of poverty – has a mean rating below the threshold point. Of the three attributes that are positively rated, the one with the highest mean rating – i.e. 3.1.14 Level of corruption ($\mu = 4.77$) – is inconsistent with existing literature on the prevalence of corruption in Zimbabwe. With a mean of 21 percent and mean rank of 156 out of 176 countries included in Transparency International's Corruption Perception Index (CPI) annually for the last five years ending 2016, Zimbabwe is the second most corrupt country in the 15-member SADC outpacing only Angola in this variable **(Table 3.4, Chapter 3)**. CPI measures public sector corruption only. This mean that the country's position in this index may be improved or worsened depending on corruption levels in its private sector. In addition, the country's positive rating in items 3.1.9 Prevalence of HIV and AIDS and 3.1.10 Risk of Tuberculosis, Cholera, and Malaria does not seem to be in line with reality considering that Zimbabwe has the fifth highest HIV and AIDS prevalemce rate in the SADC **(Table 3.3, Chapter 3)**. Therefore, the country's overall positive rating in this factor need to be viewed with caution.

12.2.4.12 Crime and Natural Disasters: Factor 6 (Zimbabwe)

Crime and natural disasters emerged as an important component of SON-FDIBE in Zimbabwe with an aggregate mean score ≥ 4. The factor has four items two of which have mean ratings above the cutoff point: 3.1.11 Frequency of violent crime and 3.1.12 Level of personal security. However, the mean scores of these two variables are incompatible with that of 3.1.13 Risk of xenophobic or political violence which is less than 4. Policymakers should be concerned about the high standardised regression weights for the items violent crime (0.674), political violence (0.737), and 3.3.3 Risk of natural disasters (0.579). Zimbabwe holds general and presidential elections in 2018. The country has earned a reputation of disputed and/or violent elections since 1985. Southern Africa receives either excessive rains and flooding or inadequate rains and drought every few years. This year, 2017, many parts of Zimbabwe got excessive rains and flooding. The country needs to have in place an effective disaster risk management strategy in place.

12.2.4.13 Macroeconomic influences: Factor 8 (Zimbabwe)

Macroeconomic influences, comprising three items, is an important component in Zimbabwe. The component has an overall mean rating below 4, which is indicative of the fact that the country has weak stakeholder-led FDI brand reputation. Zimbabwe adopted a multicurrency regime dominated by the US dollar in 2009 to stem hyperinflation and has been using it from that time. Save for items 3.4.7 Interest rates and 3.4.8 Exchange rate, it is rather surprising why respondents rated the country negatively on attribute 3.4.6 Inflation rate. Zimbabwe has a single digit inflation rate.

12.2.5 Secondary objective 6: Calculation of the SON-FDIBE indices of South Africa and Zimbabwe

The sixth, and last to be discussed, empirical secondary objective of the study was "to calculate the stakeholder-oriented nation FDI brand equity indices of South Africa and Zimbabwe". This goal was more than satisfactorily achieved. The researcher designed four alternative SON-FDIBE index computation methodologies and tested them with data from the case study countries. The first two techniques are basic—they are unweighted or equal weighted. The first index calculation technique in this set is based on the original conceptual framework i.e. eight constructs and 105 variables. It offers countries the best platform for comparing their performance on an item-by-item and factor-by-factor basis. However, the weakness of this technique is that it was calculated before the scale was tested for validity and reliability—empirical validation. Of course, the hypothesised model was informed by a comprehensive review of existing literature and tested for face validity at pretesting stage with real target respondents and an expert group. The second index computation methodology in this first set was based on the empirical factor solutions of the case study countries. Hence this index calculation technique is preferable compared to the first one as it is calculated after the instrument has been validated. The Organisation for Economic Co-operation and Development (OECD) argues that that composite indices that rely on equal weighting could disguise the lack

of a statistical or an empirical basis, such as, when there is inadequate awareness of causal relationships or absence of agreement on the alternative (OECD, 2008:31).

The two index computation methodologies in the second set rely on weighted factors from empirical models, 10 for South Africa and 12 for Zimbabwe. Factor weights were decided basing on factor analysis, i.e. EFA/PCA and CFA/SEM, a multivariate or statistical method. Although, this study was based on the SOBE approach, the weighting methods were not adequately participatory (save using data from the survey) and did not take into account the unique environments of the case study countries (e.g. South Africa is the fourth most stable country in SADC whereas Zimbabwe is the second most fragile in the region) **(see Table 3.33, Chapter 3)**. The first technique in this set draws weights from PCA standardised percentages of variance (eigenvalues) and the second draws from SEM standardised regression weights. Contrasted with the first two methodologies explained above, these two techniques are more advanced and convincing. SEM has many advantages over more traditional techniques, especially when the model to be assessed is not directly observable (Fombrun, Ponzi & Newburry, 2015:8) such as the SON-FDIBE conceptual framework.

As was evident in Chapters 8 and 9, the indices produced by the four alternative methodologies vary. Each has its own advantages and disadvantages. Nevertheless, it is the methodology based on standardised regression weights that seems to offer the most convincing prospect for calculating stakeholder-oriented nation FDI brand competitiveness. Unlike the percentage of variance weighting method from EFA and in particular PCA, which allocates weights in accordance with the general chronological order of factors imposed by eigenvalues or percentage of total variance explained, it is observed from this study that standardised regression weights from CFA disregard the influence of eigenvalues in determining weights. CFA with its SEM procedure is the most advanced and latest technology for validating empirical models. In this study, only the first order CFA was carried out (see e.g. Cho, 2011; Fombrun, Ponzi & Newburry, 2015; Wang & Ahmed, 2004). Nonetheless, the structural equation models (SEMs) were not modified because no new data were gathered for a second order CFA on which the models were to be modified (e.g. Hurley *et al*., 1997:681). As a result, the standardised regression weights SON-FDIBE index being recommended for consideration by countries needs to be treated as a tentative model.

The SEM-driven weighted index calculation methodology developed and validated in this study enables countries to compute their performance scores per sub-index, factor or policy area and overall. Those scores enable each country to assess its own performance against itself and also its competitors over time, if the study is repeated periodically covering a clearly defined sample such as the SADC, Common Market for Eastern and Southern Africa (COMESA), Africa or developing economies in general in the case of South Africa and Zimbabwe. As a result, the SON-FDIBE index can also enable countries to be ranked per factor and overall, which is critical to FDI destination brand (re)positioning. As far as this researcher knows, no such index was available for developing countries as a special economic development unit before this thesis. While nation branding is gaining increasing importance between scholars and practitioners, research in this field seems to focus mainly on developed economies (Oliva & Stringari, 2014:1). One existing key FDI proprietary index, the AT Kearney FDI Confidence Index®, focuses on the top 25 FDI destinations on the planet and this ensures that the African region is marginalised save for South Africa, which is occasionally included in the index (see AT Kearney, 2016, 2015, 2014, 2013, 2012). Moreover, the AT Kearney FDI Confidence Index® is a customer-based brand equity model hence does not provide for inclusive participation in measuring nation FDI brand equity. The index is also not as comprehensive as the SON-FDIBE in respect of measurement factors and variables. At the same time, while the Global Investment Prospects Assessment (GIPA) model of the United Nations Conference on Trade and Development (UNCTAD) is a stakeholder-based model, it is limited in terms of the range of stakeholders it surveys compared to the range of stakeholders proposed for inclusion in the SON-FDIBE index. GIPA model analyses projected future patterns of FDI flows at the industry, national, regional, and global industry levels from the standpoint of global investors, investment professionals or experts, and investment promotion agencies elicited through surveys (Bandura, 2005; UNCTAD, 2016b). Nevertheless, considering the broad range of stakeholders who should, ideally, participate in country branding (see Aronczyk, 2008; Dinnie, 2016, Dinnie & Fola, 2009; Kasabov & Sundaram, 2011; Lee, 2009; Kavaratzis, 2012; Temporal, 2014; Rojas-Me´ndez, 2013; Tiberghien, Garkavenko & Ashirbekova, 2013) the GIPA model appears to to be insufficiently inclusive. Furthermore, the GIPA methodology does not focus on the same factors as the SON-FDIBE.

12.3 MODIFIED SON-FDIBE FRAMEWORKS

A model should be capable of summarising and reporting its findings in accordance with its conceptualisation (Sevin, 2014:55). Any *a priori* framework is used to direct the empirical study, and is, at the same time, left open for modifications evolving from the empirical data (Rainisto, 2003:65). Building on from the SON-FDIBE conceptual framework presented in Chapter 6 and the findings (Chapter 8 through 10) and conclusions of this study, two modified exploratory models (Figures 12.1 & 12.2) are presented below for the case study countries. The models constitute a fundamental and original contribution of this study to the existing body of knowledge on FDI destination branding in South Africa and Zimbabwe. Each model is informed by the relevant structural equation model (SEM) in respect of empirical nation FDI brand equity dimensions **(see Figures 8.3 and 9.3)** and attributes **(see Tables 8.9 and 9.13)** presented in Chapters 8 and 9.

As evident in the figures, there are notable similarities and differencies in the modified models of the two countries. It is expected that the revised exploratory models will stimulate interest in the academic, practitioner, and policymaking communities hence lead them to being further refined. While reputation and image do not create themselves into value if they do not transform into a profitable product or service (Kapferer, 2008:450), this thesis argues that positive stakeholder-oriented nation brand equity is the foundation for building sustainable FDI destination competitiveness. In other words, the thesis asserts that positive nation brand equity can influence FDI flows to a country while negative reputation may, ceteris paribus, lead to divestment by existing foreign investors and avoidance by prospective ones.

Figure 12.1: A modified SON-FDIBE framework for South Africa

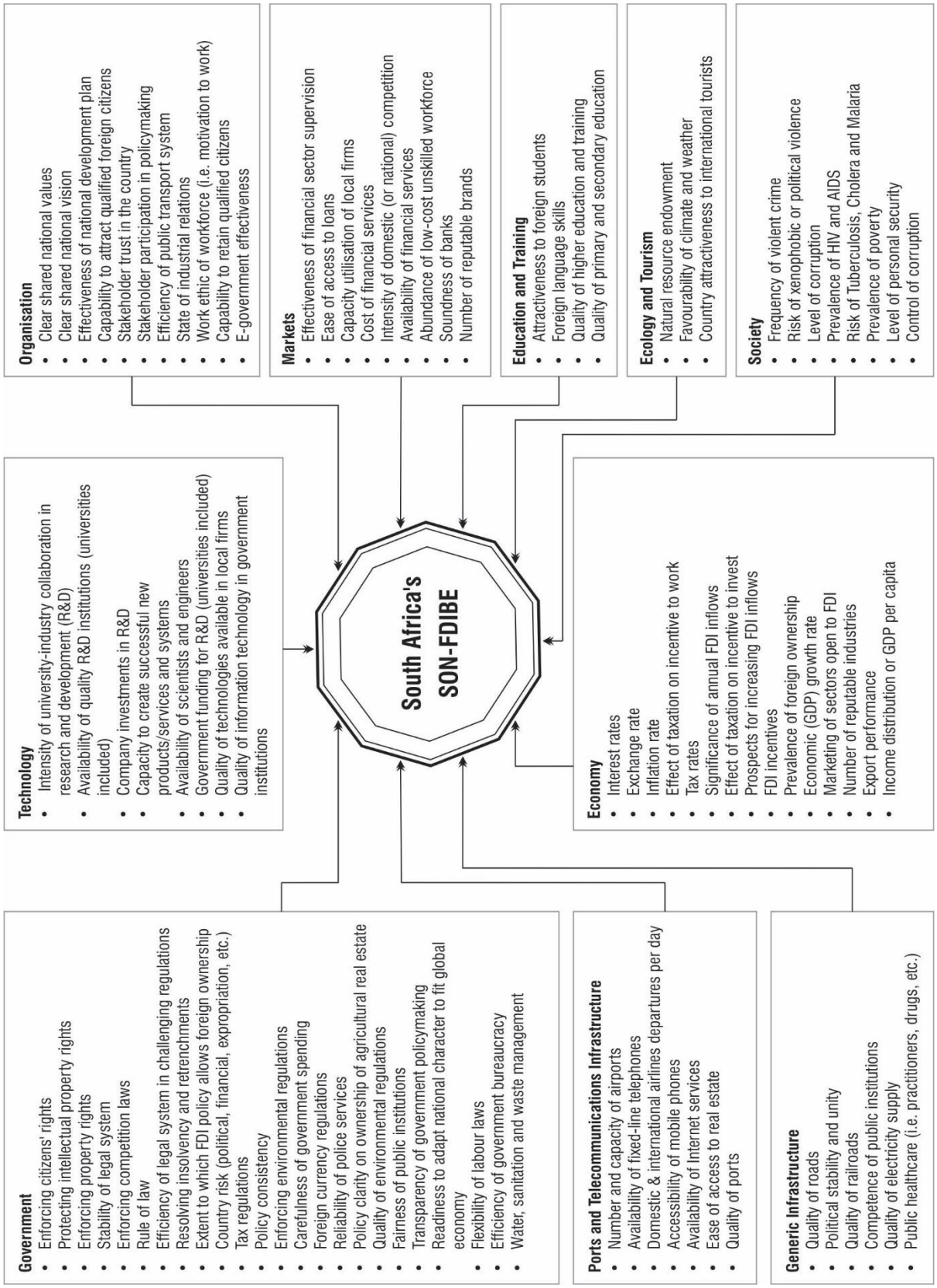
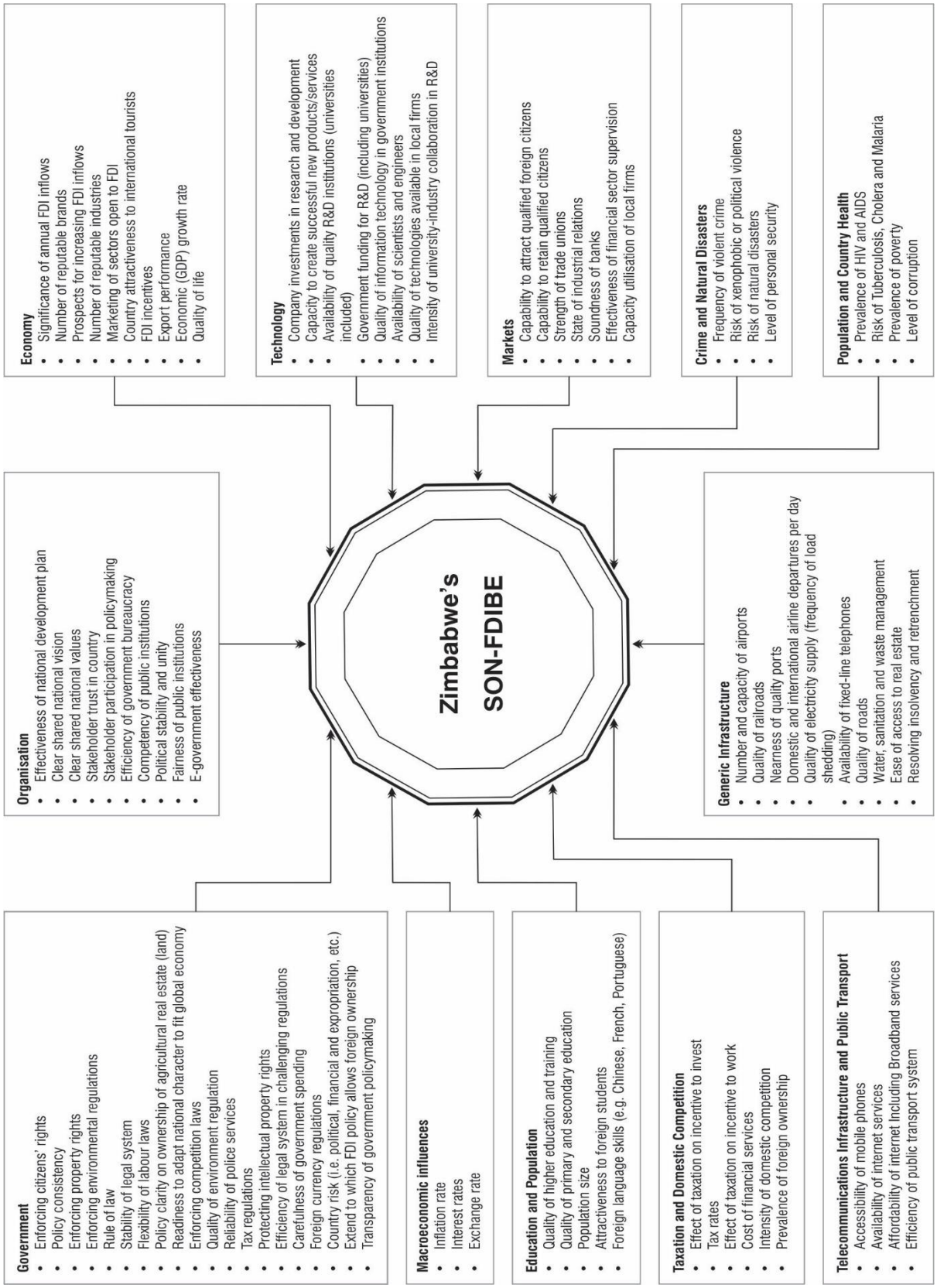


Figure 12.2: A modified SON-FDIBE framework for Zimbabwe



12.4 CONTRIBUTIONS OF THE STUDY

This study has made a number of theoretical, methodological and managerial or policy contributions to the emerging domain of nation FDI strategic brand management. The key contributions of the study are presented in themes below.

12.4.1 Theoretical contributions

12.4.1.1 Environmental analysis of South Africa and Zimbabwe

A situational analysis of South Africa and Zimbabwe was performed by means of a literature study **(Secondary Objective 1)** relying on a few socioeconomic indicators and the countries' performance in selected bona fide and default proprietary-owned nation branding indices dating back the last five to 17 years ending 2015 or 2016. The socioeconomic variables included, among others, population size, poverty prevalence, HIV and AIDS prevalence. The proprietary indexes used in the environmental analysis included FutureBrand's CBI, Anholt-GfK Roper's NBI^{SM}, Bloom Consulting's CBR-T, WEF's GCI, World Bank's Doing Business, UNDP's HDI, AT Kearney's FDI Confidence Index®, Mo Ibrahim Foundation's IIAG, and Social Progress Imperative's SPI, Cornell University, INSEAD and WIPO's GII, and Deloite Global and US Council on Competitiveness's GMCI to name but a few. The disparity between developing and developed countries is clearly visible in brand ranking systems (Oliva & Stringari, 2014:14) and so are the wide regional disparities in competitiveness in the GCI (Sala-i-Martín *et al*., 2015a:23). In the literature study for this thesis the distinction between developing countries e.g. those in the SADC (all 15 countries in Southern Africa), Africa's three top economies, and the BRICS was clearly visible in these indices **(see Figures 3.1 to 3.17 & Tables 3.4 to 3.52, Chapter 3)**. South Africa and Zimbabwe are occupying somewhat untenable and untenable FDI brand positions respectively in the SADC. In addition, South Africa occupies an unfavourable FDI destination position in Africa's top three economies and the BRICS diplomatic group. Consequently, the attainment of the study's first theoretical secondary objective is an important theoretical contribution to the existing body of knowledge on nation branding. It has helped to illuminate that, albeit from a COBBE perspective, a country's FDI brand position can be mapped by auditing country performance on selected

socioeconomic variables and privately-owned nation branding indices including those following a CUBBE approach like the NBI^{SM} and CBI.

12.4.1.2 A typology of nation brand equity theories

Hitherto this study there was no typology of nation brand equity models based on brand equity theories and what this researcher calls foundation descriptors and coverage descriptors. Drawing on from the deconstruction of the 46 models, the researcher developed a typology of nation brand equity models with the above-named descriptors. The theories on which the models were catalogued are the customer-based brand equity (CUBBE), company-based brand equity (COBBE), customer- and company-based brand equity (CUCOBBE), resource-based view of brand equity (RBVBE), and stakeholder-based brand equity (SOBE). The foundation descriptors are the academic versus proprietary, conceptual versus empirical, bona fide versus default, and umbrella versus sub-brand models. The last pair of the foundation descriptors was created by the researcher to help assess whether or not a framework was designed with the theory of country branding and marketing in mind. The coverage descriptors are umbrella versus sub-brand models, dimensions, sub-dimensions, variables, and countries covered. By developing such a typology with these descriptors, this study has made an important contribution to the theory of nation branding.

12.4.1.3 Development of a stakeholder-oriented conceptual framework to measure brand equity of nation FDI

Despite the fact that country branding has been studied over the last two decades, it is still an evolving concept with increasing real-world activity but relatively limited theory (Bisa, 2013; Dinnie, 2008, 2016; Donner, Fort & Vellema, 2014; Kilduff & Tabales, 2017; Rojas-Me´ndez, 2013). This observation especially holds true for the sub-domain of FDI destination branding because it is hardly researched when compared to related domains like tourism and public diplomacy (Dinnie, 2008; Szondi, 2007; van den Akker, 2011). As countries are competing for an optimal share of this finite global resource, FDI, there is increasing real-world FDI promotion activity but barely any proportionate FDI destination branding empirical theories. As such, the second theoretical secondary objective of this study was “to develop a stakeholder-oriented conceptual framework to measure brand equity of nation FDI”. To achieve this

objective, the researcher thoroughly reviewed over 40 proprietary-owned and academic nation branding models **(see Table 5.1, Chapter 5)**. Inferring from the review, it is clear that many of the dimensions that influence the umbrella country brand also affect the FDI sub-brand. The nation brand does not only impact the nation's consumer-based images but also the images held by all of its stakeholders e.g. citizens, tourists, foreign investors, foreign customers, government agencies, and regional economic entities like the European Union (Sun, 2009:6).

Although foreign investors are more rational than tourists in their decision-making process, they are still influenced by the image of the country (Rojas-Me´ndez, 2013:466). If a nation scores highly on criteria of indexes such as the GCI, then the country should highlight and communicate its positive performance so as to achieve strategic objectives such as increasing FDI, talent attraction, et cetera (Dinnie, 2008:230). Conversely, if a country performs badly on criteria of relevant reputation indices such as SPI, IIAG, CPI, NBIF^{TM}, HDI, CBR-T, Doing Business, GII, and CBI, it should address the policy issues underlying its poor performance. Therefore, nation branding should not be seen as a communications campaign but a sustainable development trouble-shooting tool. A nation should first address the nation brand policy problems it has before it embarks on a marketing communication campaign to inform stakeholders about its identity. Before a country articulates its desired brand, it "first needs to make sure that it is politically stable, respects human rights, and does not engage in violent internal and external conflicts" (Fetscherin, 2010:475). Improving a nation brand calls for fundamental changes in the political, economic, legal, and social systems of the country (Fetscherin, 2010:475).

The extensive literature review done as part of the preparatory work for constructing the SON-FDIBE hypothesised framework closed the gap in the literature in terms of the conceptualisation and understanding of what should be established before assessment of a nation brand. A successful brand stands for the values and ideology of the organisation and endows the organisation with sustainable competitive advantage (Sun, 2009:12).

While branding involves endowing products and services with brand equity (Keller, 2013; Kotler & Keller, 2016), there is still sparse nation branding literature which categorically considers nation branding as the activities of endowing countries with competitiveness (exceptions e.g. are Khalifa, 2010; Dinnie, 2008; Lee, 2009; Wilkin-Armbrister, 2008).

Outside of this limited body of literature, it appears that efforts to improve the country brand are not seen as related in any way to efforts to improve country competitiveness. As a result, in Zimbabwe nation competitiveness and country branding activities (both of which are in their infancy) are being run parallel to each other by different coordinating arms i.e. the National Economic Consultative Forum (NECF) and the Ministry of Tourism and Hospitality Industry respectively. Given the cohesion between nation competitiveness and nation branding it is critical that destination managers, politicians (policymakers), and academics realise the need to study and apply these concepts in a unified manner **(see Chapter 1)**. Therefore, in this thesis nation brand equity and country competitiveness are synonyms. In that respect, this study has closed a conceptualisation gap in the literature on country branding (marketing) and country competitiveness (economics). Nation branding is a tool of acquiring global recognition and attaining global competitiveness (Wilkin-Armbrister, 2008:99). "The ideas of nation branding and sustainable competitiveness provide nations with opportunities why and how they adopt nation branding for their competitiveness" (Lee, 2009:i). Competitiveness of nations is a field of economic theory that analyses the facts and policies that shape the ability of a nation to create and maintain an environment that sustains more value creation for its enterprises and more prosperity for its people (Garelli, 2014:489). Competitiveness is "the set of institutions, policies, and factors that determine the level of productivity of an economy, which in turn sets the level of prosperity that the country can earn" (Sala-i-Martín *et al*., 2015a:4). Lee (2009:i) argues that "nations can sustain their competitiveness through strategic nation branding".

Dinnie (2008:244) claims that, while in the long term alternative paradigms to the brand management paradigm may emerge, it is likely that in the short- to medium-term nations will become more understanding in using the tools and techniques of brand management to promote their nation's competitiveness in the global economy. It is such views as held by Wilkin-Armbrister, Lee, Khalifa, and Dinnie that inspired this researcher to use the vexing terms of country or nation branding, such as, country brand equity (de Queiroz & Giraldi, 2015; Dinnie, 2008; Ebrahimi, Kashani & Shojaei, 2012; Passow, Fehlmann, Grahlow, 2005), nation reputation (Brand Finance®, 2013; Anholt, 2005a, 2013a&b; Dinnie, 2008; FutureBrand, 2011; Passow, Fehlmann, Grahlow, 2005), country competitiveness (Khalifa, 2010; Lee, 2009; WEF, 2015), country brand strength (Fetscherin, 2010; Kapferer, 2008), brand attractiveness (FutureBrand, 2011:7) interchangeably in this study in an attempt to simplify the concept of nation FDI brand equity. The notion of country branding and country competitiveness cannot

be separated from each other. Questions about which of the two is broader than the other is a matter of opinion and the answers given can be influenced by whether an expert is coming from marketing or economics. The sooner policymakers appreciate that nation brand and country economic management are complementary the more willing they may be to harmonise these notions in their governance and/or country administration practices.

In spite of the abundance of proprietary-owned and academic country branding frameworks, there is a scarcity of studies that have reviewed these existing models and synthesised them into a comprehensive stakeholder-based framework of FDI destination brand equity. As such, the creation of the SON-FDIBE theoretical model is an addition to knowledge. Although the framework is far from being exhaustive, to the best knowledge of this researcher, its 105 variables makes it one of the most comprehensive academic models on nation branding so far designed from a stakeholder standpoint to measure FDI destination brand equity. Academic frameworks on nation branding generally have between 15 and 45 items (e.g. de Queiroz & Giraldi, 2015; Hakala, Lemmetyinen & Kantola, 2013; Pike *et al*., 2010; Passow, Fehlmann and Grahlow, 2005; Sartori, Mottironi & Corigliano, 2012; Ruzzier & Petek, 2012; Rego, Billet & Morgan, 2009). While these models have added to existing knowledge, they are only a starting point in conceiving the measurement of nation brand equity because the total number of variables each carries is rather limited to provide a comprehensive measure of complex brands such as nations. The GCI has 114 and the WCS/Y has 253 attributes of nation competitiveness of which 79 and 118 variables respectively are assessed through executive opinion surveys (see WEF, 2015a:373-381; IMD, 2014:471). The comprehensiveness of proprietary nation branding indices in terms of items they include in their measures perhaps explain why they are popular with destination managers and policymakers. Probably another explanation for the popularity of proprietary nation branding indices, bona fide and default, is that they are longitudinal in nature i.e. most of them are published at regular intervals e.g. once every year. "The effectiveness of nation-branding strategy needs to be assessed on an ongoing basis" (Dinnie, 2008:230). Virtually all academic studies on nation brands are once-off; it is up to destination managers and policymakers to adopt and apply these models to assess the performance of their nation brands or sub-brands.

However, despite that existing proprietary and academic country branding models have added to the knowledge, many of them also have gaps that necessitate further conceptualisation of

the concept of the nation brand in general and the FDI brand in particular hence the creation of the SON-FDIBE. From a review of existing nation branding indices, it appears that many of them were not conceived with developing countries endowed with natural resources but constrained by inadequate and/or poor infrastructure in mind. Many of them do not include either or all of natural resources and infrastructure in their dimensions (e.g. Anholt-GfK Roper's NBI^{SM}, Brand Finance's NBIF^{TM}, Fetscherin's CBSI, FutureBrand's CBI, Kalamova & Konrad's Nation Brands and FDI, Jacobsen's Investor-based framework, and Bivolaru, Andrei and Purcăroiu's PESTEL framework). Even the WEF's GCI only includes infrastructure in its measures of nation competitiveness but does not include natural resources. Moreover, save for a few proprietary models such as Anholt-GfK Roper's NBI^{SM} and FutureBrand's CBI, many of the non-academic models are hardly critiqued in the literature. Consequently, the SON-FDIBE theoretical model has plugged a gap in the literature. Studies on FDI location determinants done in economics under foreign trade theory, classified in this thesis under the COBBE approach, suggest that either natural resources or infrastructure, or both, are critical determinants of country brand competitiveness (Anyanwu, 2012; Andrés, Nunnenkamp & Busse, 2013; Bellak & Leibrecht, 2011; Böckem & Tuschke, 2010; Hornberger, Battat & Kusek, 2011; Ledyaeva, Karhunen & Whalley, 2013; Mohamed & Sidiropoulos, 2010). Few studies on nation branding include either one, or all, of natural resources or infrastructure in their constructs (e.g. Adebola, Talabi & Lamidi, 2012; Bloom Consulting, 2013; Passow, Fehlmann & Grahlow, 2005; Rojas-Me´ndez, 2013; Sun, 2009).

Another contribution of the SON-FDIBE conceptual framework is that it reveals all its formulae and weighting methods. Many proprietary country brand tracking indices – particularly those owned by brand consultants such as Anholt-GfK Roper, FutureBrand, Bloom Consulting, Brand Finance® – do not reveal their formulas. Thus, while they contribute to existing knowledge in terms of dimensions and conceptualisation, they leave a gap in the literature in respect of the actual items that must be included, formulas and weighting methods used to calculate nation brand equity. In addition, some academic models such as Rojas-Me´ndez's (2013) nation brand molecule and Jacobsen's (2009) investor-based place brand equity do not go as far as formulating equations so they are only partially useful.

The other theoretical contribution of the SON-FDIBE conceptual framework is that it is designed from the SOBE approach of country branding. From the review of existing nation

branding models done in this study, the two most acknowledged brand equity measurement approaches are the CUBBE and COBBE. Nonetheless, there are five macro theories of brand equity—the other three are the CUCOBBE, RBVBE and SOBE but these are rarely acknowledged in existing literature. In fact, as far as this researcher knows, there was barely any single scholarly paper or textbook that acknowledged the existence of all five approaches before this thesis. Therefore, this study has made a significant and original contribution to the existing literature. Moreover, as its name implies, the SON-FDIBE is one of the first comprehensive conceptual frameworks answering the various calls to involve stakeholders in destination branding (see e.g. Dinnie *et al*., 2010; Donner, Fort & Vellema, 2014; Kasabov & Sundaram, 2011; Kavaratzis, 2012; Mbaiwa, 2016; Tatevossian, 2008; Temporal, 2014; Tiberghien, Garkavenko & Ashirbekova, 2013; Zouganeli *et al*., 2012) focusing on FDI. Related to the approaches to measuring nation brand equity, the other theoretical contributions of the SON-FDIBE model are that its development has demonstrated that all five macro theories offer not only unique conceptualisation of the concept but also operational models falling under them can contribute dimensions and items to a stakeholder-based model of FDI destination brand attractiveness.

The thesis has also made an original theoretical contribution to the literature by inventing the name country-based brand equity (COBBE) approach to measuring place or destination strength. Ordinarily speaking the "CO" in the COBBE refers to company in terms of measuring brand equity from a shareholder or financial perspective but the same CO also abbreviate the country hence the construct of country-based brand equity which is represented by the same abbreviation—COBBE. The country-based brand equity approach is based on the same principle as company-based brand equity or financial brand equity. The study has also made a fundmental theoretical contribution by inventing the concept of "resource-based view of brand equity" (RBVBE). While branding literature has long acknowledged that the resource-based view of strategic management is applicable to branding (see e.g. Dinnie, 2008, 2016; Louro & Cunha, 2001; Sun, 2009), as far as this researcher knows no theorist has ever used the term RBVBE except for the first time in this thesis.

Another theoretical contribution of the SON-FDIBE conceptual model stems from its multidimensional nature. Its eight sub-indexes or theoretical constructs enable policymakers and destination managers to split the country's target foreign investors according to the type of

inward FDI opportunity they are looking for such as knowledge capital, institutional, resource-seeking, et cetera. This echoes the theories of FDI acknowledged in the next subsection, **12.4.1.4**, below and in Chapter 4 **(see Table 4.2)**.

Some people disapprove of the idea of treating nations as brands hence reject nation branding (Dinnie, 2008; Felknerová, 2014). The critics' hostility towards the idea of branding nations is embedded in their hatred of the word "brand" yet the concept may be accepted if alternative terminology like "nation reputation" is used (Dinnie, 2008:173). Felknerová (2014:41) observes that some critics, wrongly, assume that marketing techniques cannot be applied to states because its terms are not only unsuitable but also associated with superficiality, fraud and manipulation! Nation brand theorists need to bring to the attention of those critics the theory of social marketing (e.g. Andreasen, 1994; Dibb, 2014; French, 2015; Kotler & Zaltman, 1971) first proposed in the early 1970s and now an established social science. Nation marketing and branding are, to some extent, branches of social marketing. By suggesting that social marketing theory be cited to justify treatment of nations as brands, this study has made an important theoretical contribution to the literature. "Social marketing is the adaptation of commercial marketing technologies to programs designed to influence the voluntary behavior of target audiences to improve their personal welfare and that of the society of which they are a part" (Andreasen, 1994:110). Anholt (2013a:8) admits that "we are still far from a widespread understanding of what this means in practice and just how far commercial approaches can be effectively and responsibly applied to government, society, and economic development".

If policymakers accept the notion of country competitiveness (defined in economics) they cannot reject the concept of country branding (defined in marketing) and its underpinning theory. Marketing is a behavioural science. It exists in all human interactions whether or not the actors involved are aware of its existence. Countries have been marketing for as long as they have been attempting to raise their political influence (including even by using hard power), attract tourists, investors, residents and talent, and grow their exports. The only difference is that, unlike in the past, now many national governments are using the concepts of branding fully knowing why they are doing so.

12.4.1.4 Theory of FDI destination brand equity

While FDI activities date back to more than a century ago (te Velde, 2006:5) early academic papers and theories on FDI behaviour in the field of economics date back to the 1950s (see e.g. Dumludag, 2009:17). Some of the theories conceived in economics to explain FDI behaviour are the neoclassical theories of FDI (Tvaronavičienė, Kalašinskaitė & Šimelytė, 2009; Faeth, 2008), economic perspective on FDI (Böckem & Tuschke, 2010), institutional perspective of FDI (Böckem & Tuschke, 2010; Dumludag, 2009), FDI theory based on strength of currency (Nayak & Choudhury, 2014), knowledge capital model (Carr, Markusen & Maskus, 1998; Markusen 2002; Chellaraj & Mattoo, 2015; Faeth, 2008; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013), the eclectic paradigm or OLI (Ownership, Location, Internationalisation) model of FDI (Dunning, 1993; Denisia, 2010; Faeth, 2008; Nayak & Choudhury, 2014), and linkages between FDI and regional integration agreements (Nayak & Choudhury, 2014). Many of these economic theories are correlated with the theory of nation branding in terms of dimensions or constructs of country brands. Examples are the institutional perspective of FDI (Böckem & Tuschke, 2010; Dumludag, 2009) which in this study is connected with institutions and regulations (Bloom Consulting, 2013; IMD, 2013; WEF 2015; World Bank, 2014; Rojas-Me´ndez, 2013) or governance (Anholt, 2013a&b; Ahnolt-GfK Roper, 2014) or government (Porter, 1990a; Rojas-Me´ndez, 2013), economic perspective on FDI (Böckem & Tuschke, 2010) with its r*esource-seeking* FDI e.g. natural resources, raw materials, or low-cost labour (Adam & Filippaios, 2007; Böckem & Tuschke, 2010) and OLI model (Denisia, 2010; Dunning, 1993) which are linked to natural resources (e.g. Rojas-Me´ndez, 2013; Sun, 2009), and the knowledge capital model (Markusen 2002; Chellaraj & Mattoo, 2015; Faeth, 2008; Kristja´nsdo´tti, 2010; Kurtishi-Kastrati, 2013) which is related to talent (Anholt-GfK Roper, 2009; Bloom Consulting, 2013; Brand Finance®, 2013; Dinnie 2008; Fetscherin, 2010; Fund for Peace, 2014; IMD, 2014; Kalamova & Konrad, 2010; WEF, 2013b). By tracing the conceptual relationship between theories of FDI and nation branding determinants in particular (as cited above) and between nation competitiveness (Delgado *et al*., 2012; Garelli, 2014; Sala-i-Martín *et al*, 2015a) and nation brand equity (Khalifa, 2010; Lee, 2009; Sun, 2009) in general, this study has made a significant contribution to existing knowledge. Country branding and economic development are interconnected (e.g. Anholt, 2005b, 2008; Lee, 2009; Sun, 2009; Rojas-Me´ndez, 2013). "[Nation] brand management should be treated as a *component of national policy*, never as a 'campaign' that is separate from planning, governance or economic

development" (Anholt, 2008:23). Therefore by focusing on nation branding and FDI, this study has contributed to the emerging theory of FDI destination brand equity. The main arguments of this emerging theory is that the attractiveness of a nation helps it to attract FDI. This new theory is not only a contribution to nation branding theory only but also international economics.

Moreover, until fairly recently, economic theory hardly recognised that intangibles i.e. perceptions and stereotypes determine economic outcomes—i.e. decisions on FDI (Kalamova & Konrand, 2010; Bitzenis, Tsitouras & Vlachos, 2009; Njoroge & Okech, 2011; Muchie, Nasrin & Baskaran, 2010; van de Laar & de Neubourg, 2002; Zhang, 2014). Psychological factors basically link with stereotypes, intangibles and emotions (Kalamova & Konrad, 2010; van de Laar & de Neubourg, 2002) which, although largely ignored in existing FDI determinants studies done in economics, affect how countries are perceived by their multiple target audiences – or stakeholders – foreign investors included. In a study of 30 source countries to 34 host countries for the period 2005 and 2006, Kalamova and Konrad (2010:431) found that the amount of FDI into a host country rose by 27 percent as its nation brand index, the measure for the quality of intangibles, improves by one point. Thus adding emotions to economic theory can enhance researchers' and policymakers' understanding of the reality. A study of 219 Dutch firms that considered investing in Central and Eastern Europe between 1990 and 2000, "the empirical results showed that emotions are important in economic decision-making" (van de Laar & de Neubourg, 2002:1). The two concluded that the presence of positive emotions boosted the chance of Dutch companies to engage in FDI in the Central and Eastern Europe region. Consequently, the SON-FDIBE conceptual framework is an addition to existing knowledge on FDI theories generated in the field of international economics or standard economic theory.

The last theoretical contribution of this study to the existing body of knowlege is definitional in nature. Building on from Keller's CUBBE-inspired definition of **brand equity** i.e. *customer-based brand equity* is the differential effect that brand knowledge has on consumer response to the marketing of that brand (Keller, 1993:8, 2013:69; Keller, Parameswaran & Jacob, 2011:48; Kotler & Keller, 2016:327) this thesis has added a new definition of brand equity to the literature basing on the SOBE theory. The proposed definition deletes the prefix "customer-based" from the suffix "brand equity" in the "customer-based brand equity"

approach and replaces it with the prefix "stakeholder-oriented". It also deletes from the definition the term "consumer" and replaces it with the word "stakeholder". Consequently, **stakeholder-oriented brand equity** is defined as the the added value endowed on products as reflected in how **stakeholders** perceive and behave towards the brand with respect to what it stands for and how it is marketed. Given that "brand value is co-created through interaction with multiple strategic stakeholders" (Jones, 2005:10) it is no longer sufficient to define brand equity from a CUBBE approach only. In fact, each of the three remaining theories of brand equity – CUCOBBE, COBBE, and RBVBE – have their own definitional and measurement implications for brand equity.

The study also makes an addition to the literature by proposing an alternative definition of the term "nation branding". This new definition attempts to plug the gaps in existing definitions which might have resulted in the originator of the term "nation brand" to dissociate himself from "nation branding" arguing that "'nation branding' is a wicked waste of taxpayers money, and shouldn't be tolerated" (Anholt cited by Carey, 2010:95). "Nation branding" is the stakeholder-oriented strategic marketing of a country as an authentic centre of regional and global political influence, a preferred destination for tourists, FDI, the ultimate place to study, live and work (for highly qualified, talented and ordinary people), and an exporter of reputable brands. The consequential country brand should be an irresistible source of national pride or prominence for the brand's own citizens and inspiration to citizens of other countries in the global community. That goal cannot be achieved through marketing communication but policy and real behaviour change. Nation brand management must never be handled as a campaign that is divorced from planning, governance or economic development but as a vital element of national policy (Anholt, 2008:23). It is not about **communications** (emphasis added) but policy change (Anholt, 2008:2).

12.4.2 Methodological contributions: Secondary objectives 3 to 6

This study had five empirical objectives, namely, to: "measure South Africa's and Zimbabwe's FDI brand competitiveness by means of the conceptual model; "validate the theoretical model by measuring country FDI brand strength of South Africa and Zimbabwe", "empirically evaluate the conceptual framework as a measure of country FDI brand attractiveness", "calculate the stakeholder-oriented nation FDI brand equity (SON-FDIBE) indices of South

Africa and Zimbabwe", and "compare the stakeholder-oriented nation FDI brand reputations of South Africa and Zimbabwe". To fulfill these objectives, the study deployed data analysis techniques which resulted in a number of important methodological contributions to the literature particularly in respect of multidimensional scaling, application of factor analysis i.e. PCA and CFA or SEM, effect size analysis, and index calculation.

First, the SON-FDIBE hypothesised model was developed through a comprehensive review of existing literature only; no interviews and observation were deployed to design the framework. Thus the study has demonstrated that it is possible to conceive and design a reasonable multidimensional scale to measure nation FDI brand equity from a review of extant literature only.

Second, although the variables of many proprietary-owned and academic nation branding frameworks are organised into constructs, only a few of them have actually used EFA (e.g. Cornell University, INSEAD & WIPO, 2015; de Queiroz & Giraldi, 2015; Hakala, Lemmetyinen & Kantola, 2013; Outhavong, 2007; Social Progress Imperative, 2016b) and barely any have employed CFA (e.g. Lamelas, 2011). The components of many proprietary models might have been theoretically determined because many are silent on how their constructs were identified. Examples are WEF's GCI, Brand Finance's NBIF^{TM}, Bloom Consulting's CBR-T, Fund for Peace's FSI, Mo Ibrahim Foundation's IIAG, FutureBrand's CBI, World Bank's Doing Business, and Anholt-GfK Roper's NBI^{SM}. Exceptions among them are the GII and SPI, which used PCA to determine the weights of their indicators (see Cornell University, INSEAD & WIPO, 2015:54; Social Progress Imperative, 2016a:33). Therefore, the employment of both PCA and CFA to validate the SON-FDIBE theoretical model makes it a better alternative among existing proprietary and academic nation brand models in terms of methodological rigour. As far as this researcher knows, the SON-FDIBE framework is likely to be one of the first models to have been validated with both PCA and SEM. So far SEM has been used in product branding studies (e.g. Baalbaki, 2012; Cho, 2011; Fombrun, Ponzi & Newburry, 2015) but hardly in nation branding in general and FDI destination branding in particular. One of few exceptions in the literature is Lamelas (2011). Therefore, this study has made an original and significant methodological contribution to the literature by being one of the pioneers in applying rigorous statistical tools such as CFA and SEM to validate a stakeholder-led FDI brand attractiveness model. Given that one of the challenges in policy

evaluation is “difficulty in determining causality” (Anderson, 2015:308), the employment of CFA and SEM in this study goes a long way in confirming the cause-and-effect correlation between the SON-FDIBE model’s dependent and independent variables **(Figures 8.3 & 9.3 in Chapters 8 & 9 respectively, structural models)**. The validation provides policymakers, destination managers, investors, and other stakeholders with assurance on the practical relevance of the model.

Third, in the domain of psychology many researchers now employ effect size analysis to determine the practical implications of their studies. While studies on nation branding in general and FDI destination branding in particular fall under consumer psychology, effect sizes have so far hardly been used to determine the practical implications of studies in nation branding. Consequently, this study has made a significant methodological contribution to the literature on nation branding by employing effect size analysis. Building on from values generated by *t*-tests and analysis of variance (ANOVA), the study employed Cohen’s (1988) *d* (Field, 2013; Fritz, Morris & Richler, 2012) and Cohen’s (1988) *f* (Kotrlik, Williams & Jabor, 2011:138) rules of thumb respectively to interpret effect sizes.

Fourth, as far as this researcher knows, it is generally the above-specified proprietary indices that calculate composite nation brand indices and rank countries periodically. To date only a few academic country branding studies inspired by the COBBE-approach (e.g. Fetcherin, 2010; Kalamova & Korad, 2010) and the CUBBE macro theory (e.g. de Queirozi & Girald, 2015) have computed overall country brand indices. Nonetheless, these academic models and their proprietary counterparts mentioned above were not conceived with stakeholder-driven FDI destination branding in mind. Furthermore, the three academic indices above are not weighted. Therefore, this study has made an original and fundamental methodological addition to knowledge as it has developed and tested four SON-FDIBE computation methodologies (two of them weighted). The first set of two SON-FDIBE indices are unweighted or equal weighted. The first of the equal weighted indexes is based on mean scores of the conceptual model’s 105 items before empirical validation. The second unweighted SON-FDIBE index is based on empirical factor solutions extracted by PCA from country datasets i.e. 10 components for South Africa and 12 for Zimbabwe. The second or last set consists of two weighted SON-FDIBE indices based on the country factor models one of which derives factor weights from eigenvalue percentage variances generated by PCA and the other from standardised regression weights

generated by SEM. To the best knowledge of this researcher, there is hardly any such a stakeholder-based FDI destination brand index in existing literature.

Fifth, and last, the SON-FDIBE conceptual model was validated with primary data gathered from a sample of comprising university students and other stakeholders i.e. employees of destination management organisations and executives on senior management development programmes. Therefore, attainment of the study's empirical secondary objectives resulted in a significant methodological contribution to the existing body of knowledge on stakeholder-oriented FDI destination branding in general and SON-FDIBE in South Africa and Zimbabwe in particular. The study broke the custom of brand equity studies of relying on students only samples to validate conceptual frameworks. Considering the known weaknesses associated with studies based on students only samples (Baalbaki, 2012; de Queiroz & Giraldi, 2015; Outhavong, 2007; Rojas-Me´ndez, 2013) this study's sample included part-time master's degree and executive managemenmt development programmes' students in full-time management positions in industry and commerce and respondents drawn from other key stakeholder groups in order to meet the criterion of stakeholder inclusiveness. Baalbaki (2012:40) mourns that most existing scales lack methodological rigour and applicability because they were validated using students' samples only. Although students are younger and more educated than the general population and are a more homogenous group, which makes their sample present small variance in answers (de Queiroz & Giraldi, 2015:1198) their exclusive inclusion in validating nation brand equity scales is associated with a number of disadvantages. The disadvantages associated with student only convenience samples include concerns with age, desire to please professors, and even the limitations of their experience while in college (Outhavong, 2007:30). In this study those concerns perhaps only hold true to a limited extent because master's and executive development programme students in fulltime managerial jobs and employees of sectorial destination branding agencies were included in each country sample.

This study followed a mixed case study and survey research design hence made a contribution from that perspective by way of literal and theoretical replication. Eight common factors (with varying degrees of similarity in terms of items) were extracted by PCA and confirmed with CFA and SEM from the South African and Zimbabwean datasets i.e. government, telecommunications infrastructure, economy, technology, organisation, markets, education and

training, and generic infrastructure. This confirms that multiple case study research strategy lived up to its assumption of literal replication i.e. getting common findings in different case studies included in one study. At the same time, South Africa has two unique components in its factor solution i.e. society and ecology and tourism, which distinguishes it from the Zimbabwean factor model. On the other hand Zimbabwe has four factors i.e. taxation and domestic competition, population and country health, crime and natural disasters, and macroeconomic influences, which differentiates it from the South African component solution. The unique factors in each country factor solution confirms the assumption of theoretical replication in multiple case study research strategies wherein cases are expected to differ with respect to some findings.

12.4.3 Managerial contributions

"Evidence-based policy making and the effective evaluation of public policy have become increasingly important in recent years" (World Bank, 2010:213). The practical, managerial or policy contributions of this study are inherent in the topic and SON-FDIBE conceptual framework. Globalisation has raised interest in nation brand and competitiveness management among destination managers, policymakers, and corporate executives in developed and developing countries. Countries now face stiff competition in mobilising global finite resources such as tourists, businesses, international goodwill, and talent which are critical for sustainable national development and prosperity. Country image and reputation play a critical role in enabling countries to attract these resources. The SON-FDIBE model has made a significant contribution to the practice of country management especially as it applies to Africa. Despite having considerable natural resource endowments, they could exploit to building their overall competitiveness, many African countries have a poor image and brand just like their mother continent. Those countries could position themselves strategically to attract an optimum share of FDI to address the development problems they face, if they adopt the SON-FDIBE model. The economic value of endowments is influenced by policies countries adopt (Delgado *et al*., 2012:12). A competitive nation is one which enriches the value of natural resource endowments by warranting a conducive environment for business (Delgado *et al*., 2012:12). National prosperity is created, not inherited because it does not grow of out of a country's natural endowments, its labour pool, its interest rates, or its currency's value, as classical economics insists (Porter, 1990a:93). Consequently, the SON-FDIBE index is a

multidimensional policy formulation and evaluation framework that can help countries design balanced and sustainable national development policies. In principle, such policies must empower countries to attract meaningful FDI flows in accordance with their national development visions and goals. "Insights into the determinants and magnitude of successful program and policy outcomes can be used to inform future policy decisions" (World Bank, 2010:213). The balance and sustainability of national development policies is correlated with the level of perceived country risk—political, economic, and market risks. Consequently, the SON-FDIBE framework has made significant managerial contribution to country management practices by demonstrating how countries can assess their government, economy and market dimensions with a view to increasing their investment attractiveness. In fact, the model enables a country to assess its investment brand equity overall, by factor and variable. Each factor and variable is tied to national development policy outcomes.

Prior to this study no such comprehensive academic framework existed which could help African countries to evaluate FDI destination competitiveness policies from a stakeholder-oriented nation branding perspective. The SON-FDIBE framework does not only offer a composite country score hence the possibility of ranking but also enables benchmarking countries on defined policy areas specified by its theoretical components or sub-indexes. This means that policymakers and destination managers can either formulate new FDI policies or analyse and improve existing ones using the framework as a basis. In the context of Zimbabwe, "…there is a need to collect current and relevant data to facilitate a full description of the economy, employment, and poverty situation in the country to inform policy and programme formulation, implementation, monitoring, and evaluation" (Government of Zimbabwe & United nations Country Team, 2010:21). The SONFDIBE conceptual framework may be one of the starting points in that effort, especially as its constructs relate to the United Nations 2030 Global Agenda for development.

Moreover, the SON-FDIBE model is equally useful to multinational enterprises or any businesses adopting FDI as a foreign market entry strategy for the first time. Foreign direct investors have to carefully choose their investment destinations in order to minimise their exposure to country risk and maximise potential returns. Country risk is one of the considerations in FDI location decision making (Bouyahiaoui & Hammache, 2014; Grzegorczyk & Budzyński, 2015; Hayakawa, Kimura & Lee, 2012; Săvoiu, Dinu & Ciucă,

2013; Petrović & Stanković; 2009). Applying the constructs and variables of the SON-FDIBE model, a foreign investor can assess the attractiveness of a prospective target host country as an investment destination.

FDI has several benefits for countries, such as, employment creation, capital development, export development, technology transfer, competitiveness, training and technology transfer (Abala, 2014; Cywiński & Harasym, 2012; Iamsiraroj & Doucouliagos, 2015; Mohamed & Sidiropoulos, 2010; OECD, 2014; Wang & Wang, 2014; World Bank, 2015b; WEF, 2015a), and poverty reduction (Gohou & Soumaré, 2012; Assadzadeh & Pourqoly, 2013; Westerberg, 2011). Moreover, technology enhances nation competiveness or reputation (Bivolaru, Andrei & Purcăroiu, 2009; Buhmann & Ingenhoff, 2015; Cywiński & Harasym, 2012; Hornberger, Battat & Kusek, 2011; WEF, 2014; Rojas-Me´ndez, 2013) and FDI is a favourite source of capital for funding a current account deficit since FDI is non-debt-creating (World Bank, 2015a:112). Therefore, the SON-FDIBE model provides policymakers and destination managers pressed for an evidenced-based approach to national development management with a diagnostic tool for assessing country FDI marketing policies. The SON-FDIBE framework is not a country branding communication model but an FDI policy audit and formulation tool. Countries can assess their FDI policies and design practical and worthwhile social equity driven FDI policies if they adopt the SON-FDIBE model. Evidence from South Africa and Zimbabwe where this model has been test-driven is, tentatively, showing that the methodology is beneficial to countries because it can enable them to measure and reposition their FDI brand from a stakeholder perspective. In addition, given that the SON-FIDBE model is rooted in nation branding and economic theory, its validation in this study implies that both country branding and competitiveness projects must be integrated and managed as harmonised programmes. The recommendations sections of this chapter provides further evidence for the practical benefits of this model.

Most importantly, the study has made a practical contribution in clarifying that nation branding is not promotion. Nation branding is a rigorous and ongoing national development policy formulation, implementation and evaluation process. A country cannot embark on a marketing communications campaign to change stakeholder negative attitudes and perceptions caused by the reality of the country unless it changes its policies and behaviours in a manner that fosters stakeholder trust and confidence in the country. Therefore it takes a considerable amount of

time to build reputation of an unknown brand and even more time to rebuild that of a destroyed one. The practical implication of this reality is that country management, policymakers, should as far as possible avoid any decisions that have potential negative image and reputation consequences. Country branding is thus country strategic brand management. "Program and policy evaluation is important, because it is necessary to make optimal use of public funds by maximizing the desired outcomes and ensuring that scarce resources are efficiently allocated (World Bank, 2010:213).

12.5 LIMITATIONS OF THE STUDY

Any research has its limitations. Despite concerted efforts to minimise them, below the limitations of this study are presented.

12.5.1 Conceptual and methodological limitations

A rationally designed theoretical framework is informed by literature, **observation and interviews** (emphasis added) (Baalbaki, 2012; Malhotra & Dash, 2011; Sekeran & Bougie, 2010). The SON-FDIBE conceptual octagon was developed entirely based on extant literature hence it was not sufficiently stakeholder-driven as it should have been had interviews been carried out as part of its construction process. Most proprietary country branding indices and academic models reviewed in the study were generated in industrialised countries. Hence depth interviews with selected stakeholders in South Africa and Zimbabwe might have helped to improve the relevance of the theoretical framework to the countries. Within the broad area of branding, country branding included, some researchers following the quantitative approach have conducted depth interviews as part of conceptual framework building and pre-survey validation of constructs and items process (e.g. Baalbaki, 2012; Cho, 2011; Lamelas, 2011). Therefore, while the SON-FDIBE conceptual framework is comprehensive, the multidimensional scaling path it followed is somewhat deficient because it ignored depth interviews and observation as methods of generating and face-validating scale constructs and items before the study was carried out.

Secondly, the study's findings cannot be generalised statistically or quantitatively but only qualitatively or theoretically because it relied on convenience sampling to select samples for

the two national case studies. This was because there were no sampling frames for the various target stakeholder groups from which respondents selected to participate in the study. Nonetheless, the study's findings can be theoretically generalised to existing nation branding proprietary indices and academic studies in respect of items and constructs (see e.g. Creswell, 2014; Malhotra & Dash, 2011; McGivern, 2013; Saunders, Lewis & Thornhill, 2012; Sekeran & Bougie, 2013). The value of case studies can be that they are theoretically representative and explanatory (Rainisto, 2003:94) or theoretically generalisable (Blumberg, Cooper & Schindler, 2011:256). Researchers can generalise findings from non-probability samples but not on statistical grounds (McGivern, 2013; Saunders, Lewis & Thornhill, 2012). This is what is referred to as "qualitative generalisation" (Creswell (2014:246) i.e. generalising findings to theories or case studies in a study area.

Service marketing literature acknowledges the role of stakeholders in deciding cutoff point for an index (Hirschfeld & Thielsch, 2015; Rodrigo-Rincón, Reyes-Pérez & Martínez-Lozano, 2014). The researcher decided the threshold point of ≥ 4 for this study drawing on the formula for computing the arithmetic mean. This violated the stakeholder principle followed in conceiving, constructing and validating this SON-FBIBE theoretical framework. The index could have been more stakeholder-focused had the research instrument included a question on the ideal cutoff point for the scale differentiating "weak" from "strong" SON-FDIBE.

In addition, the factor weights for the SON-FDIBE index were decided basing on statistical methods only—i.e. PCA's percentages of variance and SEM's standardised regression weights. Although these techniques have added to body of knowledge on FDI destination branding, they might have rewarded (or punished) components that these weighting procedures judged statistically more (or less) important. One cannot rule out that expert opinion may have differed and reflected better policy priorities than inferences from these statistical procedures. Deciding suitable components of composite indexes and their weights is a critical part of the aggregation process before an index is computed (Fetscherin, 2010:471). As such, the study could have benefitted from a participatory weighting method like the budget allocation process (BAP). In the BAP, experts in an agreed theme (*e.g.* innovation, education, health, biodiversity, etc.) explained by a set of indicators are invited to allocate a "budget" of 100 points to the indicator set, based on their experience and personal judgment of the relative importance of the respective indicators (OECD, 2008:31). Component weights are then

computed as average budgets. In a fragile and uncertain business environment like Zimbabwe, the contribution of participatory vis-à-vis statistical weighting methods cannot be underestimated.

While the SON-FDIBE model only performed fairly well in three out of the four goodness-of-fit indices used to validate its suitability to the data i.e. Chi-square statistic, RMSEA, and Hoelter's Critical N, except the CFI, it is weak in that the validation was at the first order level because factor confirmation with SEM was only done once with the original data, which is exploratory. As a result, the researcher did not modify the model (i.e. delete the delinquent items) in order to improve model validity since he did not gather new data from a new sample for a second order CFA (see e.g. Hurley *et al*., 1997:681). Moreover, the researcher could not delete the delinquent variables because of what is known about the construct(s) that the items are measuring (Green & Salkind, 2011; Tabachnick & Fidell, 2007) and without consulting stakeholders for the variables' policy suitability.

12.5.2 Managerial limitations

Although the SON-FDIBE model is designed for developing countries, particularly those in Africa, most of which are not included in some of the widely used proprietary umbrella nation branding indexes (e.g. Anholt-GfK Roper NBI^{SM}, FutureBrand's CBI) and dedicated FDI reputation index (i.e. AT Kearney FDI Confidence Index®), the model was tested in two countries only—South Africa and Zimbabwe. Therefore, it cannot not be assumed that the framework is relevant to all countries in the SADC, COMESA and Africa unless it has been tested on a larger sample of countries. Country environment is complex (**see Chapter 3**). It varies from country to country even within one geographical region and one regional economic integration bloc such as SADC. The SON-FDIBE framework, thus, cannot be taken off the shelf for application in any other countries, even within the SADC and Africa, without first customising and validating it to the countries concerned because it has so far only been tested in two countries.

The study is recommending factor analysis, particularly CFA as a technology for building and calculating a weighted SON-FDIBE including even umbrella nation brand equity. Because country environments differ, some countries are stable e.g. South Africa and others are not.

For example, Zimbabwe is characterised by uncertainty because of its personality traits like policy instability (**e.g. item 3.8.6 Stability of legal system i.e. public confidence in legal system, μ = 3.25, SRW = 0.770; Table 9.13, Chapter 9**), policy inconsistency (Mbaiwa, 2016; Mlanga, 2014b; Reserve Bank of Zimbabwe, 2012), and fragility (**see e.g. Fund for Peace, 2010-2015; Table 3.33 in Chapter 3**). The application of statistical weighting methods such as SEM in constructing and computing brand equity composite indices has its limitations in countries with an uncertain environment. "While some analysts might choose weights based only on statistical methods, others might reward (or punish) components that are deemed more (or less) influential, depending on expert opinion, to better reflect policy priorities or theoretical factors (OECD, 2008:31). As such, the value of exploring participatory weighting methods like budget allocation processes, analytic hierarchy processes, and conjoint analysis in a study of this nature cannot be overemphasised (OECD, 2008:31).

Nation brands continuously evolve in order to maintain a viable fit with their dynamic global environment. The effectiveness of nation branding strategy should be evaluated on an ongoing basis (Dinnie, 2008:230). The SON-FDIBE was generated in an academic undertaking and is only exploratory. There are no resources to continue with this study after the researcher has earned his doctoral degree yet it has such immense benefits for developing countries, particularly those in SADC and Africa which are recording moderate FDI inflows. The performance of country brands need to be continuously evaluated in order to inform country branding exercises. Therefore, any country interested in taking forward this model to analyse its FDI brand equity would have to invest its own resources to do so. Save for the AT Kearney FDI Confidence Index®, which in any case only surveys the world's 25 top national FDI destinations every year, the various existing proprietary nation brand tracking indices do not specifically consider country brand equity in the context of FDI. An FDI destination branding index such as the SON-FDIBE framework, focusing on developing countries, will go a long way in assisting countries in the SADC and Africa in general to analyse and improve their FDI marketing policies hence contribute to their economic development. The index will be more valuable if it tracks FDI brand equity on a regular basis, for example, yearly. Among other negative stereotypes, Sub Saharan Africa is reputed for high levels of poverty and underdevelopment. Between 2011 and 2016, Africa received average FDI inflows of 3.5 percent per annum (UNCTAD, 2013-2016a) **(see Table 2.4, Chapter 2)**.

How can the SON-FDIBE model help countries to improve their global brand equity and/or competitivess? This thesis notes that, while the concepts of nation brand equity and nation competitiveness are variously defined, they essentially seek to fulfil one goal—sustainable national development. As a result, when policymakers, destination managers and consultants carry out country branding and competitiveness projects, they need to be open-minded and flexible even as they apply the SON-FDIBE model to audit country performance. To improve a country's international competitiveness, IMD (2014:487) suggests that: "One needs to take into account the specific environment, value system and cultural heritage of a country in order to define what is acceptable or not and to draw the consequences and policy implications which are advisable for your economy." Lee (2009:66) echoes the same opinion: "…to achieve a nation's sustainable development, it is important to develop a nation brand strategy that applies to a nation's economic, political, social, and cultural development strategy." Nonetheless, the SON-FDIBE framework is not a "quick-fix" solution to a country's competitiveness and reputation problems. Improving country reputation can take many years but destroying it may take a moment. A brand may still evoke a number of positive or negative associations after several years (Kapferer, 2008:438). Nation reputation wields huge apathy, consequently generations can pass before improvements in the reality of the country finally lead to a better image (Anholt, 2009:x). Therefore, governments should prudently consider the implications for any decision they make in order to reduce the potential negative consequences for their country brand locally and globally.

12.6 RECOMMENDATIONS

Research provides information relevant to management decisions but does not provide solutions because solutions need management judgement (Malhotra & Dash, 2011:38). Given the study's findings as presented in Chapters 8 through 10, discussed in Chapter 11, and the conclusions presented earlier on in this chapter above, the governments of South Africa and Zimbabwe need to consider the recommendations suggested in this section. As the countries do so it is critical that they (but especially Zimbabwe) realise that nation competitiveness and nation branding are closely related, and in fact, one national development lenses, projected from the seemingly unrelated but in reality, correlated theories of country competitiveness (developed in economics) and country brand equity (developed in marketing). As each country considers the suitability of the individual recommendations, it should take into account the

standardised regression weight coefficient and mean score for each factor and brand attribute **(Tables 8.9 & 9.13 in Chapters 8 & 9 respectively)**. The two values suggest the amount of effort each country must invest to improve its SON-FDIBE. For instance, the closer the standardised regression weight is closer to 1 and the mean score is below or just above 4, the more the effort the country should spend in trying to improve its SON-FDIBE.

12.6.1 Government: Factor 1 (South Africa and Zimbabwe)

The two countries need to improve their SON-FDIBEs within the government sub-index considering that this is most important factor in their respective factor solutions and yet rated below the study's cutoff point. As each country seeks to improve its government-based FDI brand equity, it needs to focus on specific items in its component.

- **South Africa** in particular needs to focus on 21 of the 24 items in its government component with means ratings below 4, the cutoff point. The only items it could address without pronounced emphasis are 3.8.18 Protecting intellectual property rights (e.g. copyrights, trademarks, patents, etc.), 3.8.19 Enforcing competition laws, and 3.8.13 Tax regulations because their mean scores are greater than or equal to 4. Variables deserving urgent attention to improve FDI brand equity because of low ratings among the 21 attributes are 3.8.17 Carefulness of government spending, 3.8.3 Efficiency of government bureaucracy (i.e. paperwork, procedures, agencies licensing one business, etc.), 3.8.14 Reliability of police services, 3.8.4 Fairness of public institutions, 3.8.5 Transparency of government policymaking (**see Table 8.9 in Chapter 8**).
- **Zimbabwe** needs to address all 20 attributes in its government component if it is to improve its stakeholder-based FDI brand attractiveness. Thirteen (13) items in its government sub-index deserve urgent attention: 3.8.17 Carefulness of government spending, 3.8.23 Policy consistency, 3.8.5 Transparency of government policymaking, 3.8.22 Readiness to adapt national character to fit global economy, 3.8.18 Protecting intellectual property (e.g. copyrights, trademarks, patents, etc.), 3.8.6 Stability of legal system (i.e. public confidence in the legal system), 3.8.9 Extent to which FDI policy allows foreign ownership, 3.8.20 Flexibility of labour laws, 3.8.21 Policy clarity on ownership of agricultural real estate (land), 3.8.7 Efficiency of legal system in challenging regulations, 3.8.19 Enforcing competition laws, 3.8.24 Rule of law, 3.8.14

Reliability of police services, and 3.8.25 Country risk (e.g. political, financial, expropriation, reputation, etc.).

- Both the **South African and Zimbabwean governments** need to consider offering basic courses in marketing, leadership, policy analysis, and strategic management to their policymakers and senior civil servants in local and central government.

12.6.2 Ports and Telecommunications Infrastructure (Factor 2, South Africa) and Telecommunications Infrastructure and Public Transport (Factor 4, Zimbabwe)

South Africa and Zimbabwe need to keep doing the good work they have been doing before to deserve the strong mean ratings they have received in this factor and its causal association to the dependent variable. Nonetheless, Zimbabwe needs to address issues related to 3.6.14 Efficiency of public transport system, the only item in this factor mean rated below the cutoff point. In addition, notwithstanding the fact that the country got positive rating on variable 3.6.12 Affordability of internet including broadband services, Zimbabwe needs to address prices of broadbent internet services. Broadband internet services in the country are pricey considering that Zimbabwe is a low-income country.

12.6.3 Economy: Factor 4 (South Africa) and Factor 12 (Zimbabwe)

The South African and Zimbabwean governments should address issues in their respective economy components to improve their SON-FDIBEs.

- Seven out of 16 attributes in the **South African** economy factor worth of improvement because of mean ratings below the cutoff point are 3.4.8 Exchange rate, 3.4.3 Income distribution or GDP per capita, 3.4.6 Inflation rate, 3.4.2 Economic (GDP) growth rate, 3.4.7 Interest rates, 3.5.4 Effect of taxation on incentive to work, and 3.5.3 Effect of taxation on incentive to invest.
- Both **South Africa** and **Zimbabwe** need to adopt employee taxation policies that increase productivity per employee and encourage highly productive staff to invest in the home country (see 3.5.4 Effect of taxation on incentive to work).
- From the 10 items in **Zimbabwe's** economy component, all but one need to be improved because their mean scores are below the threshold point. Of the nine items six deserve to be given urgent attention due to having low mean ratings: 3.4.2 Economic

(GDP) growth rate, 3.4.11 Export performance, 3.4.16 FDI incentives (e.g. tax holidays, special economic zones, etc.), 3.1.6 Quality of life (i.e. affordability of basics and wants of life), 3.4.9 Number of reputable industries (regardless of ownership), and 3.4.10 Number of reputable brands.

12.6.4 Technology: Factor 5 (South Africa) and Factor 10 (Zimbabwe)

South Africa needs to maintain the good work it has been doing to deserve the strong overall mean rating it got in the technology component. In contrast, Zimbabwe needs to focus on seven of the eight items in this factor because their mean scores are below the threshold point.

- **South Africa** should address issues related to item 3.2.5 Government funding for R&D (universities included) regardless of the positive marginal mean rating for this item because of issues related to university fees which sparked nationwide student demonstrations in the last year or two.
- Three items requiring immediate redress to improve **Zimbabwe's** technological FDI brand equity are 3.2.5 Government funding for R&D (including universities), 3.2.2 Quality of information technology in government institutions, and 3.2.3 Company investments in R&D. As a starting point, the Zimbabwe government's commitmitment to make a budgetary allocation of at least 1 percent of GDP to R&D investment is a welcome policy initiative (see Science, Technology and Innovation Policy of Zimbabwe, 2012:14).
- **South Africa and Zimbabwe** need to explore strategies for mainstreaming science, technology, innovation and creativity in all sectors of their economies e.g. by establishing an innovation and creativity department within their existing structures driving the nation branding and competitiveness management agenda or standalone agencies. The countries can draw on indices such as the GCI and GII to inform their national innovation policies, of course in line with their national development priorities.

12.6.5 Organisation: Factor 6 (South Africa) and Factor 11 (Zimbabwe)

South Africa and Zimbabwe need to improve their mean ratings in the organisation factor of their empirical factor solutions.

- Both South Africa and Zimbabwe need to improve their mean ratings in the five items from the original organisation construct of the SON-FDIBE theoretical framework.
- To improve its FDI brand equity, **South Africa** needs to address issues related to nine of the 11 items in its organisation sub-index. Six of those 11 attributes need urgent redress i.e. 3.7.5 Stakeholder trust in the country, 3.7.2 Clear shared national values, 3.7.1 Clear shared national vision, 3.7.3 Effectiveness of national development plan, and 3.7.4 Stakeholder participation in policymaking (e.g. local businesses, foreign investors, labour, academia, media, general public, etc.). Furthermore, the country must address policy issues related to item 3.5.18 State of industrial relations.
- All 10 variables in the **Zimbabwean** organisation component need to be improved if the country is to improve its FDI brand competitiveness. Nine of the items actually deserve urgent attention: 3.8.3 Efficiency of government bureaucracy (paperwork, agencies licensing one business, etc.), 3.7.5 Stakeholder trust in country, 3.8.2 Competency of public institutions, 3.8.4 Fairness of public institutions, 3.7.3 Effectiveness of national development plan, 3.7.4 Stakeholder participation in policy making (investors, labour, media, public, etc.), 3.7.1 Clear shared national vision, and 3.7.2 Clear shared national values.
- **Zimbabwe** needs to learn from Brand South Africa's research management department's effort to summarise its performance in all key existing proprietary indices some of which have been reviewed in this thesis. In view of its lower than expected FDI inflows compared to neigbouring countries like Zambia and Mozambique, Zimbabwe should consider commissioning a nation brand study.
- In the same way, **Brand South Africa** needs to expand the list of private indices it annually reviews the country's reputation on taking advantage of additional existing indexes reviewed in this study.

12.6.6 Markets: Factor 7 (South Africa) and Factor 9 (Zimbabwe)

- **South Africa** should maintain the good performance that underpins the strong overall and item mean ratings in its markets element which comprises nine items dealing with financial market development, goods market, and labour market issues.

- **Zimbabwe** need to address policy issues linked to all seven items in this factor. Five of the items should be addressed urgently because of poor mean ratings and high SRW: 3.5.16 Capability to attract qualified foreign citizens, 3.5.17 Strength of trade unions, 3.5.15 Capability to retain qualified citizens, 3.5.18 State of industrial relations, and 3.5.10 Capacity utilisation of local firms.

12.6.7 Education and Training: Factor 8 (South Africa) and Factor 2 (Zimbabwe)

The two countries should continue with the good work they have been doing which earned them the strong mean ratings in this component. Both also need to encourage their citizens to learn selected foreign languages of strategic importance to the economic development of the countries e.g. Chinese, French and Portuguese (Item 3.1.5).

- **South Africa** should keep updating its NQF particularly sections integrating and harmonising the country's TVET and professional education sub-systems with the university education sub-system in order to strengthen the equitable and development focused higher education system the country has established. In that endeavour the country should benchmark its NQF with NQFs of New Zealand, Australia and selected countries within the European Union such as Austria and the UK.
- In contrast, **Zimbabwe** should consider urgently expediting the setting up of a NQF and national qualifications authority in order to lay the foundation of an equitable and development-oriented higher education system that the country seems to be lacking in its human development framework as its TVET and university education sub-systems are not harmonised. Zimbabwe can benchmark its prospective NQF with those of South Africa, Namibia, and Mauritius within the SADC and New Zealand, Australia, and the UK internationally as its TVET and professional education subsystem is broadly modelled after that of the UK. In the interim, the Ministry of Higher and Tertiary Education, Science and Technology Development (MHTESTD) need to urgently assess the curriculum of TVET qualifications, especially HNDs and chartered professional qualifications, vis-vis-vis honours degrees and engage ZIMCHE on the way forward. MHTESTD especially should discourage the spirit of rivalry among universities and TVET colleges, which seems to be discouraging integration and mobility in higher education. Furthermore, following international best practice, individual Zimbabwean universities can, in the interim, also assess TVET qualifications, and where necessary,

create bridging programmes to enable holders of HNDs to be enrolled for degree qualifications at levels commensurate with their prior knowledge and experience. TVET colleges, private and public, should also update their curricula in line with international best practice so they can easily dovetail into university qualifications rather than to wait for a time they will be able to offer their own B-Tech and M-Tech programmes. In any case, the establishment of B-Tech programmes at Polytechnics obviously requires more capital than would be needed if the colleges work with existing universities already offering suitable undergraduate qualifications in the chosen fields of HNDs such as engineering (with its various specialisations), information technology, pharmacy, marketing, accountancy, human resources management, tourism and hospitality management, purchasing and supply, and banking and finance. This should enable TVET graduates who want to further their education through universities to do so without being prejudiced, for example, being placed at the same level as high school (Advanced Level) graduates or, at worst, Ordinary Level graduates. Overall, the country must improve access to advanced education for its nationals holding registered or internationally-recognised professional qualifications including HNDs.

- Both **South Africa and Zimbabwe** need to explore ways to mainstream innovation and creativity into their education systems at all levels.
- Both **South Africa and Zimbabwe** need to encourage their higher education inistitutions to explore the viability of developing and offering dual undergraduate business administration or management degrees with courses in Mandarin, French or Portuguese languages, and Chinese, Mozambican and Angolan cultures. In addition, they need to consider advocating the same in respect of short courses in Portuguese targeting firms operating in sectors that Angola and Mozambique import products to satisfy their domestic needs.

12.6.8 Generic Infrastructure: Factor 9 (South Africa) and Factor 7 (Zimbabwe)

South Africa and Zimbabwe need to address policy issues related to all items in their respective generic infrastructure components.

- Policy issues **South Africa** needs to address relate to the following variables: 3.6.1 Quality of roads, 3.8.1 Political stability and unity, 3.6.2 Quality of railroads, 3.8.2 Competence of public institutions, 3.6.6 Quality of electricity supply (frequency of load

shedding), and 3.1.8 Public healthcare (i.e. availability of practitioners, equipment and drugs).

- **Zimbabwe** needs to address all but one of the issues related to the items in its generic infrastructure factor i.e. 3.6.8 Number and capacity of airports, 3.6.2 Quality of railroads, 3.6.3 Nearness of quality ports, 3.6.7 Domestic and international airline departures per day, 3.6.6 Quality of electricity supply (frequency of load shedding), 3.6.1 Quality of roads, 3.6.5 Water, sanitation and waste management, 3.6.4 Ease of access to real estate, and 3.8.8 Resolving insolvency and retrenchment.

12.6.9 Society: Factor 3 (South Africa)

The country needs to improve its FDI brand attractiveness by addressing policy issues related to attributes constituting this factor. Save for item 3.1.15 Control of corruption (prosecutions, sentences, etc.) that needs to be addressed urgently, the country should address key issues linked to six of the remaining seven variables in this factor including those with mean ratings above the threshold because the ratings are controversial. The six variables are 3.1.11 Frequency of violent crime, 3.1.13 Risk of xenophobic or political violence, 3.1.9 Prevalence of HIV and AIDS, 3.1.10 Risk of Tuberculosis, Cholera and Malaria, 3.1.7 Prevalence of poverty, and 3.1.12 Level of personal security.

12.6.10 Ecology and Tourism: Factor 10 (South Africa)

South Africa should keep in place the policies that enabled it to receive the strong rating it got in this factor.

12.6.11 Taxation and Domestic Competition: Factor 3 (Zimbabwe)

The country needs to address policies linked to all the seven items in this factor including those with mean ratings that are marginally strong because of the existing knowledge on the country's performance in those indicators. One item in the factor, 3.5.5 Prevalence of foreign ownership, requires immediate attention. The country also needs to address all items in this factor dealing with taxation despite that two of them are positively rated because of existing knowledge on taxation issues in the country.

12.6.12 Population and Country Health: Factor 5 (Zimbabwe)

Although the country's overall mean rating on this factor was greater than 4, it needs to urgently address policy issues related to items 3.1.7 Prevalence of poverty and 3.1.10 Risk of Tuberculosis, Cholera and Malaria because their rating is below and just above the cutoff point respectively. In addition, the country needs to craft and implement policies to reduce prevalence of corruption in the country despite that this study yielded a positive rating for item 3.1.14 Level of corruption. Zimbabwe's rankings in Transparency International's CPI are extremely negative and inconsistent with the rating for the same variable in this study. Furthermore, the country needs to continue implementing policies to reduce new HIV infections despite that attribute 3.1.9 Prevalence of HIV and AIDS was positively rated. HIV and AIDS are still a huge burden to the country's economy.

12.6.13 Crime and Natural Disasters: Factor 6 (Zimbabwe)

Zimbabwe needs to address policy issues connected to political violence especially in the run up to general elections given the experience in the country and the weak rating it got on item 3.1.13 Risk of xenophobic or political violence. Considering that such violent and criminal acts stain the country's image ($\mu = 3.80$; $SD = 2.386$) and affect the decision making of foreign direct investors ($SRW = 0.737$; $SMC = 0.543$) according to the findings of this study, government needs to have a well-defined policy on dealing with political violence if it is serious about improving the country's FDI inflows. To enable specific interventions or policy changes to be adopted, political violence should not be just be interpreted as ordinary crime.

The country also needs to put in place an emergence plan to deal with recurring droughts and floods given the negative mean rating in received for item 3.3.3 Risk of natural disasters ($\mu = 3.78$; $SD = 1.995$) and the causal effect this variable has to FDI inflows ($SRW = 0.579$).

12.6.14 Macroeconomic Influences: Factor 8 (Zimbabwe)

Zimbabwe needs to put in place strategies to deal with policy issues that are responsible for its poor mean rating in this factor focusing on inflation, interest and exchange rates (Items 3.4.6 to 3.4.8).

12.7 AREAS FOR FURTHER RESEARCH

12.7.1 Further validation of SON-FDIBE conceptual framework with a random sample

Since the model was validated with data collected from a convenience sample comprising a limited number of stakeholders, it is fundamental that it is further tested on a bigger and random sample with better representativeness in terms of stakeholder groups. Most importantly, the stakeholder groups should particularly be enlarged to include traditional, emerging and prospective FDI source markets for each country.

The South African factor solution has a total variance explained of 65.9 percent and its Zimbabwean counterpart has a cumulative variance explained of 58.71 percent. This means that further tests are required if the total variance explained for each model is to be improved. In addition, the conceptual framework was constructed basing on a review of existing literature only yet comprehensive model building should also include observation and depth interviews. Therefore, it will be critical to conduct depth interviews covering a cross section of stakeholder groups in the FDI destination branding domain in order to improve the face validity of the models before further rigorous quantitative validating is done.

Out of the four goodness-of-fit indices that were used to validate the SON-FDIBE conceptual framework in the first order CFA – i.e. Chi-square statistic, RMSEA, CFI, and Hoelter's Critical N – the model performed fairly well in all except the CFI. Is is therefore critical that further research looks into the area of GFIs with a new set of data in order to further purify the model.

12.7.2 Validating the SON-FDIBE model beyond South Africa and Zimbabwe

The SON-FDIBE conceptual framework was tested in South Africa and Zimbabwe only. Given the intense competition for FDI among countries regionally and globally and the value

of this model in helping them to formulate, implement, and evaluate FDI destination branding policies, it is important that the framework is validated for managerial relevance within the broader context of the SADC, African continent, and developing economies in general.

12.7.3 Testing the SON-FDIBE model in umbrella nation branding studies

Existing nation branding literature claims, from a conceptual standpoint, that the general dimensions of a nation brand also affect a country's reputation as an FDI destination. Therefore, studies that test the SON-FDIBE model within the umbrella nation branding context are welcome.

12.7.4 SON-FDIBE index cutoff point

The threshold-point for the SON-FDIBE index of greater than or equal to 4 was decided by the researcher basing onthe formula for calculating mean. Good practice in customer satisfaction literature suggests that users should decide the threshold point for an index (e.g. Hirschfeld & Thielsch, 2015; Rodrigo-Rincón, Reyes-Pérez & Martínez-Lozano, 2014). Follow up studies validating the SON-FDIBE Index should ask respondents to suggest their preferred cutoff point for the index and their suggestion should be adopted and used whenever this model is used.

12.7.5 Deconstructing and researching SON-FDIBE components individually

Much as umbrella nation branding studies can be constrained in respect of the number of constructs and items they can accommodate, a study focusing on one outcome area of the nation brand such as this one may still be limited in some way due to the complexity of country brands. As a result, studies that deconstruct the SON-FDIBE model and research its dimensions individually in order to produce academically and managerially rigorous models are welcome. In that endeavor, it will be worthwhile to conduct research on each of the dimensions of SON-FDIBE individually as suggested in the following topics and/or sub-topics:

- Society and FDI destination brand equity;
    - In South Africa studies that measure the effect of crime and xenophobia on FDI brand equity will be welcome,

- In Zimbabwe, researches that assess the relationship between political violence and FDI brand attractiveness will be welcome,
- Furthermore, studies that measure the contribution of Zimbabwe's TVET vis-à-vis university education sub-sectors to the country's higher education brand equity would be critical to discuss the way forward for the country.

- Technology and nation FDI brand competitiveness;
  - Role of technology in FDI
  - FDI and technology transfer
  - Role of higher education and particularly the TVET sector in FDI and technology transfer
  - How South Africa and Zimbabwe can align their science, technology and innovation policies across all sectors of their economies
- Ecology and country FDI brand attractiveness;
  - The impact of natural disasters on nation brands and FDI destination brands
  - The impact of artificial or man-made disasters on the FDI sub-brand also needs to be investigated because there is a scarcity of literature on this aspect (see Garelli, 2014; Rojas-Me´ndez, 2013). For instance, considering that economic crisis may be a human-induced (see Escaleras & Register, 2011; Fund for Peace, 2014; Garelli, 2014; Noy, 2009; Oh & Oetzel, 2011; Pant & Sigdel, 2004; Rojas-Me´ndez, 2013; UNDP, 2014; Sawada, Bhattacharyay & Kotera, 2011; Thampanishvong, 2013) it is imperative to study whether and how the Zimbabwean economic crisis has affected its global nation brand;
- Economy and country FDI brand reputation;
- Markets and nation FDI brand attractiveness;
- Infrastructure and FDI destination brand strength;
- Organisation and FDI destination brand equity; and
- Government and country FDI brand competitiveness.

12.7.6 Ascertaining association between SON-FDIBE conceptual model and United Nations' sustainable development goals

This thesis suggests that the components and variables of the SON-FDIBE model are conceptually correlated with sustainable development goals (SDGs) of the United Nations

(UN) as set out in the UN 2030 Global Agenda for Development (**see Figures 6.1, 12.1 and 12.2**). A casual comparison of SON-FDIBE variables and 16 of the 17 SDGs from SDG 1 (No poverty) to SDG 16 (Peace, justice, and strong institutions) shows a strong theoretical association between the two frameworks based on themes. Consequently, future empirical research that test this hypothesised association is welcome. If evidence is found that the two concepts are significantly interrelated then countries and the UN can concurrently apply the SON-FDIBE index to measure progress towards meeting FDI goals and SDGs. While literature on country attractiveness or branding acknowledges the link with the theory of sustainable development (e.g. Lee, 2016; Lee, 2009) there is a scarcity of methodologies that measure the two from an integrated standpoint. FDI plays an important role in financing for development and supporting progress towards SDGs (United Nations Conference on Trade and Development, 2015:213).

12.8 PERSONAL REFLECTIONS

I learnt a lot in the last four years as I worked on this doctoral research project. The project deepened my knowledge of the theory of strategic brand management as it applies to countries and their national development policies—nation brand management. As a marketing professional, now I'm confident I can contribute more meaningfully to this emerging and important area than I could do without having done this PhD project. The knowledge I've acquired is so useful. I began applying it to customer satisfaction measurement consultancy assignments I've been involved in soon after I formally registered for the PhD in August 2014; I've done seven such consultancy assignments since 2014 most them very large. I had been registered provisionally as a PhD student at NWU for almost eight months during which period I reviewed mounts of literature and learnt a lot. Considering how useful I've found my new knowledge to be in customer satisfaction consultancy assignments, I'm convinced the knowledge should even be much more relevant to nation brand management—the focus of this thesis. Without the enlightenment I earned through this PhD, I believe I wouldn't be as comfortable as I feel now to coordinate a real-world FDI destination branding project from conception, design, execution, to evaluation. Moreover, given that the dimensions of nation branding are extensive and correlated, I'm also convinced that, I could coordinate even the execution of a real-world umbrella nation branding assignment or one covering any of the other outcome areas like tourism, human capital, or exports individually.

Countries are complex brands hence the need for advanced skills in nation brand management cannot be overemphasised. From the outset, I ensured that my approach was as practical and close to the real-world as possible. Consequently, I widely reviewed existing nation branding literature – proprietary and academic, bonafide and default – to build the needed comprehensive conceptual framework before I collected data. While I feel I didn't attain some of the personal objectives to the extent I wanted by adopting this practical approach, I found the experience – especially of working cross-nationally – hugely motivating and enriching. Had it not been for one of my project leaders who insisted that I should carry on with the project as per orginal scope "because its value lies in its coverage of the two countries" I could've droped one country. The project ballooned because of a number of things one of which was my desire to develop a measurement model to include as many nation brand dimensions and attributes as would be needed in a real-world project. But now, at the end of the writing of this thesis, I've come to realise that this is actually a three-in-one thesis. I think each of the three findings' chapters qualifies to be an independent doctoral thesis in its own right.

Apart from its coverage of two countries, the project ballooned because of the fairly extensive data analysis procedure I adopted which included univariate analysis (e.g. frequencies, means, and standard deviations), bi-variate analysis (e.g. *t*-tests and effect sizes), and multivariate analysis (e.g. analysis of variance, effect sizes, EFA, and CFA). During the second and final presentation of the proposal for this PhD project to the panel of NWU Potchestroom Business School professors on 27 August 2014, I vividly recall one panelist queried why I proposed to analyse my data with both EFA and CFA. The panelist, who became one of my two project leaders, argued that EFA on its own would make enough contribution to knowledge in this area given that this was an exploratory study. He further argued that since it takes many years to validate an index, I could instead employ CFA in my post-doctoral research. After he made this comment, I recall there was intense but brief debate among the panelists themselves in the Africaans language in which I merely became a listener. Notwithstanding, the panel allowed me to proceed with the project without suggesting any changes to the proposal.

At that time, I didn't understand the essence of the argument of the panelist until more than two years later when I began to write the study's findings. As I was writing the findings I realised that it was not only a lot of work but also detailed, long and time consuming; I had to

repeat each aspect three times. So, I ended up breaking the findings into three chapters—South Africa, Zimbabwe, and comparison. These findings chapters not only lengthened my thesis but also qualify it as a three-in-one thesis, as already stated. While I found having to write three chapters on findings extra-ordinary, challenging and stressful, overall the opportunity taught and prepared me for the real-world, consultancy, projects I so much enjoy carrying out. I also recall, during data gathering, which took me almost a year, I at one time almost dropped one country from the study because of the challenges I was encountering in collecting data. I had also realised that given the data analysis procedure I was to follow, encompassing EFA and CFA, and index computation, I would have more than enough data for the thesis even if I focused on one country. However, one of the project leaders convinced me to soldier on saying the value of the project would be reduced if I dropped one of the two countries. At that time, I didn't bother. All I wanted was to relieve myself of the pressure. I took refuge in the fact it would only be myself and these professors who had seen the proposal who would envision how the thesis would have been disfigured by the dropping of one of the two case study countries.

I initially observed the symptoms of 'elephantiasis' in this project at the time of writing the case country background and literature review chapters. Instead of having one background chapter and one literature review chapter I ended up with an extra chapter for each of the two before I wrote the conceptual framework chapter. I didn't want that so I had to break the chapters in order to keep their lengths bearable. I also couldn't bear the thesis ballooning further hence the resolve to drop one country, which would have technically halved the length.

Now I'm so delighted that I've completed the project as per the original plan although it has taken me a little longer than I had forecasted. While at times I was upbeat about the project, sometimes I also felt so drained and crushed, really low. The mood swinging experience aside, I found the journey of doing a PhD an enlightening one. As already stated above, I started applying the knowledge I got from this study as far back as 2014 in customer satisfaction consultancy projects. Given the relevance of this PhD to those projects, I've no doubt that the knowledge I've gained in the last four years will help me to grow in my career especially in the domain of nation branding I've grown to love so much.

12.9 SUMMARY

This chapter has presented the conclusions and recommendations of the study within the framework of the main research objective and secondary objectives. From the conclusions and recommendations presented above, it is clear that the study's objectives were satisfactorily attained. South Africa and Zimbabwe have unforvourable SON-FDIBE. Based on the study's findings, in particular the structural equation models presented in Chapters 8 and 9, this chapter also presented the modified SON-FDIBE models of South Africa and Zimbabwe. Next the chapter presented the study's theoretical, methododological, and managerial or policy contributions to the emerging area of nation FDI brand management and also the practical limitations of the study. The chapter then presented the recommendations within the overaching framework of the nation brand factors extracted and confirmed within the study. Lastly, the chapter presented the areas for further research and the researcher's personal reflections.

REFERENCES

Aaker, D.A. & Joachimsthaler, E. 2000. The brand relationship spectrum: the key to the brand management challenge. *California Management Review*, 42(4): 8-23.

Aaker, D.A. 1996a. Measuring brand equity across products and markets. *California Management Review*, 38(3): 102-120.

Aaker, D.A. 1996b. Building Strong Brands. London: Simon & Schuster UK.

Abala, D.O. 2014. Foreign direct investment and economic growth: an empirical analysis of Kenyan data. *DBA Africa Management Review*, 4(1): 62-83.

Abdulai, D.N. 2007. Attracting foreign direct investment for growth and development in sub-Saharan Africa: policy options and strategic alternatives. *Africa Development*, 32(2): 1-23.

Acemoglu, D. & Robinson, J.A. 2010. Why Africa is poor? *Economic History of Developing Regions*, 25(1): 21-50.

Ackermann, F. & Eden, C. 2011. Strategic management of stakeholders: theory and practice. *Long Range Planning* 44, p. 179-196.

Adam, A. & Filippaios, F. 2007. Foreign direct investment and civil liberties: a new perspective. *European Journal of Political Economy*, 23: 1038–1052.

Adebola, O.I., Talabi, F.O. & Lamidi, I.K. 2012. Rebranding Nigeria: the role of advertising and public relations at correcting Nigeria image. *Educational Research*, 3(5): 424-428.

Advocates for International Development. 2012. Legal regimes governing foreign direct investment (FDI) in countries. Advocates for International Development.

African Development Bank & Mubila, M. 2012. Africa's demographic trends. Briefing Note 4, African Development Bank.

African Development Bank. 2011. Infrastructure and growth in Zimbabwe: an action plan for sustained strong economic growth. Tunis.

African News Agency. 2016a. AU states hesitant to embrace rights. *The Star*: 11, 14 Jul.

African News Agency. 2016b. Dlamini Zuma urges AU intervention in troubled South Sudan. *The Star*: 11, 14 Jul.

Ahuya, A. 2014. Destination branding: a holistic approach for brand architecture in tourism industry. India: Jaypee Institute of Information Technology. (Thesis – PhD).

Alao, A. 2007. Natural resources and conflict in Africa: the tragedy of endowments. New York & Suffolk: University of Rochester Press.

Alemazung, J.A. 2010. Post-colonial colonialism: an analysis of international factors and actors marring African socio-economic and political development. *The Journal of Pan African Studies*, 3(10): 62-84.

Al-Ghazzi O. & Kraidy, M.M. 2013. Neo-Ottoman cool 2: Turkish nation branding and Arabic-language transnational broadcasting. *International Journal of Communication 7*: 2341-2360.

Al-Hilani, H. 2012. HDI as a measure of human development: A better index than the income approach? *Journal of Business and Management*, 2(5): 24-28.

Alonso, I. & Bea, E. 2012. A tentative model to measure city brands on the internet. *Place Branding and Public Diplomacy*, 8(4): 311–328.

Al-Sadig, A. 2009. The effects of corruption on FDI inflows. *Cato Journal*, 29(2): 267-294.

Altmann, G. 2000. The changing nature of strategy development - Supporting management thinking. International Conference on Systems Thinking in Management 2000, p. 44-48.

Amin, M. & Isa, Z. 2008. An examination of the relationship between service quality perception and customer satisfaction: A SEM approach towards Malaysian Islamic banking. *International Journal of Islamic and Middle Eastern Finance and Management*, 1(3): 191-209.

Anderson, J.E. 2015. Public policymaking: an introduction. Stamford, USA: Cengage Learning.

Andreasen, A.R. 1994. Social marketing: its definition and domain. *Journal of Public Policy & Marketing*, 13(I): 108-114.

Andrés, M.S., Nunnenkamp, P. & Busse, M. 2013. What drives FDI from non-traditional sources? a comparative analysis of the determinants of bilateral FDI flows. *Economics* 7, p. 1-55.

Anholt, S. 2005a. Brand New Justice: How Branding Places and Products Can Help the Developing World. Revised Edition, Oxford: Elsevier Butterworth-Heinemann.

Anholt, S. 2005b. Three interlinking concepts: intellectual property. nation branding and economic development, WIPO International Seminar on Intellectual Property and Development, Geneva, May 2-3.

Anholt, S. 2008a. From nation branding to competitive identity – the role of brand management as a component of national policy. (*In* Dinnie, K. Nation branding: concepts, issues, practice. Oxford: Butterworth-Heinemann. p. 22-23).

Anholt, S. 2008b. Place branding: Is it marketing or isn't it? *Place Branding and Public Diplomacy*, 4(4): 265-269.

Anholt, S. 2009. Why national image matters. (*in* World Tourism Organization and European Travel Commission. Handbook on Tourism Destinations Branding. Madrid. World Tourism Organization and the European Travel Commission, p. ix-xvi).

Anholt, S. 2010. Definitions of place branding – working towards a resolution. *Place Branding and Public Diplomacy,* 6: 1–10.

Anholt, S. 2013a. Beyond the nation brand: the role of image and identity in international relations. *Exchange: The Journal of Public Diplomacy*, 2(1): 6-12.

Anholt, S. 2013b. Competitive identity Austria. Consultancy Report, Great Yarmouth: United Kingdom.

Anholt-GfK Roper. 2008. Anholt-GfK Roper Nation Brands Index^{SM} 2008 Report. GfK Roper Public Affairs & Media.

Anholt-GfK Roper. 2009. The Anholt-GfK Roper nation brands index^{SM} 2009 report: prepared for Switzerland. New York: GfK Roper Public Affairs & Media.

Anholt-GfK Roper. 2014a. Anholt-GfK Roper Nation Brands Index^{SM} 2014 Report for Norway. New York: GfK Roper Public Affairs & Media.

Anholt-GfK Roper. 2014b. Anholt-GfK Roper nation brands index[sm] 2014 report for Scotland. New York: GfK Public Affairs & Corporate Communications.

Anholt-GfK Roper. 2016a. The Anholt-GfK Roper Nation Brands Index[SM]: 2016 report for Northern Ireland. February 2017. The Executive Office & Northern Ireland Statistics Research Agency. https://www.executiveoffice-ni.gov.uk/sites/default/files/publications/execoffice/nbi-2016-report-for-ni.PDF. Date of access: 23 April 2017.

Anholt-GfK Roper. 2016b. The Anholt-GfK Roper Nation Brands IndexSM: 2016 report for Northern Ireland - Methodological Report. February 2017. February 2017. The Executive Office & Northern Ireland Statistics Research Agency. Available at https://www.executiveoffice-ni.gov.uk/sites/default/files/publications/execoffice/nbi-2016-methodological-report.pdf Date of access: 23 April 2017.

Antonsen, I.M.N. 2010. The stakeholders' involvement in the process of building and maintaining a destination brand. EBAPE: (Dissertation – Master in International Management).

Anyanwu, J.C. 2012. Why does foreign direct investment go where it goes?: new evidence from African countries. *Annals of Economics and Finance*, 13(2): 425-462.

Argandona, A. 2011. Stakeholder theory and value creation. Working Paper, IESE Business School, Spain: University of Navarr.

Armstrong, G. and Kotler, P. 2009. Marketing: An introduction. 9th ed., Upper Saddle River, NJ: Pearson Education.

Aronczyk, M. 2008. Living the brand: nationality, globality and the identity strategies of nation branding consultants. *International Journal of Communication 2*, p. 41-65.

Assadzadeh, A. & Pourqoly, J. 2013. The relationship between foreign direct investment, institutional quality and poverty: case of MENA countries. *Journal of Economics, Business and Management*, 1(2): 161-165.

AT Kearney. 2010. The 2010 AT Kearney Foreign Direct Investment Confidence Index Index®: Investing in a Rebound. Virginia.

AT Kearney. 2012. The 2012 AT Kearney Foreign Direct Investment Confidence Index®: Cautious investors feed a tentative recovery. Virginia.

AT Kearney. 2013. The 2013 AT Kearney Foreign Direct Investment Confidence Index®: business—back to optimism amid uncertainty. Virginia.

AT Kearney. 2014. The 2014 AT Kearney Foreign Direct Investment Confidence Index®: ready for takeoff. Virginia.

AT Kearney. 2015. The 2015 AT Kearney Foreign Direct Investment Confidence Index®: connected risks—investing in a divergent world. Virginia.

AT Kearney. 2016. The 2016 AT Kearney Foreign Direct Investment Confidence Index®: FDI on the rebound? Virginia.

Atilgan, E., Aksoy, S. & Akinci, S. 2005. Determinants of the brand equity: a verification approach in the beverage industry in Turkey. *Marketing Intelligence & Planning*, 23(3): 237-238.

Ayub, A., Razzaq, A., Aslam, M.S. & Iftekhar, H. 2013. A conceptual framework on evaluating SWOT analysis as the mediator in strategic marketing planning through marketing intelligence. *European Journal of Business and Social Sciences*, 2(1): 91-98.

Azar, G. 2013. Managerial perceptions of the cultural distance basis for internationalization decisions by firms. Uppsala: Swedish University of Agricultural Sciences. (Thesis – PhD).

Baalbaki, S.S. 2012. Consumer perception of brand equity measurement: a new scale. Texas, UNT: University of North Texas. (Thesis – PhD).

Baker, M. & Hart, S. 2007. Product strategy and management. 2nd ed., Essex, England: Pearson Education.

Balakrishnan, M.S. 2009. Strategic branding of destinations: a framework. *European Journal of Marketing*, 43(5/6): 611-629.

Baležentis, A. & Balkienė, K. 2014. Innovation policy measurement: analysis of Lithuania's case. *Economic Research-Ekonomska Istraživanja*, 27(1): 1-14.

Balmer, J.M.T. 2001. Corporate identity, corporate branding and corporate marketing: seeing through the fog. *European Journal of Marketing*, 35(3/4): 248-291.

Balorda, J. 2013. Genocide and modernity: a comparative study of Bosnia, Rwanda and the Holocaust. Leeds, UK: University of Leeds. (Thesis – PhD).

Bamiduro, J. A. and Aremu, M.A. 2012. Assessment of the need for and effectiveness of rebranding in Nigeria. *International Journal of Management and Administrative Sciences*, 1(4): 11-22.

Bandura, R. 2005. Measuring country performance and state behavior: a survey of composite indices. New York, NY: United Nations Development Programme.

Barney, J.B. 1996. The resource-based theory of the firm. *Organization Science*, 7(5): 469–469.

Bellack, C. & Leibrecht, M. 2011. Improving infrastructure or lowering taxes to attract foreign direct investment? (*In* Sauvant, K.P., Sachs, L., Davies, K., Zandvliet, R. eds. FDI Perspectives: Issues in International Investment. Vale Columbia Center on Sustainable International Investment, Columbia University. p. 23-28).

Bellak, C., Leibrecht, M. & Stehrer, R. 2008. Policies to attract foreign direct investment: An industry-level analysis. Global Forum on International Investment, 27-28 March 2008. Organisation for Economic Cooperation and Development.

Bénassy-Quéré, A., Coupet, M. & Mayer, T. 2007. Institutional determinants of foreign direct investment. *The World Economy*, p. 764-782.

Berardinelli, F., de Queiroz, A., Paz, L., Dalacqua, R. & Maxnuck, A. 2012. Brazil as a global trading partner: does being in BRICS help? (*In* Larionova, M. & Kirton, J., eds. BRICS New Delhi Summit 2012: stability, security and prosperity. London, Newsdesk Communication: 40-41.

Berkowitz, J.M., Huhman, M., Heitzler, C.D., Potter, L.D., Nolin, M.J. & Banspach, S.W. 2008. Overview of formative, process, and outcome evaluation methods used in the VERB™ campaign. *American Journal of Preventive Medicine*, 34(6S): S222–S229.

Bermúdez, M.L. & Bohórquez, N.A. 2012. Tell me a story: A dialogue between country branding and storytelling. Tilburg, Netherlands: Tilburg University. (Dissertation – Master).

Bhattacherjee, A. 2012. Social science research: principles, methods, and practices. 2nd ed. Florida, USF: University of South Florida.

Bhutta, Z.A., Sommerfeld, J., Lassi, Z.S., Salam, R.A. & Das, J.K. 2014. Global burden, distribution, and interventions for infectious diseases of poverty. *Infectious Diseases of Poverty*, 3(21): 1-7.

Birkland, T.A. 2007. Agenda setting in public policy. (*In* Fischer, F., Miller, G.J. & Sidney, M.S. eds. Handbook of public policy analysis: theory, politics, and methods. Boca Raton, USA: Taylor & Francis. p. 63-78).

Bisa, S. 2013. Rebranding Greece: why nation branding matters. *Exchange: The Journal of Public Diplomacy*, 4(1):61-67.

Bitzenis, A., Tsitouras, A. & Vlachos, V.A. 2009. Decisive FDI obstacles as an explanatory reason for limited FDI inflows in an EMU member state: the case of Greece. *The Journal of Socio-Economics* 38, p. 691–704.

Bivolaru, E., Andrei, R. & Purcăroiu, G.V. 2009. Branding Romania: A PESTEL framework based on a comparative analysis of two country brand indexes. *Management & Marketing*, 4(4): 101-112.

Blackwell, R.D., Miniard, P.W. & Engel, J.F. 2006. Consumer behaviour. 10th ed. Thomson South-Western.

Blain, C., Levy, S.E. & Ritchie, J.R.B. 2005. Destination branding: Insights and practices from destination management organizations. *Journal of Travel Research*, 43(May): 328-338.

Bloom Consulting. 2012. Country brand ranking: 2012 trade edition. Madrid.

Bloom Consulting. 2013. Country brand ranking: 2013 trade edition. Madrid.

Bloom Consulting. 2014a. Country brand ranking: 2014-2015 trade edition. Madrid.

Bloom Consulting. 2014b. Country brand ranking: 2014-2015 tourism edition. Madrid.

Bloom Consulting. 2016. Digital country index: 2016. Madrid.

Bloom Consulting. 2017a. Country brand ranking: 2017-2018 trade edition. Madrid.

Bloom Consulting. 2017b. Digital country index: 2017. Madrid.

Blumberg, B., Cooper, D.R. & Schindler, P.S. 2011. Business Research Methods. 3rd edn, Berkshire: McGraw-Hill.

Blythe, J. 2005. Essentials of Marketing. 3rd ed., Essex: Prentice Hall.

Blythe, J. 2008. Consumer behaviour, London: Thomson Learning.

Böckem, S. & Tuschke, A. 2010. A tale of two theories: foreign direct investment decisions from the perspectives of economic and institutional theory. *SBR* 62, p. 260-290.

Bond, R. McCrone, D. & Brown, A. 2003. National identity and economic development: reiteration, recapture, reinterpretation and repudiation. *Nations and Nationalism*, 9(3): 371–391.

Boone, H.N. & Boone, D.A. 2012. Analyzing Likert data. *Journal of Extension*, 50(2):1-5.

Bouyahiaoui, N. & Hammache, S. 2014. The impact of country risk on foreign direct investments in the MENA region. *Economics, Commerce and Trade Management: An International Journal*, l(1): 1-12.

Bouyahiaoui, N. & Hammache, S. 2014. The impact of country risk on foreign direct investments in the MENA Region. *Economics, Commerce and Trade Management: An International Journal*, 1(1): 1-12.

Boyer, G.J., Whipple, W., Cadigan, J. & Henderson, G.E. 2012. Biobanks in the United States: how to identify an undefined and rapidly evolving population. *Biopreservation and Biobanking*, 10(6): 511-517.

Brand Finance®. 2012. BrandFinance journal: special nation brands issue. United Kingdom.

Brand Finance®. 2013. Nation brands: flying the flag - discover the most valuable nation brands of 2013. United Kingdom.

Brand Finance®. 2014. Nation Brands: referendum relief, sporting spectacles and costly conflict. United Kingdom.

Brand Finance®. 2015, Nation brands 2015: the annual report on the world's most valuable nation brands. United Kingdom.

Brand South Africa & de Kock, P. 2013. South Africa: a top developing and globally competitive nation. Brand South Africa Special Research Report, Apr. 2013, Brand South Africa.

Brown, J.D. 2009. Choosing the right type of rotation in PCA and EFA. *Shiken: JALT Testing & Evaluation SIG Newsletter*, 13(3):20-25.

Brown, J.D. 2011. Likert items and scales of measurement? *JALT Testing & Evaluation SIG Newsletter*, 15(1):10-14.

Browning, C.S. 2011. National self-esteem and internationalism: branding and identity in international relations, Paper presented at the 35th British International Studies Association Annual Conference, Manchester, 27-29 April.

Bryman, A. & Bell, E. 2015. Business research methods. 4th ed. Oxford: Oxford University Press.

Bryman, A. 2012. Social research methods. 4th ed. Oxford: Oxford University Press.

Buarque, D. 2015. One country, two cups—the international image of Brazil in 1950 and in 2014: a study of the reputation and the identity of Brazil as projected by the international media during the two FIFA world cups in the country. *International Journal of Communication* 9, p. 1300–1318.

Buhmann, A. & Ingenhoff, D. 2015. The 4D model of the country image: an integrative approach from the perspective of communication management. *The International Communication Gazette*, 77(1): 102–124.

Campos, N.F. & Kinoshita, Y. 2003. Why does FDI go where it goes? New evidence from the transition economies. IMF Working Paper WP/03/228, International Monetary Fund.

Carey, S. 2010. What aid does to a country's image. *New African*: 94-96, August/September.

Carifio, J. & Perla, R.J. 2007. Ten common misunderstandings, misconceptions, persistent myths and urban legends about Likert scales and Likert response formats and their antidotes. *Journal of Social Sciences*, 3(3): 106-116.

Carr, D.L., Markusen, J.R. & Maskus, K. 1998. Testing the knowledge-capital model of the multinational enterprise. Centre for International Economic Studies (CIE) Seminar Paper 98-05, CIE, University of Adelaide, Adelaide, Australia.

Cateora, P.R., Gilly, M.C. & Graham, J.L. 2011. International Marketing. 15th ed. McGraw-Hill/Irwin: New York.

Chai, J. & Goyal, R. 2008. Tax concessions and foreign direct investment in the Eastern Caribbean Currency Union. IMF Working Paper WP/08/257, International Monetary Fund.

Chailan, C. 2009. Brand architecture and brands portfolio: a clarification. *EuroMed Journal of Business*, 4(2): 173-184.

Chatterjee, S., Mishra, P. & Chatterjee, B. 2013. Determinants of inter-state variations in FDI inflows in India. *Eurasian Journal of Business and Economics*, 6(11): 93-120.

Chellaraj, G. & Mattoo, A. 2015. Can the knowledge capital model explain foreign investment in services? The case of Singapore. Policy Research Working Paper 7186, World Bank.

Chellaraj, G. Maskus, K.E. & Mattoo, A. 2009. Labor skills and foreign investment in a dynamic economy: Estimating the knowledge-capital model for Singapore. Policy Research Working Paper 4950, World Bank.

Chen, C.A. & Lee, S.R. 2013. Developing the country brand of Taiwan from the perspective of exports. *Asian Journal of Empirical Research*, 3(9): 1223-1236.

Chen, C.A., Lee, H.L., Yang, Y.H. & Lee, M.H. 2013. How to build national brand – the case of Taiwan from culture perspective. *Asian Journal of Empirical Research*. 3(12): 1513-1531.

Cheung, G.W. & Rensvold, R.B. 2002. Evaluating goodness-of-fit indexes for testing measurement invariance. *Structural Equation Modeling*, 9(2): 233–255.

Chishamba, J. 2017. Investors dangle the carrot in Zim? *Zimbabwe Independent Business Digest*: 8, Mar. 24–30.

Chitemba, B. 2013. Zimbabwean businesses collapsing. Zimbabwe Independent, Nov. 1, Available at http://www.theindependent.co.zw/2013/11/01/zimbabwean-businesses-collapsing/, Date of access: 19 Apr. 2017.

Chizema, R. 2017. Survey of Zimbabwe's monetary regime: a case of the currency crisis and proferring lasting solutions. *Economic Research and Advocacy Series*, Mar. – Jun. 2017, Southern African Parliamentary Support Trust.

Cho, E. 2011. Development of a brand image scale and the impact of lovemarks on brand equity. Paper 11962, Ames, Iowa: Iowa State University. (Thesis – PhD).

Christian Aid. 2004. ‘It’s time to open up’ - ten years after the genocide in Rwanda. A Christian Aid report on government accountability, human rights and freedom of speech. Rwanda.

Chun, R. 2005. Corporate reputation: meaning and measurement. *International Journal of Management Reviews*, 7(2): 91-109.

Cochran, C.L. & Malone, E.F. 2005. Political policy: perspectives and choices. 3rd ed., Boulder, USA: Lynne Rienner.

Coe, B. 2017. Collective regional image: logics of consciousness and modes of management in post-cold war Africa and Southeast Asia. KFG Working Paper Series, No. 79, April 2017, Kolleg-Forschergruppe (KFG) “The Transformative Power of Europe“, Freie Universität Berlin.

Colen, L., Maertens, M. & Swinnen, J. 2008. Foreign direct investment as an engine for economic growth and human development: a review of the arguments and empirical evidence. Working Paper No. 16, Prepared for the IAP P6/06 Project, Leuven Centre for Global Governance Studies.

Collis, J. & Hussey, R. 2014. Business research: a practical guide for undergraduate and postgraduate students. 4th ed. Hampshire: Palgrave Macmillan.

Colmar Brunton. 2016. Quality of life survey 2016: topline report. A report prepared on behalf of Auckland Council, Wellington City Council, Christchurch City Council, and Dunedin City Council, New Zealand: Colmar Brunton Social Research Agency.

Confederation of Zimbabwe Industries. 2008. Manufacturing sector survey 2008. Harare.

Confederation of Zimbabwe Industries. 2010. Manufacturing sector survey 2010. Harare.

Confederation of Zimbabwe Industries. 2011. Manufacturing sector survey 2011. Harare.

Confederation of Zimbabwe Industries. 2012. Manufacturing sector survey 2012. Harare.

Confederation of Zimbabwe Industries. 2013. Manufacturing sector survey 2013. Harare.

Confederation of Zimbabwe Industries. 2015. Manufacturing sector survey 2015. Harare.

Confederation of Zimbabwe Industries. 2016. Manufacturing sector survey 2016: strengthening value chains for sustainable economic development. Harare.

Constitution of the Republic of South Africa, 1996 (as amended) ***see*** South Africa.

Constitution of Zimbabwe Amendment Act No. 20 (2013) ***see*** Zimbabwe

Cornell University, Institut Européen d'Administration des Affaires & World Intellectual Property Organization. 2015. The global innovation index 2015: effective innovation policies for development. Ithaca, Fontainebleau & Geneva.

Cornell University, Institut Européen d'Administration des Affaires & World Intellectual Property Organization. 2014. The global innovation index 2014: the human factor in innovation. Ithaca, Fontainebleau & Geneva.

Cornell University, Institut Européen d'Administration des Affaires & World Intellectual Property Organization. 2013. The global innovation index 2013: the local dynamics of innovation. Geneva, Ithaca, and Fontainebleau.

Cornell University, Institut Européen d'Administration des Affaires & World Intellectual Property Organization. 2016. The global innovation index 2016: winning with global innovation. Ithaca, Fontainebleau & Geneva.

Creswell, J.W. 2013. Qualitative inquiry & research design: choosing among five approaches. California: SAGE.

Creswell, J.W. 2014. Research design: qualitative, quantitative, & mixed methods approaches. 4th ed. California, CA: SAGE.

Crotti, R. & Misrahi, T. 2015. The Travel & Tourism Competitiveness Index 2015: T&T as a Resilient Contribution to National Development. (*In* World Economic Forum. 2015b. The travel & tourism competitiveness report 2015: growth through shocks. Geneva, p. 3-28).

Crowther, D. & Seifi, S. 2011. Corporate governance and international business. David Crowther, Shahla Seifi & Ventus Publising ApS.

Csaba, F.F. & Stöber, B. 2011. Copenhagen is hot, Denmark is not: On the authority and role of place brand image rankings. Creative Encounters Working Paper # 52, Frederiksberg: Copenhagen Business School.

Cywiński, L. & Harasym, R. 2013. Review of FDI theory in the knowledge-intensive economy. *Financial Internet Quarterly*, 8(4): 1-14.

Daft, R.L. and Marcic, D. 2011. Management: the new workplace. 7th ed., South-Western Cengage Learning.

DailyNews Assistant Editor. 2017. Police roadblocks killing tourism. *DailyNews*: 4, 10 April.

Danish, R.Q. & Akram, A. 2014. Determinants of FDI in Pakistan: an empirical analysis. *Journal of International Business and Economics*, 2(2): 61-70.

Darity, W.A. 2005. Africa, Europe, and the origins of uneven development: the role of slavery. (*In* Conrad, C.A., Whitehead, J., Mason, P. & Stewart, J. African Americans in the U.S. Economy. Lanham, MD: Rowman & Littlefield. p. ….).

David, M. & Sutton, C.D. 2011. Social research: an introduction. 2nd ed. London: SAGE.

de Beule, F. & van den Bulcke, D. 2012. Locational determinants of outward foreign direct Investment: an analysis of Chinese and Indian greenfield investments. Transnational Corporations, 21(1): 1-34.

de Chernatony, L. 2008. Adapting brand theory to the context of nation branding. (*In* Dinnie, K. Nation branding: concepts, issues, practice. Oxford: Butterworth-Heinemann. p. 6-17).

de Coning, C., Cloete, F. & Wissink, H. 2011. Theories and models for analysing public policy. (*In* Cloete, F. & de Coning C., eds. Improving public policy: theory, practice and results. Pretoria: Van Schaik. p. 52-65).

de Kock, P. 2012. Key issues from Mo Ibrahim Index 2012. *Research analysis*, 16 Oct. 2012. South Africa.

de Kock, P. 2015. The nation brand index - perspectives on South Africa's global reputation. Brand South Africa Research Note, 18 Nov. 2015, Brand South Africa.

de Queiroz, L. & Giraldi, J.M.E. 2015. Country brand equity: a comparison between the USA and China. *Review of Business Management*, 17(57): 1193-1211.

de Wit, B. and Meyer, R. 1998. Strategy: process, content, context. 2nd ed., London: Thompson Learning.

Dechezleprêtre, A. & Sato, M. 2014. The impacts of environmental regulations on competitiveness. Policy Brief, London: London School of Economics and Political Science.

Delgado, M., Ketels, C., Porter, M.E. & Stern, S. 2012. The determinants of national competitiveness. NBER Working Paper 18249, Massachusetts: National Bureau of Economic Research.

Deloitte Touche Tohmatsu Limited & United States Council on Competitiveness. 2010. Global manufacturing competitiveness index 2010. United States of America.

Deloitte Touche Tohmatsu Limited & United States Council on Competitiveness. 2013. Global manufacturing competitiveness index 2013. United States of America.

Deloitte Touche Tohmatsu Limited & United States Council on Competitiveness. 2016. Global manufacturing competitiveness index 2016. United States of America.

Demirhan, E. & Masca, M. 2008. Determinants of foreign direct investment flows to developing countries: a cross-sectional analysis. *Prague Economic Papers,* 4: 356-369.

Denisia, V. 2010. Foreign direct investment theories: an overview of the main FDI theories. *European Journal of Interdisciplinary Studies*, 2(2): 104-110.

Dewah, J.T., Mbudzi, J.C., Gweru, S., Mukova, V. & Chinwadzimba, B.B. 2005. Report on the technical and vocational education and training policy review framework. Harare (February 2005): Ministry of Higher and Tertiary Education.

Dibb, S. 2014. Up, up and away: Societal marketing breaks free. *Journal of Marketing Management*, 30(11-12): 1159-1185.

Dimnwobi, S.K., Ekesiobi, C.S. & Mgbemena. E.M. 2016. Creativity, innovation and competitiveness in Nigeria: an economic exploration. *International Journal of Academic Research in Economics and Management Sciences*, 5(3): 29-52.

Dinnie, K. & Fola, M. 2009. Branding Cyprus: a stakeholder identification perspective. Presented at the Seventh International Conference on Marketing, Athens Institute for Education and Research, Athens: 6-9 July 2009.

Dinnie, K. 2008. Nation branding: concepts, issues, practice. Oxford: Butterworth-Heinemann.

Dinnie, K. 2009. Leveraging nation brand equity – potential strategies for Trinidad and Tobago. Accepted for *Contact*, the magazine of the Trinidad & Tobago Chamber of Commerce.

Dinnie, K. 2016. Nation branding: concepts, issues, practice. 2nd ed. London: Routledge.

Dinnie, K., Melewar, T.C., Seidenfuss, K.U. & Musa, G. 2010. Nation branding and integrated marketing communications: an ASEAN perspective. *International Marketing Review*, 27(4): 388-403.

Donner, M., Fort, F. & Vellema, S. 2014. How to capture place brand equity? the case of Sud de France. *Place Branding and Public Diplomacy, advance online publication*, p. 1–13.

Doyle, P. 2002. Marketing Management and Strategy. 3rd ed., Pearson Education.

Dumbrăveanu, D. 2010. Place branding: a challenging process for Bucharest the capital city of Romania. *Human Geographies – Journal of Studies and Research in Human Geography*, 54(4.2): 53-62.

Dumludag, D. 2009. An analysis of the determinants of foreign direct investment in Turkey: the role of the institutional context. *Journal of Business Economics and Management*, 10 (1): 15–30.

Dunning, J. 1993. Multinational enterprises and the global economy. Wokingham: Addison-Wesley.

Duong, T.L. 2012. Practice of internet marketing in destination branding. Savonia University of Applied Sciences. (Dissertation – Bachelor's Degree Programme in International Business).

Dutta, S., Institut Européen d'Administration des Affaires & Caulkin, S. 2007. The world's top innovators: Globalisation has pushed innovation to the top of the agenda, but which countries respond best to the new challenges? *World Business & INSEAD,* January-February 2007, 26-37.

Dye, T.R. 2014. Understanding public policy. 14th ed. Essex, UK: Pearson Education.

Dzinesa, G.A. & Zambara, W. nd. SADC's role in Zimbabwe: guarantor of deadlock or democracy. p. 63-68.

http://www.osisa.org/sites/default/files/sup_files/SADC%27s%20Role%20in%20Zimbabwe.pdf, Date of access: 15 January 2017.

Ebert, R.J. & Griffin, R.W. 2017. Business Essentials. 11th ed. Essex, UK: Pearson Education.

Ebrahimi, A., Kashani, F.H. & Shojaei, S. 2012. Country equity-retesting and improving the model of country equity: comparing Japan and South Korea equity in electronics. *African Journal of Business Management*, 6(32): 9265-9273.

Elias, A.A. & Cavana, R.Y. nd. Stakeholder analysis for system thinking and modelling. Working Paper, New Zealand: Victoria University of Wellington.

Eliuz, S. 2014. Predictors of an effective performance measurement system: evidence from municipal governments in Turkey. Florida, UCF: University of Central Florida. (Thesis – PhD).

Escaleras, M. & Register, C.A. 2011. Natural disasters and foreign direct investment. *Land Economics*, 87(2): 346-363.

Faeth, I. 2008. Determinants of foreign direct investment – a tale of nine theoretical models. *Journal of Economic Surveys*, 23(1): 165–196.

Fahmi, M.R. 2012. Analyzing the relationship between tax holiday and foreign direct investment in Indonesia. Japan: Graduate School of Asia Pacific Studies, Ritsumeikanasia Pacific University. (Dissertation - Master of Science in International Cooperation Policy).

Falvey, R., Foster, N. & Greenaway, D. 2006. Intellectual property rights and economic growth. *Review of Development Economics*, 10(4): 700–719.

Fan, X. & Sivo, S.A. 2005. Sensitivity of fit indexes to misspecified structural or measurement model components: Rationale of two-index strategy revisited. *Structural Equation Modeling*, 12(3): 343–367.

Fan, Y. 2006. Branding the nation: what is being branded. *Journal of Vacation Marketing*, 12(1): 5–14.

Fanning, J. 2011. Branding and begorrah: the importance of Ireland's nation brand image. *Irish Marketing Review*, 21(1&2): 23-31.

Farah, I., Kiamba, S. & Mazongo, K. 2011. Major challenges facing Africa in the 21st century: a few provocative remarks. International Symposium on Cultural Diplomacy in Africa – Strategies to confront the challenges of the 21st Century: Does Africa have what is required?, Berlin, 14th-17th July 2011.

Farrar, D.E. & Glauber, R.R. 1967. Liao in regression analysis: the problem revisited. *The Review of Economics and Statistics*, 49(1): 92-107.

Fehlmann, R., Grahlow, H. Lutz, A., Passow, T. & Schierscher, R. 2002. Liechtenstein: introducing the global village - linking reputation, identity, and communication. MPR4 Research Project Report, Master of Science in Communications Management, Switzerland: University of Lugano.

Feldman, P.M., Bahamonde, R.A. & Bellido, I.V. 2014. A new approach to measuring corporate reputation. *Revista de Administração de Empresas*, 54(1): 53-66.

Felknerová, P. 2014. Nation branding as a soft power building tool: the case of Germany. Praha, Diplomová práce (Mgr.) Univerzita Karlova, Fakulta sociálních věd, Institut politologických studií. Katedra mezinárodních vztahů.

Ferreira, J. J., Azevedo, G. S. & Fernández, R. 2011. Contribution of resource-based view and entrepreneurial orientation on small firm growth. *Cuadernos de Gestión*, 11(1): 95-116.

Ferrell, O.C. & Hartline, M.D. 2011. Marketing strategy. 5th ed. Ohio: South-Western Cengage Learning.

Fetscherin, M. & Marmier, P. 2010. Switzerland's nation branding initiative to foster science and technology, higher education and innovation: a case study. *Place Branding and Public Diplomacy*, 6(1): 58–67.

Fetscherin, M. 2010. The determinants and measurement of a country brand: the country brand strength index. *International Marketing Review*, 27(4): 466-479.

Field, A. 2013. Discovering statistics using IBM SPSS statistics. 4th ed. London: SAGE.

Figueiredo, O., da Rocha, A. & da Silva, J.F. 2012. The equivalence of single-item scales of psychic distance: a test in Brazil. *Revista de Administração e Contabilidade da Unisinos*, 9(4): 317-328.

Financial Gazette Zimbabwe National Chamber of Commerce Supplement. 2014. Call for strategies that attract FDI. *Financial Gazette*, p. Z4-Z5.

Finch, S. & Gordon, I. 2013. Random sampling – a guide for teachers (Years 11–12), Education Services Australia: Australia.

Fombrun, C.J., Ponzi, L.J. & Newburry, W. 2015. Stakeholder tracking and analysis: The RepTrak® system for measuring corporate reputation. *Corporate Reputation Review*, 18(1): 3–24.

Foster, V. & Pushak, N. 2011. Nigeria's infrastructure: a continental perspective. Africa Infrastructure country diagnostic, Country Report, Washington, DC: World Bank.

Freedom House. 2010. Freedom in the world – Zimbabwe 2010. Available from: http://freedomhouse.org/inc/content/pubs/fiw/inc_country_detail.cfm?year=2010&country... 5/24/2010. Date of access: 23 Aug. 2017.

Freedom House. 2015. Freedom in the world 2015 - Discarding democracy: return to the iron fist. Washington.

Freeman, E.R. 1984. Strategic management: a stakeholder approach. Boston: Pitman.

Freeman, R.E., Wicks, A.C. & Parmar, B. 2004. Stakeholder theory and the corporate objective revisited. *Organisation Science*, 15(3): 364-369.

French Ministry for the Economy and Finance, French Interministerial Delegation for Regional Development and Economic Attractiveness, French Strategic Analysis Center and Invest in France Agency. 2012. France attractiveness scoreboard. Paris.

French, J. 2015. The importance of social marketing history. *Social Marketing Quarterly*, 21(4): 191-193.

Fritz, C.O., Morris, P.E. & Richler, J.J. 2012. Effect size estimates: Current use, calculations, and interpretation. *Journal of Experimental Psychology: General*, 141(1): 2–18.

Fullerton, J. & Holtzhausen, D. 2012. Americans' attitudes toward South Africa: a study of country reputation and the 2010 FIFA *World Cup. Place Branding and Public Diplomacy*, 8(4): 269-283.

Fullerton, J. & Kendrick, A. 2014. Country reputation as a moderator of tourism advertising effectiveness. *Journal of Marketing Communications*, p. 1-15. DOI: 10.1080/13527266.2014.973436.

Fund for Peace. 2011. Failed states index 2011. Washington, DC.

Fund for Peace. 2012. Failed states index 2012. Washington, DC.

Fund for Peace. 2013. Failed states index 2013. Washington, DC.

Fund for Peace. 2014. Fragile states index 2014. Washington, DC.

Fund for Peace. 2015. Fragile states index 2015. Washington, DC.

Fund for Peace. 2016. Fragile states index 2016. Washington, DC.

FutureBrand. 2006. Country brand index 2006: insights, findings and country rankings. London.

FutureBrand. 2010. 2010 Country brand index: 2011-12. London.

FutureBrand. 2011. Country brand index: 2011-12. London.

FutureBrand. 2014. Country brand index: 2014-15. London.

Gadzikwa, E.C. 2013. The Institute of Chartered Accountants of Zimbabwe (ICAZ) 2013 Congress, 18 - 20 July, Victoria Falls.

Garelli, S. 2014. The fundamentals and history of competitiveness. (*In* Institute of Management Development (IMD), IMD World Competitiveness Yearbook 2014. 26th ed., Lausanne, Switzerland: IMD World Competitiveness Center. p. 488-499).

Garson, G.D. 2012. Testing statistical assumptions. 2012 ed. G. David Garson & Statistical Associates Publishing.

Gauteng Province Provincial Treasury. 2013. South Africa's position in BRICS. *Quarterly Bulletin*, January to March 2013. South Africa.

Gentvilaitė, R. 2010. Determinants of FDI and its motives in Central and Eastern European Countries. School of Economics and Management, Lund Universitet. (Dissertation – Bachelor).

Gertner, D. 2011. Unfolding and configuring two decades of research and publications on place marketing and place branding. Place Branding and Public Diplomacy, 7(2): 91-106.

Ghauri, P.M, & Cateora, P. 2014. International Marketing. 4th ed. Berkshire: McGraw Hill Education.

Gibbs, D.N. 2015. How the Srebrenica massacre redefined US foreign policy. *Class, Race and Corporate Power*, 3(2): 1-13.

Gilligan, C. & Wilson, M.S. 2009. Strategic marketing planning. 2nd ed. New York, NY: Routledge.

Giray, S. & Ergut, O. 2014. Multivariate analysis of countries according to subdimensions of human development and gender inequality indices. *Eurasian Journal of Social Sciences*, 2(3): 48-62.

Gohou, G. & Soumaré, I. 2012. Does foreign direct investment reduce poverty in Africa and are there regional differences? *World Development*, 40(1). Available at SSRN: http://ssrn.com/abstract=1636352 or http://dx.doi.org/10.2139/ssrn.1636352.

Gokhberg, L. Kuznetsova, T. & Zaytseva, A. 2012. Building a BRICS framework for science, technology and innovation. (*in* Larionova, M. & Kirton, J. Eds. BRICS New Delhi summit 2012: stability, security and prosperity. London: Newsdesk Communication. p. 60-61).

Goldman Sachs. 2003. Dreaming with BRICs: the path to 2050. Available from http://www.goldmansachs.com/our-thinking/topics/brics/brics-reports-pdfs/brics-dream.pdf. Date of access: 11 May 2015.

Goriwondo, W.M. 2013. Capacity and capacity utilisation detailing is critical for business growth. *The Chronicle*, Bulawayo, Zimbabwe, NUST: National University of Science and Technology Institutional repository. http://ir.nust.ac.zw/xmlui/handle/123456789/334, Date of Access 12 Dec. 2016.

Government of Zimbabwe & United Nations Country Team. 2010. Country Analysis Report for Zimbabwe. August 2010, Harare.

Grant, R.M. 1991. The resource-based theory of competitive advantage: Implications for strategy formulation. *California Management Review*, 33(3): 114-135.

Gray, D.E. 2011. Collecting primary data: questionnaires. (*In* Frenz, M., Nielsen, K. & Walters, G. eds., Research methods in management, 2nd ed., London: SAGE.

Gray, D.E. 2014. Doing research in the real world. 3rd ed. London: SAGE.

Graybill, L. 2002. 'Responsible .... by omission': The United States and genocide in Rwanda. *Seton Hall Journal of Diplomacy and International Relations*, 86-103.

Green, E., Tull, D.S. & Albaum, G. 1988. Research for marketing decisions. 5th ed. Englewood Cliff, NJ: Prentice Hall.

Green, S.B. & Salkind, N.J. 2011. Using SPSS for Windows and Macintosh: analysing and understanding data, 6th ed. Upper Saddle River, NJ: Pearson Education.

Griffith-Jones, S. 2014. A BRICS development bank: a dream coming true? Geneva: United Nations Conference on Trade and Development.

Griggs, S. 2007. Rational choice in public policy: the theory in critical perspective. (*In* Fischer, F., Miller, G.J. & Sidney, M.S. eds. 2007. Handbook of public policy analysis: theory, politics, and methods. Boca Raton, USA: Taylor & Francis. p. 173-185).

Grzegorczyk, Ł. and Budzyński, T. 2015. The rate of corporate income tax and the investment attractiveness of the Visegrad group countries. Conference Paper presented at Managing International Capital and Innovation for Sustainable and Inclusive Society, 27-29 May 2015, Bari: Italy.

Gumbo, L. 2014. Govt can't guarantee pay dates for civil servants. *The Herald*: 2, 18 July.

Hafeez, M.H. Shariff, M.N.M. & Lazim, H.B.M. 2012. Relationship between entrepreneurial orientation, firm resources, SME branding and firm's performance: Is innovation the missing link? *American Journal of Industrial and Business Management* 2, p. 153-159.

Hair, J.F., Black, B., Babin, B., Anderson, R.E. & Tatham, R.L. 2006. Multivariate Data Analysis. 6th ed. Harlow: Pearson Education.

Hair, J.F., Black, W.C., Babin, B.J., Anderson, R.E. 2010. Multivariate Data Analysis. 7th ed. Pearson Prentice Hall.

Hakala, U., Lemmetyinen, A. & Kantola, S.P. 2013. Country image as a nation-branding tool. *Marketing Intelligence & Planning*, 31(5): 538-556.

Ham, H.W. & Kleiner, M.M. 2007. Do industrial relations institutions influence foreign direct investment? evidence from OECD nations. *Industrial Relations*, 46(2): 305-328.

Hampf, A. & Lindberg-Repo, K. 2011. Branding: the past, present, and future: a study of the evolution and future of branding. Working Paper, Finland: Department of Marketing, Hanken School of Economics, Meddelanden från Svenska handelshögskolan.

Hanna, S. & Rowley, J. 2007. An analysis of terminology use in place branding. *Place Branding and Public Diplomacy*, 4(1): 61–75.

Hart, S.L. 1995. A natural resource-based view of the firm. *Academy of Management Review*, 20(4): 986-1014.

Hawkins, D.I., Best, R.J. & Coney, K.A. 2004. Consumer behaviour: building marketing strategy. New York, NY: McGraw-Hill/Irwin.

Hayakawa, K., Kimura, F. & Lee, H.H. 2012. How does country risk matter for foreign direct investment? ERIA Discussion Paper Series, p. 1-32.

Helfat, C.E. & Peteraf, M.A. 2003. The dynamic resource-based view: capability lifecycles. *Strategic Management Journal* 24, p. 997–1010.

Hendry, K. 2014. From failed to fragile: renaming the index. (*In* Fund for Peace. Fragile states index 2014. Washington. p. 8).

Henry, A.E. 2011. Understanding strategic management. 2nd ed. New Delhi: Oxford University Press.

Hintjens, H.M. 1999. Explaining the 1994 genocide in Rwanda. *The Journal of Modern African Studies*, 37(2): 241-286.

Hirschfeld, G. & Thielsch, M. T. 2015. Establishing meaningful cut points for online user ratings. *Ergonomics*, 58(2): 310-320.

Hollensen, S. 2010. Marketing management: a relationship approach. 2nd ed., England: Pearson Education.

Holtzhausen, D. & Fullerton, J. 2015. The 2010 FIFA world cup and South Africa: a study of longer-term effects and moderators of country reputation. *Journal of Marketing Communications*, 21(3): 185–198.

Hornberger, K. Battat, J. & Kusek, P. 2011. Attracting FDI: how much does investment climate matter? *Viewpoint*, Note No. 327, Washington DC: World Bank.

Hosany, S., Ekinci, Y. and Uysal, M. 2006 Destination image and destination personality: an application of branding theories to tourism places. *Journal of Business Research*, 59: 638–642.

Hoyle, R.H. 2000. Confirmatory factor analysis. (*In* Tinsley, H.E.A. & Brown, S.D., eds. Handbook of applied multivariate statistics and mathematical modeling. New York, NY: Academic Press. p. 465-497).

Hrituleac, A. 2011. The effects of colonialism on African economic development: a comparative analysis between Ethiopia, Senegal and Uganda. Aarhus University. (Dissertation – Master).

Hsu, L., Fournier, S. & Srinivasan, S. 2015. Brand architecture strategy and firm value: how leveraging, separating, and distancing the corporate brand affects, risk and returns. *Journal of the Academy of Marketing Science*, Advance online publication. DOI 10.1007/s11747-014-0422-5.

Hugo, S., Squalli, J. & Wilson, K. 2006. What explains market access? Working Paper No. 06-08 (May 2006), Economic Policy Research Unit, Zayed University: United Arab Emirates.

Hungwe, A. 2013. Zim's perpetual conflict? *Financial Gazette*, http:www.financialgazette.co.zw/zims-perpetual-conflict/., Date of access: 16 Apr. 2015.

Hunt, S.D. & Morgan, R.M. 1996. The resource-advantage theory of competition: dynamics, path dependencies, and evolutionary dimensions. *Journal of Marketing*, 60(4): 107-114.

Hurley, A.E., Scandura, T.A., Schriesheim, C.A., Brannick, M.T., Seers, A., Vandenberg, R.J. & Williams, L.J. 1997. Exploratory and confirmatory factor analysis: guidelines, issues, and alternatives. *Journal of Organizational Behavior*, 18: 667-683.

Iamsiraroj, S. & Doucouliagos, H. 2015. Does growth attract FDI? Economics Discussion Papers, No 2015-18, Kiel Institute for the World Economy. http://www.economics-ejournal.org/economics/discussionpapers/2015-18. Date of Access: 30 Oct. 2017.

Ibrahim, M. 2016. Foreword from Mo Ibrahim. (*In* Mo Ibrahim Foundation. A decade of African governance 2006-2015: 2016 Ibrahim index of African governance report. p. 6).

Imandin, L., Bisschoff, C. & Botha, C. 2016. Confirmatory analysis of the model to measure employee engagement. *Problems and Perspectives in Management*, 14(2): 93-103.

Indigenisation and Economic Empowerment Act Chapter 14:33 ***see*** Zimbabwe.

Institut Européen d'Administration des Affaires & World Intellectual Property Organization. 2012. The global innovation index 2012: stronger innovation linkages for global growth. Fontainebleau.

Institut Européen d'Administration des Affaires. 2009. Global innovation index 2008-2009. Fontainebleau.

Institut Européen d'Administration des Affaires. 2010. The global innovation index 2009-10. Fontainebleau.

Institut Européen d'Administration des Affaires. 2011. The global innovation index 2011: accellerating growth and development. Fontainebleau.

Institute of Chartered Accountants of Zimbabwe. 2010. The significance of a vibrant hospitality industry towards economic transformation. Winter School, 26 – 29 Aug.

Institute of Management Development. 2013. IMD World Competitiveness Yearbook 2013. 25th ed., Lausanne, Switzerland: IMD World Competitiveness Center.

Institute of Management Development. 2014. IMD World Competitiveness Yearbook 2014. 26th ed., Lausanne, Switzerland: IMD World Competitiveness Center.

Institute of Management Development. 2016. IMD World Competitiveness Yearbook 2016. Availavle from https://www.imd.org/uupload/imd.website/wcc/Overall_ranking_5_years.pdf, Accessed 4 April 2017.

International Crisis Group. 2011. Resistance and denial: Zimbabwe's stalled reform agenda. Africa Briefing No. 82, Johannesburg/Brussel.

International Monetary Fund. 2014. Regional economic outlook: Sub-Saharan Africa staying the course. Washington, DC.

International Organization for Migration. 2009. Towards tolerance, law, and dignity: Addressing violence against foreign nationals in South Africa. IOM Regional Office for Southern Africa, Johannesburg.

Iraldo, F., Testa, F., Melis, M. & Frey, M. 2011. A literature review on the links between environmental regulation and competitiveness. *Environmental Policy and Governance*, 21: 210–222.

Jackson, D.L., Purc-Stephenson, R. & Gillaspy, J.A. Jr. 2009. Reporting practices in confirmatory factor analysis: an overview and some recommendations. *Psychological Methods*, 14(1): 6–23.

Jacobsen, B.P. 2009. Investor-based brand equity: a theoretical framework. *Journal of Place Management and Development*, 2(1): 70-84.

Janneh, A. 2009. Foreword. (*In* United Nations Economic Commission for Africa. African Governance Report II 2009, USA: Oxford University Press. p. ix-x).

Jenes, B. 2012. Theoretical and practical issues in measuring country image: dimensions and measurement model of country image and country brand. Budapest: Corvinus University of Budapest. Budapest. (Thesis – PhD).

Jensen, M.C. 2001. Value maximisation, stakeholder theory and the corporate objective function. *Journal of Applied Corporate Finance*, 14(3): 8-22.

Jensen, N. 2008. Political risk, democratic institutions, and foreign direct investment. *The Journal of Politics*, 70(4): 1040-1052.

Johnson, G. & Scholes, K. 2002. Exploring Corporate Strategy. 6th ed., Prentice Hall of India.

Johnson, G., Scholes, K. & Whittington, R. 2008. Exploring corporate strategy. 8th ed. Essex, UK: Pearson Education.

Johnson-Sirleaf, E. 2008. Behold the new Africa: The sixth Nelson Mandela annual lecture. July 12, Johannesburg, South Africa.

Johnston, Y. 2008. Country case insight – South Africa: developing Brand South Africa. (*In* Dinnie, K. Nation Branding: concepts, issues, practice. Oxford: Butterworth-Heinemann. p. 5-13).

Joint United Nations Programme on HIV/AIDS (UNAIDS). 2013. Global report: UNAIDS report on the global AIDS epidemic 2013. Switzerland.

Joint United Nations Programme on HIV/AIDS (UNAIDS). 2014. The gap report 2014. Switzerland.

Jones, R. 2005. Finding sources of brand value: developing a stakeholder model of brand equity. *Journal of Brand Management*, 13(1): 10-32.

Joshi, A., Kale, S., Chandel, S. & Pal, D.K. 2015. Likert scale: Explored and explained. *British Journal of Applied Science & Technology*, 7(4):396-403.

Kadasah, N.S. 2006. The foreign direct investment decision-making process: the influence of psychic distance (evidence from foreign investors and experts in Saudi Arabia). Birmingham: University of Birmingham. (Thesis – PhD).

Kaefer, F. 2014. Credibility at stake? News representations and discursive constructions of national environmental reputation and place brand image: The case of *clean, green* New Zealand. New Zealand: University of Waikato. (Thesis – PhD).

Kahn, M.J. 2011. The BRICs and South Africa as the gateway to Africa. *Journal of the Southern African Institute of Mining and Metallurgy*, 111(Jul.): 493-496.

Kalamova, M.M. & Konrad, K.A. 2010. Nation brands and foreign direct investment. *Kyklos*, 63(3): 400-431.

Kalfadellis, P. & Gray, J. 2005. The impact of nationalist sentiment on foreign direct investment (FDI) in Australia. Paper presented at the 13th Annual World Business Congress, Maastricht: Monash University Working Paper 35/05.

Kaneva, N. 2011. Nation branding: Toward an agenda for critical research. *International Journal of Communication*, 5: 117–141.

Kanyongo, G.Y. 2005. Zimbabwe's public education system reforms: Successes and challenges. *International Education Journal*, 6(1): 65-74.

Kapferer, J.N. 2008. The new strategic brand management: creating and sustaining brand equity long term. 4th ed., London: Kogan Page.

Kardes, F.R., Cline, T.W. & Cronley, M.L. 2011. Consumer behaviour: science and practice: International Edition, Cenigage Learning.

Karimi, S. 2013. A purchase decision-making process model of online consumers and its influential factor a cross sector analysis. University of Manchester (Thesis - PhD).

Kasabov, E. & Sundaram, U. 2011. A stakeholder approach to branding clusters: pointers to a research agenda. *Regional Studies*, p. 1–14.

Katragadda, G. & Bharadwaj, A. 2016. Leveraging talent globally to scale Indian innovation. (*In* Cornell University, Institut Européen d'Administration des Affaires & World Intellectual Property Organization. The global innovation index 2016: winning with global innovation. Fontainebleau, Ithaca & Geneva. 149-157).

Kavaratzis, M. 2012. From 'necessary evil' to necessity: stakeholders involvement in place branding. *Journal of Place Management and Development*, 5(1): 7-19.

Keller, K.L. 1993. Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing*, 57(1): 1-22.

Keller, K.L. 2013. Strategic brand management: building, measuring, and managing brand equity. 4th ed., Essex: Pearson Education.

Keller, K.L., Parameswaran, M.G. & Jacob, I. 2011. Strategic brand management: building, measuring, and managing brand equity. 3rd ed., India: Pearson Education.

Kelley, K. & Preacher, K.J. 2012. On effect size. *Psychological Methods*, 17(2): 137–152.

Kemming, J.D. 2009. Nation brand management in political contexts: public diplomacy for Turkey's EU accession. Turkey: Justus-Liebig-Universität Giessen. (Thesis – PhD).

Kessler, E.H. 2013. Encyclopedia of management theory: SWOT analysis framework. SAGE Knowledge.

Khalifa, A.E.O. 2010. Destination Libya: developing Libya as an internationally-competitive tourism destination. Wales, UW: University of Wales. (Thesis – PhD).

Khojastehpour, M. & Johns, R. 2014. Internationalization and relationship marketing: an introduction. *European Business Review*, 26(3): 238–253.

Kidane, G.K. 2010. Branding Ethiopia: opportunities and challenges. Pretoria, UNISA: University of South Africa. (Dissertation – Master of Business Leadership).

Kilduff, K. & Tabales, J.M.N. 2017. Country branding and its effect on the consumer in the global market. *Cuadernos de Gestión*, 17(1): 83-104.

Kim, H-b., Kim, W.G. & An, J.A. 2003. The effect of consumer-based brand equity on firms' financial performance. *Journal of Consumer Marketing*, 20(4): 335-51.

Kim, J.J. 2011. Branding Korea though collaborative strategies with the Olympic Movement. France: Université de Poiters. (Dissertation – Executive Masters in Sports Organisation Management).

Kim, M. 2016. Understanding the relationship between country reputation and corporate reputation. Tennessee: University of Tennessee. (Dissertation – Master's).

Kituyi, M. 2016. Key messages. (*In* United Nations Conference on Trade and Development. 2016a. World investment report 2016: investor nationality—policy challenges. Geneva: United Nations. p. x-xiii).

Klufio, C.N. 2011. The paradox of (re)branding Africa. Cultural diplomacy in Africa: a forum for young leaders. German: 6-16 March.

Klugman, J., Rodríguez, F. & Choi, H.J. 2011. The HDI 2010: new controversies, old critiques. *Journal of Economic Inequality 9*, p. 249–288.

Knox, K. 2004. A researcher's dilemma - philosophical and methodological pluralism. *Electronic Journal of Business Research Methods*, 2(2): 119-128.

Kok, R. & Ersoy, B.A. 2009. Analyses of FDI determinants in developing countries. *International Journal of Social Economics*, 36 (1/2): 105-123.

Konecnik, M.R. & Petek, N. 2012. Country brand I Feel Slovenia: first response from locals. *Economic Research - Ekonomska istraživanja*, 25(2): 465-484.

Kontinen, T. & Ojala, A. 2010. Internationalization pathways of family SMEs: psychic distance as a focal point. *Journal of Small Business and Enterprise Development*, 17(3): 437-454.

Kornecki, L. & Ekanayake, E.M. 2012. State based determinants of inward FDI flow in the US economy. *Modern Economy* 3, p. 302-309.

Kothari, C.R. 2004. Research methodology: methods and techniques. 2nd ed., New Delhi: New Age International.

Kotler, P. & Keller, L.K. 2016. Marketing management. 15th ed. India: Pearson Education.

Kotler, P. & Zaltman, G. 1971. Social marketing: an approach to planned social change. *Journal of Marketing*, 35(July): 3-12.

Kotler, P. 2000. Marketing Management. 10th ed., Upper Saddle River, NJ: Prentice Hall International.

Kotler, P. 2009. Foreword. (*In* Moilanen,T. & Rainisto, S. How to brand nations, cities and destinations: a planning book for place branding. Hampshire: Palgrave Macmillan.

Kotler, P., Armstrong, G., Agnihotri, P.Y. & ul Haque, E. 2010. Principles of marketing: A South Asian Perspective. 13th ed. India: Dorling Kindersley.

Kotler, P., Jatusripitak, S. & Maesincee, S. 1997. The Marketing of Nations: A Strategic Approach to Building National Wealth, New York, NY: Free Press.

Kotrlik, J.W., Williams, H.A. & Jabor, M.K. 2011. Reporting and interpreting effect size in quantitative agricultural education research. *Journal of Agricultural Education*, 52(1): 132–142.

Kotzé, H. & Steenekamp, C.L. 2008. Democratic consolidation in South Africa: comparing elite and public values. Policy Paper No 5, KAS Johannesburg.

Kovács, G. & Spens, K.M. 2005. Abductive reasoning in logistics research. *International Journal of Physical Distribution & Logistics Management*, 35(2): 132-144.

Kozak, M. 2008. Finite and infinite populations in biological statistics: should we distinguish them? *The Journal of American Science*, 4(1): 59-62.

Knott, B.K. 2014. The strategic contribution of sport mega-events to nation branding: The case of South Africa and the 2010 FIFA World Cup. England: Bournemouth University. (Thesis – PhD).

Krešić, D. & Prebežac, D. 2011. Index of destination attractiveness as a tool for destination attractiveness assessment. *Tourism*. 59(4): 497-517.

Kristja´nsdo´tti, H. 2010. Foreign direct investment: the knowledge-capital model and a small country case. *Scottish Journal of Political Economy*, 57(5): 591-614.

Krönner, H. 2005. Articulation of post-primary education and skills development: national qualification frameworks of South Africa, Namibia and Mauritius. Conference Paper, UNESCO Regional Seminar on Secondary Education in Africa, Addis Ababa, 21 to 24 November 2005.

Krosnick, J.A. & Presser, S. 2010. Question and questionnaire design. (*In* Marsden, P.V. & Wright, J.D. eds. Handbook of survey research. 2nd ed. Bingley, UK: Emerald Group Publishing, p. 263-313).

Kumar, R. 2014. Research methodology: a step-by-step guide for beginners. 4th ed. New Delhi: SAGE.

Kurtishi-Kastrati, S. 2013. Impact of FDI on economic growth: an overview of the main theories of FDI and empirical research. *European Scientific Journal*, 9(7): 56-77.

Kurtishi-Kastrati, S. 2013. The effects of foreign direct investments for host country's economy. *European Journal of Interdisciplinary Studies*, 5(1): 26-38.

Kusek, J.Z. & Rist, R.C. 2004. Ten steps to a results-based monitoring and evaluation system: a handbook for development practitioners. Washing DC: World Bank.

Kwan, J.L.Y. & Chan, W. 2014. Comparing squared multiple correlation coefficients using structural equation modelling. *Structural Equation Modeling: A Multidisciplinary Journal*, 21(2): 225-238.

Kyriacou, S. & Cromwell, T. (2004). Branding nations: the concepts and benefits of nation branding. Available: http:// www.eastwestcoms.com.

Laforet, S. 2010. Managing brands. London: McGraw-Hill.

Lambrea, M.M. 2014. Nation branding transitional Romania. Denmark: Aalborg University. Dissertation - Master's in Culture, Communication and Globalisation.

Lamelas, M.C.L. 2011. Conceptualising and measuring the influence of corporate image on country of origin image: the case of Spain. London: BU. Brunel University. (Thesis – PhD).

Lance, C.E., Butts, M.M. & Michels, L.C. 2006. The sources of four commonly reported cutoff criteria: what did they really say? *Organizational Research Methods*, 9(2): 202-220.

Langdridge, D. & Hagger-Johnson, G. 2009. Introduction to research methods and data analysis in psychology, 2nd ed. (*In* Fisher, A. & Warren, P., eds. 2011. Statistics and research methods. Harlow: Pearson Education, p. 462-705).

Lassar, W. Mittal, B. & Sharma, A. 1995. Measuring customer-based brand equity. *Journal of Consumer Marketing*, 12(4): 11-19.

Lasso, C.Q.H. & Esquivel, D.P. 2014. The Mexican reputation: a strategy to improve the stereotype Mexico shares with its US diaspora. Harvard University. (Dissertation – Master in Public Policy).

Lavrov, S. 2012. BRICS: a new-generation forum with a global reach. (*In* Larionova, M. & Kirton, J. eds. 2012. BRICS New Delhi Summit 2012: stability, security and prosperity. London: Newsdesk Communication. p. 12-13).

Lederman, D., Mengistae, T. & Xu, L.C. 2013. Microeconomic consequences and macroeconomic causes of foreign direct investment in Southern African economies. *Applied Economics*, 45(25): 3637-3649.

Ledyaeva, S., Karhune, P. & Whalley, J. 2013. If foreign investment is not foreign: round-trip versus genuine foreign investment in Russia. Working Paper No. 2013-05, Centre d'Etudes Prospectives et d'Informations Internationales (CEPII).

Lee, K-H. 2016. The conceptualization of country attractiveness: a review of research. *International Review of Administrative Sciences*, 82(4): 807–826.

Lee, K.M. 2009. Nation branding and sustainable competitiveness of nations. Netherlands: University of Twente. (Thesis – PhD).

Lee, K.M. 2011. Toward nation branding systems: evidence from Brand Korea Development. *Journal of International and Area Studies*, 18(1): 1-18.

Levitt, T. 1960. Marketing myopia. *Harvard Business Review*, July–August, p. 50.

Levy, D. & Mitschow, M. 'I paid for this microphone!': the importance of shareholder theory in (teaching) business ethics. *Libertarian Papers*, 1(25): 1-12.

Lewis, J.P., 2007. Fundamentals of project management, 3rd ed., New York, NY: AMACOM.

Liao, D. & Valliant, R. 2012. Variance inflation factors in the analysis of complex survey data. *Survey Methodology*, 38(1): 53-62.

Likert, R. 1932. A technique for the measurement of attitudes. *Archives of Psychology*, 22(140): 1-55.

Lily, J., Kogid, M., Mulok, D., Sang, L.T. & Asid, R. 2014. Exchange rate movement and foreign direct investment in ASEAN Economies. Economics Research International, Available at www.hindawi.com/journals/ecri/2014/320949/cta/, Date of Access: 1 Mar. 2017.

Lim, Y.M. 2009. Customer-based brand equity: the effect of destination image on preference for products associated with a destination brand. Virginia: Virginia Polytechnic Institute and State University. (Dissertation – Masters of Science Hospitality and Tourism Management).

Longman, T. 2001. Church politics and the genocide in Rwanda. *Journal of Religion*, XXXI (2): 164-186.

Loudon, D.L. & Bitta, A.J.D. 1993. Consumer behavior: concepts and applications. 5th ed., USA: McGraw-Hill.

Louro, M.J. & Cunha, P.V. 2001. Brand management paradigms. *Journal of Marketing Management*, 17(7-8): 849-875.

Lozano, L.M., García-Cueto, E. & Muñiz, J. 2008. Effect of the number of response categories on the reliability and validity of rating scales. *Methodology*, 4: 73-79.

Lu, C.C. 2014. Analysis of factors influencing the strategic choice of brand architecture. *Open Journal of Social Sciences*, 2: 28–32.

Maheswaran, D. & Chen, C.Y. 2006. Nation equity: incidental emotions in country-of-origin effects. *Journal of Consumer Research*, 33(3): 370-376.

Majaka, N. 2016. Zim industry rebounds: CZI. DailyNews, 11 Nov., www.dailynews.co.zw/articles/2016/11/24/zim-industry-rebounds-CZI, Date of Accessed: 20 Dec. 2016.

Makochekanwa, A. 2013. An analysis of tourism contribution to economic growth in SADC countries. *Botswana Journal of Economics*, 11(15): 42-56.

Malhotra, N.K. & Dash, S. 2011. Marketing research: an applied orientation. 6th ed., India: Pearson Prentice Hall.

Manasoe, B. 2009. Branding a region: the next step for the Regional Tourism Organisation of Southern Africa. Cape Town: Stellenbosch University. Thesis – MPhil.

Manpower Planning and Development Act Chapter 28:02 ***see*** Zimbabwe.

Manson, K. 2014. South Sudan braced for further violence as peace efforts stall. *Zimbabwe Independent*: 2, 19-23 Dec. Syndicated content from *Financial Times*.

Mapakame, E. 2014. Zim plagued by warped perceptions. *The Sunday Mail Business*: B4, 2 Nov.

Mapuva, J. 2010. Government of national unity (GNU) as a conflict prevention strategy: case of Zimbabwe and Kenya. *Journal of Sustainable Development in Africa*, 12(6): 247-263.

Marandu, E.E., Amanze, D.N. & Mtagulwa, T.C.P. 2012. Nation branding: an analysis of Botswana's national brand. *International Journal of Business Administration*, 3(2): 17-27.

Marat, E. 2009. Nation branding in Central Asia: a new campaign to present ideas about the state and the nation. *Europe-Asia Studies*, 61(7): 1123-1136.

Mariutti, F. & Tench, R. 2015. Are we talking the same language? challenging complexity in country brand models. *Athens Journal of Business and Economics*, 1(1): 49-61.

Markus, l. & Robey, D. 1988. Information technology and organisational change: cCausal structure in theory and research. *Management Science*, 34(5): 583-598.

Markusen, J.R. 2002. Multinational firms and the theory of international trade. Cambridge, Massachusetts: MIT Press.

Marsh, H.W., Hau, K.T. & Wen, Z. 2004. In search of golden rules: comment on hypothesis-testing approaches to setting cutoff values for fit indexes and dangers in overgeneralizing Hu and Bentler's (1999) findings. *Structural Equation Modeling: A Multidisciplinary Journal*, 11(3): 320–341.

Mashego, G. 2013. Investors lose confidence in SA markets. *Sunday Times*: 5, 1 Jul.

Matiza, T. & Oni, O.A. 2013. Nation branding as a strategic marketing approach to foreign direct investment promotion: the case of Zimbabwe. *Mediterranean Journal of Social Science,* 4(13): 475-488.

Matsui, T. 2014. Nation branding through stigmatized popular culture: the "Cool Japan" craze among central ministries in Japan. *Hitotsubashi Journal of Commerce and Management 48*, p. 81-97.

Mawonde, A. 2016. Govt to review teacher-pupil ratio. The Herald: 19 Feb. http://www.herald.co.zw/govt-to-review-teacher-pupil-ratio/. Date of Access: 29 Oct.

Maxwell, A. & Ross, A.H. 2011. Epidemiology of genocide: an example from the former Yugoslavia. *Forensic Science Policy and Management*, 2(2): 94–102.

Mbaiwa, R. 2016. Foreign direct investment into Zimbabwe. Guest Lecture Notes to University of Zimbabwe MBA students, 2 Apr. Harare, ZIA: Zimbabwe Investment Authority.

McCarthy, B. 1997. The strategy formation process: a study of Irish SMEs. Dublin: Dublin City University. (Thesis – PhD).

McDonald, M. 2002. Marketing Plans: How to prepare them, How to use them. 5th ed., Butterworth-Heinemann.

McDonald, M. 2008. Malcolm McDonald on marketing planning: understanding marketing plans. London: Kogan Page.

McGivern, Y. 2013. The practice of market research: an introduction. 4th ed. Harlow: Pearson Education.

McGreal, C. 2008. This is no election. This is a brutal war. https://www.theguardian.com/world/2008/jun/22/zimbabwe1, Date of access: 21 Mar 2017.

Means, B., Toyama, Y., Murphy, R., Bakia, M. & Jones, K. 2009. Evaluation of evidence-based practices in online learning: a meta-analysis and review of online learning studies. Working Paper, US Department of Education.

Memorandum of Understanding on the Institutions of the Southern African Development Coordination Conference 20th July 1981. Available from: http://www.sadc.int/documents-publications/show/4171

Mhlanga, F. 2016. Local manufacturing sector capacity utilisation increases. Zimbabwe Independent, www.theindependent.co.zw/2016/11/25/local-manufacturing-sector-capacity-utilisation-increases/, Date of Access: 20 Dec. 2016.

Mhlanga, P. 2014a. Over 600 companies retrench. *Financial Gazette Companies & Markets*: p. C2, 10-16 Jul.

Mhlanga, P. 2014b. Zim's FDI conundrum. *The Chartered Accountant,* 4 & 12, Sep 2015 ed.

Miles, M.B., Huberman, A.M. & Saldana, J. 2014. Qualitative data analysis: a methods sourcebook. 3rd ed. California, CA: SAGE.

Mills, G. 2010. Why is Africa poor? CATO Institute, Centre for Global Liberty & Prosperity, Development Policy Briefing Paper, December 6(6): 1-8.

Ministry of Tourism and Hospitality Industry Strategic Plan 2013-2015 **see** Zimbabwe.

Mintz, E.D. & Tauxe, R.V. 2013. Cholera in Africa: a closer look and a time for action. *The Journal of Infectious Diseases*, 208(Suppl 1): S4–S7.

Mintzberg, H., Ahlstrand, B. & Lampel, J. 1998. Strategy safari. London: Prentice Hall.

Misago, J.P. 2016. Responding to xenophobic violence in post-apartheid South Africa: Barking up the wrong tree? AHMR, 2(2): 443-467.

Misago, J.P., Freemantle, I. & Landau, L.B. 2015. Protection from Xenophobia: An Evaluation of UNHCR's Regional Office for Southern Africa's Xenophobia Related Programmes. United Nation High Commission for Refugees Regional Office for Southern Africa.

Mishra, S. & Nathan, H.S.K. 2014. Measuring HDI – the old, the new and the elegant: implications for multidimensional development and social inclusiveness. Asia Research Centre, London School of Economics.

Mitchell, R.K., Agle, B.R. & Wood, D.J. 1997. Toward a theory of stakeholder identification and salience: defining the principle of who and what really counts. *Academy of Management Review*, 22(4): 853-886.

Mlambo, A.S. 2017. From an industrial powerhouse to a nation of vendors: Over two decades of economic decline and deindustrialization in Zimbabwe 1990–2015. *Journal of Developing Societies*, 33(1): 99–125.

Mo Ibrahim Foundation. 2011. 2011 Ibrahim index of African governance: summary. London.

Mo Ibrahim Foundation. 2012. 2012 Ibrahim index of African governance: Summary. London.

Mo Ibrahim Foundation. 2013a. 2013 Ibrahim index of African governance: summary. London.

Mo Ibrahim Foundation. 2013b. 2013 Ibrahim index of African governance: data Report. London.

Mo Ibrahim Foundation. 2014. 2014 Ibrahim index of African Governance: summary report. London.

Mo Ibrahim Foundation. 2015. 2015 Ibrahim index of African governance: Summary. London.

Mo Ibrahim Foundation. 2016. A decade of African governance 2006-2015: 2016 Ibrahim index of African governance report. London.

Mohamed, S.E. & Sidiropoulos, M.G. 2010. Another look at the determinants of foreign direct investment in MENA countries: an empirical investigation. *Journal of Economic Development*, 35(2): 75-95.

Moilanen,T. & Rainisto, S. 2009. How to brand nations, cities and destinations: a planning book for place branding. Hampshire: Palgrave Macmillan.

Moolla, A.I. 2010. A conceptual framework to measure brand loyalty. Potchefstroom, NWU: North-West University. (Thesis – PhD).

Moore, K. & Pareek, N. 2006. Marketing: the basics, London: Routledge.

Morazán, P., Knoke, I., Knoblauch, D. & Schäfer, T. 2012. The role of BRICS in the developing world. European Parliament's Committee on Development, European Union: Belgium.

Morris, R. & Aziz, A. 2011. Ease of doing business and FDI inflow to Sub-Saharan Africa and Asian countries. *Cross Cultural Management: An International Journal*, 18(4): 400–411.

Moyo, A. 2014. ZIA gets $700m investment applications. *The Sunday Mail Business*: B2, 26 Oct.

Muchie, M., Nasrin, S., & Baskaran, A. 2010. A study of major determinants and hindrances of FDI inflow in Bangladesh. Institut for Kultur og Globale Studier, Aalborg Universitet.

Mugabe, R.G. 2012. Preface. (*In* Science, Technology and Innovation Policy of Zimbabwe. 2nd ed. Zimbabwe. p. v-vi).

Mugabe, R.G. 2016. Foreword. (*In* National Economic Consultative Forum. Zimbabwe National Competitiveness Report 2016. Harare. p. iv-v).

Mugobo, V.V. & Ukpere, W.I. 2011. Is country branding a panacea or poison? *African Journal of Business Management*, 5(20): 8248-8255.

Mukim, M. & Nunnenkamp, P. 2010. The location choices of foreign investors: a district-level analysis in India. Working Paper No. 1628, Kiel Institute for the World Economy, Kiel: Germany.

Musso, F. & Francioni, B. 2012. How do small firms select foreign markets? *International Journal of Marketing Studies*, 4(6): 44-53.

Mustafa, A.M.M. & Santhirasegaram, S. 2014. Empirical investigation of the relationship between tourism receipts and sustainable economic growth in Sri Lanka. *Journal of Emerging Trends in Economics and Management Sciences*, 5(7): 131-137.

Muylle, S., Dawar, N. & Rangarajan, D. 2012. B2B brand architecture. *California Management Review*, 54(2): p. 58–71.

Muzondo, N. 2003. Design implementation of a regional export strategy for Zimbabwe's professional services (targeting Botswana)—accounting, management, marketing consulting. Leicester: University of Leicester. (Dissertation – Master of Business Administration).

Mwanawashe, C. 2014. Zim has potential to attract FDI. The Herald Business News: B2, 3 Sep, http://www.herald.co.zw/zim-has-potential-to-attract-fdi/, Date of Access: 5 Nov 2017.

Nakagawa, S. & Cuthill, I.C. 2007. Effect size, confidence interval and statistical significance: a practical guide for biologists. *Biological Reviews*, 82: 591–605.

National Economic Consultative Forum. 2015. Zimbabwe national competitiveness report 2015. Harare.

National Economic Consultative Forum. 2016. Zimbabwe national competitiveness report 2016. Harare.

National Qualifications Framework Act 67 of 2008, South Africa.

National Treasury of South Africa. 2011. A review framework for cross-border direct investment in South Africa. Discussion Paper, South Africa: Department of National Treasury.

Nauright, J. 2013. Selling nations to the world through sports: mega-events and nation branding as global diplomacy. *PD Magazine*: 22-27, winter 2013.

Nayak, D. & Choudhury, R.N. 2014. A selective review of foreign direct investment theories. ARTNeT Working Paper Series No. 143, Bangkok, ESCAP, March 2014.

Nayyar, R. & Gupta, S.L. 2011. Determinants of Internet Buying Behavior in India. Asian Journal of Business Research, 1(2): 53-65.

Ndlovu, J. & Heath, E. 2013. Re-branding of Zimbabwe to enhance sustainable tourism development: panacea or villain. *African Journal of Business Management*, 7(12): 947-955.

Newman, K.L. 2012. Cross-national distance: concepts, measures and relationships. *Journal of International Business and Economy*, 13(2): 39-59.

Njoroge, S. & Okech, T. 2011. An assessment of the factors influencing foreign direct investment inflows in Kenya's horticultural industry. *International Journal of Business and Social Science*, 2(5): 101-108.

Noorbakhsh, F., Paloni, A. & Youssef, A. 2001. Human capital and FDI inflows to developing countries: new empirical evidence, *World Development*, 29(9): 1593-1610.

Norman, G. 2010. Likert scales, levels of measurement and the 'laws' of statistics. *Advances in Health Sciences Education*, p. 1-8.

Noy, I. 2009. The macroeconomic consequences of disasters. *Journal of Development Economics* 88 (2009): 221–231.

Nudzor, H.P. 2009. A critical commentary on combined methods approach to researching educational and social issues. *Issues in Educational Research*, 19(2): 114-127.

Nunn, N. & Wantchekon, L. 2011. The slave trade and the origins of mistrust in Africa. *American Economic Review 101* (Dec. 2011): 3221-3252.

Nunn, N. 2006. The long-term effects of Africa's slave trades. Working Paper. Department of Economics, University of British Columbia and the Canadian Institute for Advanced Research (CIAR).

Nyamwange, M. 2009. Foreign direct investment in Kenya, MPRA Paper No. 34155, Munich Personal RePEc Archive.

Nyankweli, E.M. 2012. Foreign direct investment and poverty alleviation: The case of Bulyanhulu and Geita gold mines, Tanzania. Africa Studies Centre, Leiden: Netherlands.

Nyathi, J. 2014. A nation addicted to self-hate. *The Herald*: 9, 12 Jul.

Nziramasanga, C.T., Malaba, G., Kachingwe, S.L., Gerbecks, H., Zwangobani, E., Huruba, E., Mangena, S., Blachfield, J., Benoy, H.M., Sithole, A., Pryke, R., Hallack, J. & Masango, R.B. 1999. Report of the Presidential Commission of Enquiry into Education and Training. Zimbabwe.

O'Brien, R.M. 2007. A caution regarding rules of thumb for variance inflation factors. *Quality & Quantity*, 41:673–690.

O'Leary, Z. 2010. The essential guide to doing your research project. London: SAGE.

Oh, C.H. & Oetzel, J. 2011. Multinationals' response to major disasters: how does subsidiary investment vary in response to the type of disaster and the quality of country governance? *Strategic Management Journal*, 32(6): 658–681.

Ojo, E.M. 2015. The Atlantic slave trade and colonialism: Reasons for Africa's underdevelopment? *European Scientific Journal*, 11(17): 1857–7881.

Olins, W. 2005. Making a national brand. (*In* Melissen, J. ed. The new public diplomacy: soft power in international relations. New York, NY: Palgrave-MacMillan. p. 169-179).

Oliva, K.E.L. & Stringari, A. 2014. Drug cartels and apartheid: critical study of nation branding in developing countries burdened by stigmatizations. Sweden: Lund University School of Economics and Management. (Dissertation – Master).

Omar, R. & de Waal, A. 1994. Rwanda: who is killing; who is dying; what is to be done? A Discussion Paper, London: African Rights.

Ong'ayo, A.O. 2008. Political instability in Africa: where the problem lies and alternative perspectives. Presented at the Symposium 2008: Afrika: een continent op drift, Stichting Nationaal Erfgoed Hotel De Wereld, Wageningen, 19 September.

Onkvisit, S. & Shaw, J.J. 2004. International marketing: analysis and strategy, 4th ed., London: Routledge.

Organisation for Economic Co-operation and Development. 2008. Handbook on constructing composite indicators: methodology and user guide. OECD & JRC European Commission.

Organisation for Economic Co-operation and Development. 2014a. OECD Factbook 2014: Economic, Environmental and Social Statistics, OECD Publishing. http://dx.doi.org/10.1787/factbook-2014-en. Date of access: 28 Nov. 2014.

Organisation for Economic Cooperation and Development. 2014. OECD regional well-being: a user's guide—using data to build better communities.

Osei, C. & Gbadamosi, A. 2011. Re-branding Africa. *Marketing Intelligence & Planning*, 29(3): 284-304.

Outhavong, S. 2007. Branding nation brand. Texas: The University of Texas at Austin. (Thesis – PhD).

Oxford Advanced Learner's Dictionary. 2015. Oxford: Oxford University Press.

Pallant, J. 2005. SPSS survival manual: a step by step guide for windows (version 12), Crows West, Australia: Allen & Unwin.

Pallant, J. 2007. SPSS survival manual: a step-by-step guide to data analysis using SPSS Version 15. 3rd ed., Berkshire, England: McGraw-Hill Education.

Pálsdóttir, I.H. 2008. The case of 'Iceland naturally'—establishing an umbrella brand to increase country image impact and coherence. (*in* Dinnie, K. Nation branding: concepts, issues, practice. Oxford: Butterworth-Heinemann. p. 183-187).

Pant, B. & Sigdel, B.D. 2004. Attracting foreign direct investment: experiences and challenges. NRB Working Paper No. 1, Nepal Rastra Bank: Nepal.

Pappu, R., Quester, P.G. & Cooksey, R.W. 2005. Consumer-based brand equity: Improving the measurement - empirical evidence. *Journal of Product and Brand Management*, 14(3): 143-154.

Pasquier, M. 2008. The image of Switzerland: between clichés and realities. (*In* Dinnie, K. 2008. Nation branding: concepts, issues, practice. Oxford: Butterworth-Heinemann. p. 79-84).

Passow, T., Fehlmann, R. & Grahlow, H. 2005. Country reputation—from measurement to management: the case of Liechtenstein. *Corporate Reputation Review*, 7(4): 309-326.

Pearson, D. Nyonna, D. & Kim, K. 2012. The relationship between economic freedom, state growth and foreign direct investment in US states. *International Journal of Economics and Finance*, 4(10): 1-7.

Perreault, W.D., Cannon, J.P. & McCarthy, E.J. 2014. Basic marketing: A marketing strategy planning approach. 19th ed. New York, NY: McGraw-Hill Irwin.

Peteraf, M.A. 1993. The cornerstones of competitive advantage: A resource-based view. *Strategic Management Journal* 14, p. 179-191.

Petrović, E. & Stanković, J. 2009. Country risk effects of foreign direct investment. *Economics and Organization*, 6(1): 9-22.

Pike, S., Bianchi, C., Kerr, G. & Patti, C. 2010. Consumer-based brand equity for Australia as a long-haul tourism destination in an emerging market. *International Marketing Review*, 27(4): 434-449.

Piper, H. & Simons, H. 2005. Ethical responsibility in social research. (*In* Somekh, B. & Lewin, C. eds. Research methods in the social sciences. London: SAGE. p. 56-63).

Poh, L.C. 2016. From research to innovation to enterprise: the case of Singapore. (*In* Cornell University, Institut Européen d'Administration des Affaires (INSEAD) & World Intellectual Property Organization (WIPO). The global innovation index 2016: Winning with global innovation. Fontainebleau, Ithaca & Geneva: Cornell University, INSEAD & WIPO. 133-140).

Polzer, T. & Takabvirwa, K. 2010. Just crime? violence, xenophobia and crime: Discourse and practice. *SA Crime Quarterly*, 30: 1-10.

Poon, J.P.H. 2005. Quantitative methods: not positively positivist. *Progress in Human Geography*, 29(6): 766–772.

Porter, M.E. 1990a. The competitive advantage of nations. *Harvard Business Review*, Mar.-Apr. 73-91.

Porter, M.E. 1990b. The competitive advantage of nations. (*In* de Wit, B. & Meyer, R. 1998. Strategy: Process, Content, Context. 2nd ed. London: Thompson Learning. 773-785).

Porter, M.E. 1998c. Competitive advantage: creating and sustaining superior performance. New York: Free Press.

Power, M., Scheytt, T., Soin, K. & Sahlin, K. 2005. Reputational risk as a logic of organizing in late modernity. *Organisation Studies*, 30(02&03): 301–324.

Preston, C.C. & Colman, A.M. 2000. Optimal number of response categories in rating scales: reliability, validity, discriminating power, and respondent scales. *Acta Psychologica*, 104: 1-15.

Project Management Institute. 2013. A guide to the project management body of knowledge (PMBOK® guide). 5th ed., Pennyslyvania.

Public Accountants and Auditors Act (27:12) (amended in 2014) ***see*** Zimbabwe.

Qu, H., Kim, L.H. & Im, H.H. 2011. A model of destination branding: Integrating the concepts of the branding and destination image. *Tourism Management*, 32: 465-476.

Rainisto, S. 2003. Success factors of place marketing: a study of place marketing practices in Northern Europe and the United States. Finland: Helsinki University of Technology (Thesis – PhD).

Rana, N.P., Williams, M.D. & Dwivedi, Y.K. 2012. E-government adoption research: a meta-analysis of findings. European Conference on Information Systems (ECIS) 2012 Proceedings. Paper 3.

Ranjan, V. & Agrawal, G. 2011. FDI inflow determinants in BRIC countries: a panel data analysis. *International Business Research*, 4(4): 255-263.

Rashid, P. 2014. Managing brand equity in an integrated marketing communication strategy: a case study in the FMCG industry of the effectiveness and synergies of digital marketing channels. Sweden: Uppsala University. (Dissertation – Master).

Rattray, J. & Jones, M.C. 2007. Essential elements of questionnaire design and development, *Journal of Clinical Nursing*, 16: 234–243.

Razafimahefa, I. & Hamori, S. 2005. An empirical analysis of FDI competitiveness (*In* Razmi, M.J. & Behname, M. 2012. FDI determinants and oil effects on foreign direct investment: evidence from Islamic countries. *Advances in Management & Applied Economics*, 2(4): 261-270.

Razmi, M.J. & Behname, M. 2012. FDI determinants and oil effects on foreign direct investment: evidence from Islamic countries. *Advances in Management & Applied Economics*, 2(4): 261-270.

Rego, L.L., Billet, M.T. & Morgan, N.A. 2009. Consumer-based brand equity and firm risk. *Journal of Marketing*, 73 (Nov. 2009): 47–60.

Reichertz, J. 2004. Abduction, deduction, and induction in qualitative research. (*In* Flick, U., von Kardoff, E. & Steinke, I., eds. *A companion to qualitative research* (pp. 150–164). London: SAGE.

Reputation Institute. 2016. 2016 country RepTrak®: the most reputable countries in the world.

Researcher's Personal Notes. 2016. Ease of doing business in the tourism sector conference: Plenary Discussion. Zimbabwe Tourism Authority & Ministry of Tourism and Hospitality Management and held at Harare International Conference Centre, Harare: 1 September 2016.

Reserve Bank of Zimbabwe. 2012. 2012 mid-term monetary policy statement. Harare.

Reserve Bank of Zimbabwe. 2016. Quarterly economic review. June, Harare.

Richardson, R. & Kramer, E.H. 2006. Abduction as the type of inference that characterizes the development of a grounded theory. *Qualitative Research*, 6(4): 497-513.

Robinson, J.A., Acemoglu, D., Heldring, L., Osafo-Kwaako, P. & Reid, T. 2012. Colonialism and economic development in Sub-Saharan Africa. 16th world economic history congress, July 9, 2012, Stellenbosch.

Rodrigo-Rincón, I., Reyes-Pérez, M., & Martínez-Lozano, M.E. 2014. Personalizing the reference level: Gold standard to evaluate the quality of service perceived. *Spanish Journal of Nuclear Medicine and Molecular Imaging*, 33(2):65-71.

Rojas-Me´ndez, J.I. 2013. The nation brand molecule. *Journal of Product & Brand Management*, 22(7): 462–472.

Roll, M. 2008. China branding: opportunities and challenges. *Business Strategy Series*. 9(5): 231-237.

Rusko, R., Merenheimo, P. & Haanpää, M. 2013. Coopetition, resource-based view and legend: cases of Christmas tourism and City of Rovaniemi. *International Journal of Marketing Studies*, 5(6): 37-51.

Ruzzier, M.K. & Petek, N. 2012. Country brand I feel Slovenia: first response from locals. *Economic Research - Ekonomska istraživanja*, 25(2): 465-484.

SADC Election Observer Mission. 2008. Preliminary Report on the Zimbabwean Presidential Runoff and House of Assembly By-Election Held on 27 June 2008. Southern African Development Community.

Sahgal, R.S. 2011. Foreign direct investment decision-making processes: the case of Swiss companies in India. Switzerland: University of St Gallen. (Thesis – PhD).

Sala-i-Martín, X., Crotti, R., Baller, S., Di Battista, A., Drzeniek-Hanouz, M., Geiger, T., Gaviria, D.G. & Marti, G. 2016. Modernizing the measurement of prosperity in light of the fourth industrial revolution: the updated Global Competitiveness Index. (*In* World Economic Forum. The global competitiveness report 2016–2017. Geneva: World Economic Forum. p. 51-62).

Sala-i-Martín, X., Crotti, R., Di Battista, A., Hanouz, M.D., Galvan, C., Geiger, T. & Marti, G. 2015b. Drivers of long-run prosperity: laying the foundations for an updated global competitiveness index. (*In* World Economic Forum. The global competitiveness report 2015–2016. Geneva, WEF: World Economic Forum. 43-74).

Sala-i-Martín, X., Crotti, R., Di Battista, A., Hanouz, M.D., Galvan, C., Geiger, T. & Marti, G. 2015a. Reaching beyond the new normal: findings from the global competitiveness index 2015–2016. (*In* World Economic Forum. The global competitiveness report 2015–2016. Geneva, WEF: World Economic Forum. 43-74).

Salem, A. 2015. Key success factors impacting foreign direct investment and technology transfer: A comparative study of Libya and Egypt. Gloucestershire, UK: University of Gloucestershire. (Thesis – PhD).

Samans, R. 2015. Preface. (*In* World Economic Forum. The global competitiveness report 2015–2016. World Economic Forum: Geneva, pp. xiii.

Same, S. & Solarte-Vasquez, M.C. 2014. Country branding and country image: insights, challenges and prospects - the case of Estonia. *Baltic Journal of European Studies*, 4(1/16): 137-165.

Saraniemi, S. & Ahonen, M. 2008. Destination branding from corporate branding perspective. Proceedings of the Conference on Corporate Communication 2008, June 6th - 9th, Wroxton, England, p. 436-448.

Saraniemi, S. 2009. Destination branding in a country context: a case study of Finland in the British market. Finland: University of Joensuu. Thesis – PhD.

Sartori, A., Mottironi, C. & Corigliano, M.A. 2012. Tourist destination brand equity and internal stakeholders: an empirical research. *Journal of Vacation Marketing*, 18(4): 327-340.

Sattar, A. & Mahmood, T. 2011. Intellectual property rights and economic growth: evidence from high, middle and low income countries. *Pakistan Economic and Social Review*, 49(2): 163-86.

Satyanand, P.N. 2011. How BRIC MNEs deal with international political risk. (*In* Sauvant, K.P., Sachs, L., Davies, K., & Zandvliet, R. eds. FDI Perspectives: Issues in International Investment, Vale Columbia Center on Sustainable International Investment, Columbia University. p. 36-38).

Saunders, M., Lewis, P. & Thornhill, A. 2012. Research Methods for Business Students. 6th ed., England: Pearson Education.

Săvoiu, G., Dinu, V. & Ciucă, S. 2013. Foreign direct investment based on country risk and other macroeconomic factors: econometric models for Romanian economy. *Romanian Journal of Economic Forecasting* 1: 39-61.

Sawada, Y., Bhattacharyay, R. & Kotera, T. 2011. Aggregate impacts of natural and man-made disasters: a quantitative comparison. RIETI Discussion Paper Series 11-E-023, March 2011, Research Institute of Economy, Trade and Industry.

Schiffman, L.G., Kanuk, L.L. & Kumar, S.R. Wisenblit, J. 2010. Consumer behaviour. 10th ed., Chennai: Pearson Education.

Schorr, V. 2011. Economics of Afro-pessimism: The economics of perception of African foreign direct investment. Institute of African Studies, Ottawa, Canada: Carleton University. Fall 2011(2): 23-62.

Schreiber, J.B. 2008. Core reporting practices in structural equation modeling. *Research in Social and Administrative Pharmacy*, 4: 83–97.

Schreiber, J.B., Nora, A., Stage, F.K., Barlow, E.A. & King, J. 2006. Reporting structural equation modeling and confirmatory factor analysis results: a review. *The Journal of Educational Research*, 99(6): 323-337.

Science, Technology and Innovation Policy of Zimbabwe. 2012. 2nd ed. ***See*** Zimbabwe.

Sebudubudu, D. 2010. The impact of good governance on development and poverty in Africa: Botswana - a relatively successful African initiative. *African Journal of Political Science and International Relations*, 4(7): 249-262.

Segars, A.H. & Grover, V. 1993. Re-examining perceived ease of use and usefulness: a confirmatory factor analysis. *MIS Quarterly*, 17(4): 517-525.

Sekeran, U. & Bougie, R. 2013. Research methods for business: a skill-building approach. 6th ed. West Sussex: John Willey & Sons.

Selvanathan, S., Selvanathan, E.A. & Viswanathan, B. 2009. Causality between foreign direct investment and tourism: Empirical evidence from India. Working Paper 46/2009, Madras School of Economics, Chennai, India.

Sevin, H.E. 2014. Understanding cities through city brands: city branding as a social and semantic network. *Cities*, 38: 47–56.

Shadfar, S. & Malekmohammadi, I. 2013. Application of structural equation modeling (SEM) in restructuring state intervention strategies toward paddy production development. *International Journal of Academic Research in Business and Social Sciences*, 3(12): 576-618.

Shahadan, F., Sarmidi, T. & Faizi, F.J. 2014. Relationships between doing business indexes and FDI net inflows: empirical evidence from six Asian countries (Afghanistan, Bangladesh, India, Iran, Pakistan and Sri Lanka). *Prosiding Perkem*, ke-9: 609-625.

Shahid, H., Shafique. O. & Shokat, A. 2012. Nation branding: Ghana. Developing Country Studies, 2(10): 10-14.

Shoko, M., Chikomo, M. & Chisita, C.T. 2015. Towards a Southern African regional qualification framework: enhancing quality through quality assurance in higher and tertiary LIS education programmes in Zimbabwe. Conference Paper, IFLA/WLIC: Cape Town. http://creativecommons.org/licenses/by/3.0/, Date of access: 21 Dec. 2016.

Short Term Emergency Recovery Programme. 2009. **See** Zimbabwe.

Sichei, M.M. & Kinyondo, G. 2012. Determinants of foreign direct investment in Africa: a panel data analysis. *Global Journal of Management and Business Research*, (12)18-1: 85-97.

Simonin, B.L. 2008. Nation branding and public diplomacy: challenges and opportunities. *The Fletcher Forum of World Affairs*, 32(3): 19-34.

Simons, G. 2013. Nation branding and Russian foreign policy. Occasional Papers No. 21, Swedish Institute of International Affairs.

Singh, K. 2007. Quantitative social research methods. New Delhi: SAGE.

Singh, S.P. & Dube, M. n.d. BRICS and the world order: a beginner's guide. www.saiia.org.za and www.gegafrica.org.

Sippel, L., Kiziak, T., Woellert, F. & Klingholz, R. 2011. Africa's demographic challenges: how a young population can make development possible. Berlin Institute for Population and Development: Berlin.

Smit, A.J. 2010. The competitive advantage of nations: is Porter's diamond framework a new theory that explains the international competitiveness of countries? *Southern African Business Review*, 14(1): 105-130.

Smith, P.R. & Taylor, J. 2004. Marketing communications: an integrated approach. 4th ed., London: Kogan Page.

Social Progress Imperative. 2014. Social progress index 2014. Washington, DC.

Social Progress Imperative. 2015. Social progress index 2015. Washington, DC.

Social Progress Imperative. 2016a. Social progress index 2016. Washington, DC.

Social Progress Imperative. 2016b. Social progress index 2016: methodological report. Washington, DC.

Solomon, M.R. 2011. Consumer behaviour: buying, having and being. 9th ed., Essex: Pearson Education.

Somlev, I.P. & Hoshino, Y. 2005. Influence of location factors on establishment and ownership of foreign investments: the case of the Japanese manufacturing firms in Europe. *International Business Review* 14: 577–598.

Sousa, C.M.P. & Lengler, J. 2009. Psychic distance, marketing strategy and performance in export ventures of Brazilian firms. *Journal of Marketing Management*, 25(5-6): 591-610.

South Africa National Budget Speech 2012 see South Africa. Pretoria: Communications Unit, National Treasury. Available at: www.treasury.gov.za.

South Africa National Budget Speech 2016 ***see*** South Africa. Pretoria: Communications Unit, National Treasury. Available at: www.treasury.gov.za.

South African Competitiveness Forum. 2013a. Breakaway 1: education, skills & labour. South Africa.

South African Competitiveness Forum. 2013b. Breakaway 2: governance & leadership. South Africa.

South African Competitiveness Forum. 2013c. Breakaway 3: manufacturing & related services. South Africa.

South African Competitiveness Forum. 2013d. Breakaway 5: FDI competitiveness. South Africa.

South African Competitiveness Forum. 2014. SA Competitiveness Forum Special Research & Outcomes Report Highlights. 2 April 2014. Presented at Brand SA - Witwatersrand Business School Seminar on International Perceptions of SA in a complex emerging market environment. South Africa.

South African Competitiveness Forum. 2014. SA competitiveness forum special research and outcomes report highlights. Johannesburg.

South African Qualifications Authority. 2012. Level descriptors for the South African National Qualifications Framework. Waterkloof. www.saqa.org.za/docs/misc/2012/level_descriptors.pdf, Date of Access: 21 Dec. 2016.

South African Qualifications Authority. 2012. Policy and criteria for evaluating foreign qualifications within the South African NQF. Government Gazette, 39566. 30 Dec. 2015. Available from www.gov.za/sites/www.gov.za/files/39566_gon1289.pdf, Date of Access: 21 Dec. 2016.

Southern Africa Development Community Treaty. 1992. Available from: http://www.sadc.int/documents-publications/show/4171

Southern African Development Community. 2017a. SADC overview. http://www.sadc.int/about-sadc/overview/, Date of access: 22 Mar 2017.

Southern African Development Community. 2017b. South Africa. http://www.sadc.int/member-states/south-africa/, Date of access: 22 Mar 2017.

Southern African Development Community. 2017c. Zimbabwe. http://www.sadc.int/member-states/zimbabwe/, Date of access: 22 Mar 2017.

Steenkamp, E. & Viviers, W. 2012. Constructing a market accessibility index for South African products in Africa. Working Paper, Potchefstroom, NWU: North-West University.

Sudharshan, D. & Sanchez, R. 1998. Distribution equity: creating value through managing knowledge relationships with distribution channels. *Journal of Market Focused Management* 2, p. 309-339.

Sukhoruchenko, V. 2007. Foreign direct investment in an emerging market: implications for policy-making in Kazakhstan. Switzerland: University of St Gallen. (Thesis – PhD).

Sullivan, U.Y. & Thomas, J.S. 2004. Customer migration: an empirical investigation across multiple channels. Working Paper, University of Illinois at Urbana−Champaign.

Sun, Q. 2009. An analytical model of the determinants and outcomes of nation branding. Texas: University of North Texas. (Thesis – PhD).

Suvage, G.T., Nix, T.W., Whitehead, C.J. & Blair, J.D. 1991. Strategies for assessing and managing organisational stakeholders. *Academy of Management Executive*, 5(2): 61-75.

Suvatjis, J.Y. & de Chernatony, L. 2005. Corporate identity modelling: A review and presentation of a new multi-dimensional model. *Journal of Marketing Management*, 21: 809–834.

Szondi, G. 2007. The role and challenges of country branding in transition countries: the Central and Eastern European experience. *Place Branding and Public Diplomacy*, 3(1): 8–20.

Tabachnick, B.G. & Fidell, L.S. 2007. Using multivariate statistics. 5th ed. Boston: Pearson Education.

Talavera, A. & Pérez, E.M. 2009. Is cholera disease associated with poverty? *The Journal of Infection in Developing Countries*, 3(6): 408-411.

Tatevossian, A.R. 2008. Domestic society's (often-neglected) role in nation branding. *Place Branding and Public Diplomacy*, 4(2): 182–190.

te Velde, D.W. 2006. Foreign direct investment and development: an historical perspective. Background Paper for World Economic and Social Survey for 2006, United Nations Conference on Trade and Development.

Temporal, P. 2014. Nation branding is essential but not an easy ride. (*In* Brand Finance. 2014. Nation brands: referendum relief, sporting spectacles & costly conflict. United Kingdom. p. 18-22).

Thampanishvong, T. 2013. Global assessment report on disaster risk reduction: the case of Thailand. United Nations Office for Disaster Risk Reduction: Geneva.

Therkelsen, A. & Halkier, H. 2008. Contemplating place branding umbrellas. the case of coordinated national tourism and business promotion in Denmark. *Scandinavian Journal of Hospitality and Tourism*, 8(2):159-175.

Thompson, A.A., Peteraf, M.A., Gamble, J.E. & Strickland, A.J. 2014. Crafting and executing strategy: the quest for competitive advantage – concepts and cases. 19th ed., McGraw-Hill Irwin.

Tiberghien, G., Garkavenko, V. & Ashirbekova, M. 2013. Authenticity and eco-cultural tourism development in Kazakhstan: a country branding approach. *European Journal of Tourism, Hospitality and Recreation*, 4(1): 29-43.

Tinne, W.S. 2013. Nation branding: beautiful Bangladesh. *Asian Business Review*, 2(3), 31-36.

Tosun, M.U., Yurdakul, M.O. & İyidoğan, P.V. 2014. The relationship between corruption and foreign direct investment inflows in Turkey: an empirical examination. *Transylvanian Review of Administrative Sciences*, 42(E/2014): 247-257.

Transparency International. 2010. Corruption perception index 2010. Berlin.

Transparency International. 2011. Corruption perception index 2011. Berlin.

Transparency International. 2012. Corruption perception index 2012. Berlin.

Transparency International. 2013. Corruption perception index 2013. Berlin.

Transparency International. 2014. Corruption perception index 2014. Berlin. Available from: http://www.transparency.org/cpi2014/in_detail#myAnchor3.

Transparency International. 2015. Corruption perception index 2015. Berlin. Available from: http://www.transparency.org/cpi2015#results-table Date of access: 1 May 2017.

Transparency International. 2016a. Corruption perception index 2016. Bulgaria: Transparency International Bulgaria.

Transparency International. 2016b. Corruption perception index 2016: full source description. Berlin.

Trope, Y. & Liberman, N. 2010. Construal-level theory of psychological distance. *Psychological Review*, 117(2): 440–463.

Tuck, R. 2007. An Introductory Guide to National Qualifications Frameworks: Conceptual and Practical Issues for Policymakers. Geneva: International Labour Organization.

Turpin, S.M. & Marais, M.A. 2004. Decision-making: theory and practice. *Orion*, 20 (2): 143-160.

Tvaronavičienė, M., Kalašinskaitė, K. & Šimelytė, A. 2009. Review of approaches towards FDI: driving forces and plausible consequences. *Socialinių Mokslų Studijos/Social Sciences Studies*, 2(2): 7–28.

United Nations Conference on Trade and Development. 2013. World investment report 2013: global value chains—investment and trade for development. Geneva: United Nations.

United Nations Conference on Trade and Development. 2014. World investment report 2014: investing in the SDGs—an action plan. Geneva: United Nations.

United Nations Conference on Trade and Development. 2015. World investment report 2015: reforming international investment governance. New York: United Nations.

United Nations Conference on Trade and Development. 2015. World investment report 2015: reforming international investment governance. Geneva.

United Nations Conference on Trade and Development. 2016a. World investment report 2016: investor nationality—policy challenges. Geneva: United Nations.

United Nations Conference on Trade and Development. 2016b. Global investment prospects assessment 2016–2018. *Global Investment Trends Monitor*, 24(6 Oct.).

United Nations Conference on Trade and Development. 2017. World investment report 2017: investment and the digital economy. Geneva: United Nations.

United Nations Development Programme. 2013. Human development report 2013—the rise of the South: human progress in a diverse world. New York: NY.

United Nations Development Programme. 2014. Human development report 2014—sustaining human progress: reducing vulnerabilities and building resilience. New York: NY.

United Nations Development Programme. 2015. Human development report 2015: work for human development. New York: NY.

United Nations Development Programme. 2016. Human development report 2016: human development for everyone. New York: NY.

United Nations Economic Commission for Africa. 2009. African governance report II 2009. USA: United States of America.

United Nations Industrial Development Organisation. 2003. Clean development mechanism (CDM) investor guide - South Africa. Vienna.

United Nations Industrial Development Organization. 2003. Clean Development Mechanism (CDM) Investor Guide - South Africa. Vienna.

Vacha-Haase, T. & Thompson, B. 2004. How to estimate and interpret various effect sizes. *Journal of Counseling Psychology*, 51(4): 473–481.

van de Laar, M. & de Neubourg, C. 2002. Emotions and foreign direct investment: a theoretical and empirical exploration. International Business in Transition Economies Conference, Vilnius. https://www.researchgate.net/publication/257695872_Emotions_and_foreign_direct_investment_A_theoretical_and_empirical_exploration, Date of access: 10 May 2017.

van den Akker, D. 2011. Creation of an umbrella nation branding strategy. Netherlands, UT: University of Twente. (Dissertation – Master).

van Riel, C.B.M. & Balmer, J.M.T. 1997. Corporate identity: the concept, its measurement and management. *European Journal of Marketing*, 31(5/6): 340-355.

Vergara, L.G. 2013. Elites, political elites and social change in modern societies. *Revista de Sociología*, No. 28, p. 31-49.

Verwimp, P. 2004. Death and survival during the 1994 genocide in Rwanda. *Population Studies*, 58(2): 233–245.

Villarejo-Ramos, A.F. & Sa´nchez-Franco, M.J. 2005. The impact of marketing communication and price promotion on brand equity. *Brand Management*, 12(6): 431–444.

Viosca, R.C., Bergiel, B.J. & Balsmeier, P. 2004. Effects of the electronic Nigerian money fraud on the brand equity of Nigeria and Africa. *Management Research News*, 27(6): 11-20.

Walsh, J.P. & Yu, J. 2010. Determinants of foreign direct investment: a sectoral and institutional approach. IMF Working Paper, Asia Pacific Department. International Monetary Fund.

Wang, C.L. & Ahmed, P.K. 2004. The development and validation of the organisational innovativeness construct using confirmatory factor analysis. *European Journal of Innovation Management*, 7(4):303-313.

Wang, J. & Wang, X. 2014. Benefits of foreign ownership: evidence from foreign direct investment in China. Working Paper No. 191, Globalization and Monetary Policy Institute, Federal Reserve Bank of Dallas.

Wanjiru, E. 2005. Branding African countries: a prospect for the future. *Place Branding*, 2(1): 84-95.

Wernerfelt, B. 1984. A resource-based view of the firm. *Strategic Management Journal*, 5(2): 171-180.

Westerberg, K. 2011. Investigating the relationship of inward foreign direct investment and poverty in developing countries. Aalto University School of Economics (Dissertation – Master).

Wicksell, R.K., Olson, G.L. & Melin, L. 2009. The chronic pain acceptance questionnaire (CPAQ)-further validation including a confirmatory factor analysis and a comparison with the Tampa Scale of Kinesiophobia. *European Journal of Pain*, 13: 760-768.

Wilkin-Armbrister, E.G. 2008. Brand Nevis—the role of the financial services sector. (*In* Dinnie, K. Nation branding: concepts, issues, practice. Oxford: Butterworth-Heinemann. p. 97-101).

Willits, F.K., Theodori, G.L. & Luloff, A.E. 2016. Another look at Likert scales. *Journal of Rural Social Sciences*, 31(3): 126–139.

Wilson, R.T., Baack, D.W. & Baack, D. 2014. Foreign direct investment promotion: using advertising to change attitudes and behaviors. *Marketing Management Journal*, 24(2): 108-123.

World Bank. 2010. Innovation policy: a guide for developing countries. Washington, DC.

World Bank. 2012. Doing business in 2012: doing business in a more transparent world—comparing regulation for domestic firms in 183 economies. Washington DC.

World Bank. 2013. Doing business 2013: smarter regulations for small and medium-size enterprises—comparing business regulations for domestic firms in 185 economies. 10th ed. Washington DC.

World Bank. 2014a. Doing business 2014: understanding regulations for small and medium-size enterprises—comparing business regulations for domestic firms in 189 economies, 11th ed. Washington DC.

World Bank. 2014b. 2014 world development indicators. Washington DC.

World Bank. 2015a. Doing business 2015: going beyond efficiency—comparing business regulations for domestic firms in 189 economies. 12th Edition, World Bank: Washington DC.

World Bank. 2015b. World development indicators 2015. Washington, DC: World Bank.

World Bank. 2016a. Doing business 2016: measuring regulatory quality and efficiency. 13th ed., Washington DC.

World Bank. 2016b. World development indicators: Featuring the sustainable development goals. Washington DC.

World Bank. 2017. Gross Domestic Product. http://data.worldbank.org/indicator/NY.GDP.MKTP.CD, Date of access: 3 March 2017.

World Economic Forum. 2012. The global competitiveness report 2012-2013. Geneva.

World Economic Forum. 2013a. The global competitiveness report 2013-2014. Geneva.

World Economic Forum. 2013b. The travel & tourism competitiveness report 2013: reducing barriers to economic growth and job creation. Geneva.

World Economic Forum. 2014. The global competitiveness report 2014-2015: accelerating a robust recovery to create productive jobs and support inclusive growth. Geneva.

World Economic Forum. 2015a. The global competitiveness report 2015–2016. Geneva.

World Economic Forum. 2015b. The travel & tourism competitiveness report 2015: growth through shocks. Geneva.

World Economic Forum. 2016. The global competitiveness report 2016-2017: accelerating a robust recovery to create productive jobs and support inclusive growth. Geneva.

World Health Organisation. 2014a. Global tuberculosis report 2014. Geneva.

World Health Organisation. 2014b. World malaria report 2014. Geneva.

World Travel and Tourism Council. 2014. Travel and tourism economic impact 2014: Zimbabwe. Geneva.

Wysocki, R.K. 2007. Effective project management: traditional, adaptive, extreme. 4th ed., Indianapolis: Wiley Publishing.

Yee, F.W. 2009. Nation branding: a case study of Singapore. Las Vegas: University of Nevada. Dissertation – Master of Hospitality Administration.

Yilmaz, A.K. & Kucuk, F. 2010. The reputation crisis: risk management based logical framework to the corporate sustainability. (*In* Pomffyová, M. Process Management. Croatia: INTECH. 223-244.

Yin, R.K. 2003. Case study research: design and methods. 3rd ed. Thousand Oaks, California, CA: SAGE.

Yong, A.G. & Pearce, S. 2013. A beginner's guide to factor analysis: focusing on exploratory factor analysis. *Tutorials in Quantitative Methods for Psychology*, 9(2), 79-94.

Yoo, B. & Donthu, N. 2001. Developing and validating a multidimensional consumer-based brand equity scale. *Journal of Business Research*, 52: 1-14.

Yoo, W., Mayberry, R., Bae, S., Singh, K., Qinghua, P. & Lillard Jr., J.W. 2014. A study of effects of multicollinearity in the multivariable analysis. *International Journal of Applied Science and Technology*, 4(5): 9-19.

Yu, C.H. 2001. Misconceived relationships between logical positivism and quantitative research. Paper presented at the Annual Meeting of 2001 American Education Research Association, Seattle, WA.

ZAD Group. 2008. Egypt – an inspiring modern state. (*In* Dinnie, K. Nation branding: concepts, issues, practice. Oxford: Butterworth-Heinemann. p. 37-41).

Zeinalpour, H., Shahbazi, N. & Ezzatirad, H. 2013. A review on city and country brand index. *World Applied Sciences Journal*, 27(11): 1401–1407.

Zenker, S. & Braun, E. 2010. The place brand centre – a conceptual approach for the brand management of places. 39th European Marketing Academy Conference. Copenhagen, Denmark, 1st–4th June 2010.

Zhang, A.H. 2014. Foreign direct investment from China: sense and sensibility. *Northwestern Journal of International Law & Business*, 34(3): 395-453.

Zhao, J. 2008. New economy and stakeholder theory: promoting competitiveness of companies in 21st century. CSR Paper, School of Law, Manchester University: Manchester.

Zhou, G. & Zvoushe, H. 2012. Public policy making in Zimbabwe: a three decades perspective. *International Journal of Humanities and Social Science*, 2(8): 212-222.

Zikmund, W.G. & Babin, B.J. 2013. Essentials of marketing research. 5th ed. USA: South Western Cengage Learning.

Zikmund, W.G., Babin, B.J., Carr, J.C. & Griffin, M. 2010. Business research methods. 8th ed. USA: South-Western Cengage Learning.

Zikmund, W.G., Babin, B.J., Carr, J.C. & Griffin, M. 2013. Business research methods. 9th ed. USA: South-Western Cengage Learning.

Ziltener, P. & Künzler, D. 2013. Impact of colonialism - a research survey. *Journal of World-Systems Research*, 19(2): 290-311.

Ziltener, P., Künzler, D. & Walter, A. 2017. Measuring the impacts of colonialism: A new data set for the countries of Africa and Asia. *Journal of World-systems Research*. 23(1): 156-190.

Zimbabwe Agenda for Sustainable Socio-Economic Transformation. 2013. Zimbabwe agenda for sustainable socio-economic transformation: Towards an empowered society and a growing economy (October 2013 – December 2018). Zimbabwe.

Zimbabwe Council on Higher Education. 2011. Professional qualification equivalence. Harare. Memorandum to Vice Chancellors.

Zimbabwe Human Rights NGO Forum. 2009. Political violence report: December 2008. February, Zimbabwe.

Zimbabwe National Budget Statement 2002 ***see*** Zimbabwe.

Zimbabwe National Budget Statement 2009 ***see*** Zimbabwe.

Zimbabwe National Budget Statement 2011 ***see*** Zimbabwe.

Zimbabwe National Budget Statement 2012 ***see*** Zimbabwe.

Zimbabwe National Budget Statement 2013 ***see*** Zimbabwe.

Zimbabwe National Budget Statement 2014 ***see*** Zimbabwe.

Zimbabwe National Budget Statement 2015 ***see*** Zimbabwe.

Zimbabwe National Budget Statement 2016 ***see*** Zimbabwe.

Zimbabwe National Statistics Agency. 2014. Education report 2013. Harare.

ZimTrade & Africa Corporate Advisors. 2014. ZimTrade Field Export Market Study of Angola. April – May 2014. Harare: ZimTrade.

Zouganeli, S., Trihas, N., Antonaki, M. & Kladou, S. 2012. Aspects of sustainability in the destination branding process: A bottom-up approach. *Journal of Hospitality Marketing & Management*, 21(7):739-757.

APPENDICES

Appendix 1: Questionnaire for South Africa and Zimbabwe

SECTION ONE

Respondents Demographic Information

For each question below please put an "X" in the "brackets" to the immediate right of your preferred answer (as shown on the right). If your answer to a question is not in the options provided, write it in the space to the right of "Other *(Please specify)*". Please answer all questions. [X]

1.1 Gender Male [ ] Female [ ]

1.2 Age group 18–30 years [ ] 31–40 years [ ] 41–50 years [ ]
51–60 years [ ] 61 years + [ ]

1.3 Nationality South African [ ] Zimbabwean [ ] Other *(Please specify)* _____

1.4 Employment status Full-time student [ ] Part-time student [ ] Self-employed [ ]
Employed [ ] Business person [ ]

1.5 If you are a student, please state qualification you are studying
Bachelor's degree [ ] Honours degree [ ] Master's degree [ ]
Doctoral degree [ ] Other *(Please specify)* _____

1.6 Please state where you are studying *(Full-time students please proceed to Question 1.14, etc.)*
A South African university [ ] A Zimbabwean university [ ] Other *(please specify)* _____

1.7 If you are not studying, please state your highest qualification Professional certificate [ ]
Diploma [ ] Bachelor's degree [ ] Honours degree [ ]
Master's degree [ ] Doctoral degree [ ] Other *(Please specify)* _____

1.8 Generic sector where you are employed Public Sector [ ] Private Sector [ ]

1.9 If employed in the public sector, please specify nature of public sector Investment promotion [ ]
Export promotion [ ] Tourism promotion [ ] Government ministry [ ]
Local government [ ] Parastatal [ ] Education & Training [ ]
Other *(Please specify)*_____

1.10 If employed in the private sector, please state exact sector
Manufacturing [ ] Mining [ ]
Construction [ ] Electricity/Gas/Water [ ]
Education & Training [ ] Catering & Accommodation [ ]
Wholesale & Retail [ ] Finance/Insurance/Real Estate [ ]
Community/Social/Personal Services [ ] Agricultural/Hunting/Fishing/Forestry [ ]
Transport/Storage/Communication [ ] Trade/Business Association [ ]
Other *(Please specify)*_____

1.11 Job position Operative/Staff [ ] Lower Management [ ]
Middle Management [ ] Senior Management (Executive) [ ]
Senior Management (Board Member) [ ]

1.12 Number of years worked Up to 5 years [ ] 6–10 years [ ] 11–15 years [ ]
16–20 years [ ] 21–25 years [ ] 26 years + [ ]

1.13 Is your organisation part of an international firm or foreign-owned? Yes **[ ]** No **[ ]**

1.14 Have you been to any other African country? Yes **[ ]** No **[ ]**

1.15 Have you been overseas? Yes **[ ]** No **[ ]**

SECTION TWO

Nation Foreign Direct Investment Competitiveness of South Africa/Zimbabwe
(*Put a circle on a country that applies to you before proceeding*)

3.	**Rate the attractiveness or competitiveness of South Africa/Zimbabwe as a foreign direct investment (FDI) destination on each of the following attributes on a scale ranging from Very Weak = 1, Weak = 2, Somewhat Weak = 3, Neither Weak Nor Strong = 4, Somewhat Strong = 5, Strong = 6 to Very Strong = 7. (*Please simply put a "circle" on a number representing your preferred answer. If you make a mistake, put an "X" across the circle and choose another answer.)***							
3.1	**Society**							
3.1.1	Population size	1	2	3	4	5	6	7
3.1.2	Quality of primary and secondary education	1	2	3	4	5	6	7
3.1.3	Quality of higher education and training	1	2	3	4	5	6	7
3.1.4	Attractiveness to foreign students	1	2	3	4	5	6	7
3.1.5	Foreign language skills (e.g. Chinese, French, Portuguese, etc.)	1	2	3	4	5	6	7
3.1.6	Quality of life (i.e. affordability of "basics" and "wants" of life)	1	2	3	4	5	6	7
3.1.7	Prevalence of poverty	1	2	3	4	5	6	7
3.1.8	Public healthcare (i.e. availability of practitioners, equipment and drugs)	1	2	3	4	5	6	7
3.1.9	Prevalence of HIV/AIDS	1	2	3	4	5	6	7
3.1.10	Risk of Tuberculosis, Cholera and Malaria	1	2	3	4	5	6	7
3.1.11	Frequency of violent crime	1	2	3	4	5	6	7
3.1.12	Level of personal security	1	2	3	4	5	6	7
3.1.13	Risk of xenophobic or political violence	1	2	3	4	5	6	7
3.1.14	Level of corruption	1	2	3	4	5	6	7
3.1.15	Control of corruption (i.e. prosecutions, sentences, etc.)	1	2	3	4	5	6	7
3.2	**Technology**							
3.2.1	Quality of technologies available in local firms	1	2	3	4	5	6	7
3.2.2	Quality of information technology in government institutions	1	2	3	4	5	6	7
3.2.3	Company investments in research and development (R&D)	1	2	3	4	5	6	7
3.2.4	Capacity to create successful new products/services & systems	1	2	3	4	5	6	7
3.2.5	Government funding for R&D (including universities)	1	2	3	4	5	6	7
3.2.6	Availability of quality R&D institutions (universities included)	1	2	3	4	5	6	7
3.2.7	Availability of scientists and engineers	1	2	3	4	5	6	7
3.2.8	Intensity of university-industry collaboration in R&D	1	2	3	4	5	6	7
3.3	**Ecology**							
3.3.1	Favourability of climate and weather	1	2	3	4	5	6	7
3.3.2	Natural resource endowment (e.g. soils, minerals and metals)	1	2	3	4	5	6	7
3.3.3	Risk of natural disasters (e.g. droughts, floods, etc.)	1	2	3	4	5	6	7
3.3.4	Disaster preparedness	1	2	3	4	5	6	7
3.4	**Economy**							
3.4.1	Economic size or Gross Domestic Product (GDP)	1	2	3	4	5	6	7
3.4.2	Economic (GDP) growth rate	1	2	3	4	5	6	7
3.4.3	Income distribution or GDP per capita	1	2	3	4	5	6	7
3.4.4	Country indebtedness	1	2	3	4	5	6	7
3.4.5	Country credit worthiness	1	2	3	4	5	6	7
3.4.6	Inflation rate	1	2	3	4	5	6	7

3.	**Rate the attractiveness or competitiveness of South Africa/Zimbabwe as a foreign direct investment (FDI) destination on each of the following attributes on a scale ranging from Very Weak = 1, Weak = 2, Somewhat Weak = 3, Neither Weak Nor Strong = 4, Somewhat Strong = 5, Strong = 6 to Very Strong = 7. (*Please simply put a "circle" on a number representing your preferred answer. If you make a mistake, put an "X" across the circle and choose another answer.)*							
3.4.7	Interest rates	1	2	3	4	5	6	7
3.4.8	Exchange rate	1	2	3	4	5	6	7
3.4.9	Number of reputable industries (regardless of ownership)	1	2	3	4	5	6	7
3.4.10	Number of reputable brands (i.e. owned by or "made in" country)	1	2	3	4	5	6	7
3.4.11	Export performance	1	2	3	4	5	6	7
3.4.12	Country attractiveness to international tourists	1	2	3	4	5	6	7
3.4.13	Marketing of sectors open to foreign direct investment (FDI)	1	2	3	4	5	6	7
3.4.14	Significance of annual FDI inflows	1	2	3	4	5	6	7
3.4.15	Prospects for increasing FDI inflows	1	2	3	4	5	6	7
3.4.16	FDI incentives (e.g. tax holidays, special economic zones, etc.)	1	2	3	4	5	6	7
3.5	**Markets**							
3.5.1	Intensity of domestic (or national) competition	1	2	3	4	5	6	7
3.5.2	Tax rates (corporate tax, customs duties and individual tax)	1	2	3	4	5	6	7
3.5.3	Effect of taxation on incentive to invest	1	2	3	4	5	6	7
3.5.4	Effect of taxation on incentive to work	1	2	3	4	5	6	7
3.5.5	Prevalence of foreign ownership	1	2	3	4	5	6	7
3.5.6	Nearness to markets	1	2	3	4	5	6	7
3.5.7	Availability of financial services	1	2	3	4	5	6	7
3.5.8	Abundance of low-cost unskilled workforce	1	2	3	4	5	6	7
3.5.9	Work ethic of workforce (i.e. motivation to work)	1	2	3	4	5	6	7
3.5.10	Capacity utilisation of local firms	1	2	3	4	5	6	7
3.5.11	Cost of financial services	1	2	3	4	5	6	7
3.5.12	Ease of access to loans	1	2	3	4	5	6	7
3.5.13	Effectiveness of financial sector supervision	1	2	3	4	5	6	7
3.5.14	Soundness of banks	1	2	3	4	5	6	7
3.5.15	Capability to retain qualified citizens	1	2	3	4	5	6	7
3.5.16	Capability to attract qualified foreign citizens	1	2	3	4	5	6	7
3.5.17	Strength of trade unions	1	2	3	4	5	6	7
3.5.18	State of industrial relations	1	2	3	4	5	6	7
3.6	**Infrastructure**							
3.6.1	Quality of roads	1	2	3	4	5	6	7
3.6.2	Quality of railroads	1	2	3	4	5	6	7
3.6.3	Quality of ports (South Africa)/Proximity to sea ports (Zimbabwe)	1	2	3	4	5	6	7
3.6.4	Ease of access to real estate	1	2	3	4	5	6	7
3.6.5	Water, sanitation & waste management	1	2	3	4	5	6	7
3.6.6	Quality of electricity supply (frequency of load shedding)	1	2	3	4	5	6	7
3.6.7	Domestic and international airline departures per day	1	2	3	4	5	6	7
3.6.8	Number and capacity of airports	1	2	3	4	5	6	7
3.6.9	Availability of fixed-line telephones	1	2	3	4	5	6	7
3.6.10	Accessibility of mobile phones	1	2	3	4	5	6	7
3.6.11	Availability of Internet services	1	2	3	4	5	6	7
3.6.12	Affordability of Internet including Broadband services	1	2	3	4	5	6	7
3.6.13	E-government effectiveness (availability of government documents on Internet—statutes, reports, business forms, etc.)	1	2	3	4	5	6	7
3.6.14	Efficiency of public transport system	1	2	3	4	5	6	7
3.7	**Organisation**							
3.7.1	Clear shared national vision	1	2	3	4	5	6	7
3.7.2	Clear shared national values	1	2	3	4	5	6	7
3.7.3	Effectiveness of national development plan	1	2	3	4	5	6	7

3.	**Rate the attractiveness or competitiveness of South Africa/Zimbabwe as a foreign direct investment (FDI) destination on each of the following attributes on a scale ranging from Very Weak = 1, Weak = 2, Somewhat Weak = 3, Neither Weak Nor Strong = 4, Somewhat Strong = 5, Strong = 6 to Very Strong = 7. (*Please simply put a "circle" on a number representing your preferred answer. If you make a mistake, put an "X" across the circle and choose another answer.)***							
3.7.4	Stakeholder participation in policymaking (e.g. local businesses, foreign investors, labour, academia, media, general public, etc.)	1	2	3	4	5	6	7
3.7.5	Stakeholder trust in country	1	2	3	4	5	6	7
3.8	**Government**							
3.8.1	Political stability and unity	1	2	3	4	5	6	7
3.8.2	Competency of public institutions	1	2	3	4	5	6	7
3.8.3	Efficiency of government bureaucracy (i.e. paperwork, procedures, agencies licensing one business, etc.)	1	2	3	4	5	6	7
3.8.4	Fairness of public institutions	1	2	3	4	5	6	7
3.8.5	Transparency of government policymaking	1	2	3	4	5	6	7
3.8.6	Stability of legal system (i.e. public confidence in the system)	1	2	3	4	5	6	7
3.8.7	Efficiency of legal system in challenging regulations	1	2	3	4	5	6	7
3.8.8	Resolving insolvency and retrenchment	1	2	3	4	5	6	7
3.8.9	Extent to which FDI policy allows foreign ownership	1	2	3	4	5	6	7
3.8.10	Quality of environmental regulation	1	2	3	4	5	6	7
3.8.11	Enforcing environmental regulation	1	2	3	4	5	6	7
3.8.12	Foreign currency regulations	1	2	3	4	5	6	7
3.8.13	Tax regulations	1	2	3	4	5	6	7
3.8.14	Reliability of police services	1	2	3	4	5	6	7
3.8.15	Enforcing property rights	1	2	3	4	5	6	7
3.8.16	Enforcing citizens' rights	1	2	3	4	5	6	7
3.8.17	Carefulness of government spending	1	2	3	4	5	6	7
3.8.18	Protection of intellectual property rights (e.g. copyrights, trademarks, patents, etc.)	1	2	3	4	5	6	7
3.8.19	Enforcing competition laws	1	2	3	4	5	6	7
3.8.20	Flexibility of labour laws	1	2	3	4	5	6	7
3.8.21	Policy clarity on ownership of agricultural real estate (land)	1	2	3	4	5	6	7
3.8.22	Readiness to adapt national character to fit global economy	1	2	3	4	5	6	7
3.8.23	Policy consistency	1	2	3	4	5	6	7
3.8.24	Rule of law	1	2	3	4	5	6	7
3.8.25	Country risk (i.e. political, financial, expropriation, etc.)	1	2	3	4	5	6	7

Thank you.

Appendix 2: Letter of Introduction

PBS POTCHEFSTROOM BESIGHEIDSKOOL BUSINESS SCHOOL

NORTH-WEST UNIVERSITY
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT
POTCHEFSTROOM CAMPUS

Potchefstroom Business School
North-West University
Private Bag X6001, Potchefstroom
South Africa 2520

Prof Christo Bisschoff
Tel: 018 299 1411
Fax: 018 299 1416
E-mail: christo.bisschoff@nwu.ac.za

Web: www.nwu.ac.za/pbs

18 August 2015

Dear Respondent

RE: COMPLETING A QUESTIONNAIRE – "A stakeholder-oriented conceptual framework to measure brand equity of nation foreign direct investment (FDI): A comparative analysis of South Africa and Zimbabwe"

I am kindly requesting you to complete the questionnaire below.

I am a Doctor of Philosophy student at North-West University (NWU), South Africa, and an academic in the University of Zimbabwe, carrying out the above-referenced study with the goal to design a Country FDI Competitiveness Index for informing policymaking. "Nation brand equity" simply means country "competitiveness", "attractiveness", "strength" or "reputation". FDI is a cross-border investment by a resident company in one country with the goal of controlling or having a significant degree of influence on a business resident in another country.

While this is an academic project, the study has benefits for policy makers and national investment, tourism, and export promotion agencies. Prospective respondents are free to opt out of this study or not to answer any question. However, the study will be more beneficial if respondents answer all questions and do so honestly. There are no right or wrong answers. All you need is general knowledge to rate the attractiveness of the country that applies to you. For any clarifications, you are welcome to contact me on the details below or my Academic Promoter, Prof Christo A Bisschoff, at christo.bisschoff@nwu.ac.za or telephone +27 18 299 1411.

In order to remain anonymous, please do not write your name or contact details on the questionnaire. Completed questionnaires will be kept confidential by the NWU for some time before they are destroyed.

Thank you for agreeing to assist me in my academic endeavors by completing this questionnaire.

Noel Muzondo
PhD (Business Administration) Student
+263 772 402 560
noelmuzondo@gmail.com

Noel Muzondo.

Appendix 3: Factor Solution for South Africa based on Eigenvalues ≥1

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings[a]
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	39.355	40.995	40.995	39.355	40.995	40.995	25.064
2	5.575	5.807	46.802	5.575	5.807	46.802	11.397
3	3.536	3.683	50.485	3.536	3.683	50.485	11.666
4	2.999	3.124	53.609	2.999	3.124	53.609	21.959
5	2.589	2.697	56.306	2.589	2.697	56.306	17.976
6	2.407	2.508	58.814	2.407	2.508	58.814	18.689
7	2.051	2.136	60.950	2.051	2.136	60.950	10.687
8	1.685	1.755	62.705	1.685	1.755	62.705	11.202
9	1.628	1.695	64.401	1.628	1.695	64.401	7.635
10	1.419	1.478	65.878	1.419	1.478	65.878	6.778
11	1.408	1.466	67.345				
12	1.229	1.280	68.625				
13	1.149	1.197	69.822				
14	1.145	1.193	71.015				
15	1.107	1.153	72.168				
16	1.043	1.086	73.255				
17	1.017	1.059	74.314				
18	.981	1.022	75.335				
19	.944	.984	76.319				
20	.910	.948	77.267				
…	…	…	…				
96	.019	.019	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

Appendix 4: Factor Solution for Zimbabwe based on Eigenvalues ≥1

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings[a]
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	28.926	31.787	31.787	28.926	31.787	31.787	14.967
2	3.868	4.251	36.038	3.868	4.251	36.038	4.450
3	3.121	3.430	39.468	3.121	3.430	39.468	7.348
4	2.864	3.148	42.615	2.864	3.148	42.615	4.189
5	2.242	2.464	45.080	2.242	2.464	45.080	3.171
6	2.215	2.434	47.513	2.215	2.434	47.513	2.810
7	1.914	2.103	49.616	1.914	2.103	49.616	13.839
8	1.864	2.048	51.665	1.864	2.048	51.665	3.040
9	1.711	1.880	53.545	1.711	1.880	53.545	11.648
10	1.698	1.866	55.411	1.698	1.866	55.411	12.043
11	1.539	1.692	57.103	1.539	1.692	57.103	16.588
12	1.466	1.611	58.714	1.466	1.611	58.714	13.697
13	1.312	1.442	60.156				
14	1.266	1.392	61.547				
15	1.232	1.354	62.901				
16	1.185	1.303	64.204				
17	1.120	1.231	65.435				
18	1.083	1.190	66.624				
19	.998	1.097	67.721				
20	.952	1.046	68.767				
21	.934	1.026	69.793				
22	.908	.998	70.791				
…	…	…	…				
91	.082	.090	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

Appendix 5: Correlations – (Group number 1 – Default model) – South Africa

			Estimate
Fac1	<-->	Fac2	.519
Fac1	<-->	Fac3	.444
Fac1	<-->	Fac4	.811
Fac1	<-->	Fac5	.741
Fac1	<-->	Fac6	.786
Fac1	<-->	Fac7	.741
Fac1	<-->	Fac8	.717
Fac1	<-->	Fac9	.881
Fac10	<-->	Fac1	.438
Fac2	<-->	Fac3	.166
Fac2	<-->	Fac4	.474
Fac2	<-->	Fac5	.531
Fac2	<-->	Fac6	.449
Fac2	<-->	Fac7	.644
Fac2	<-->	Fac8	.457

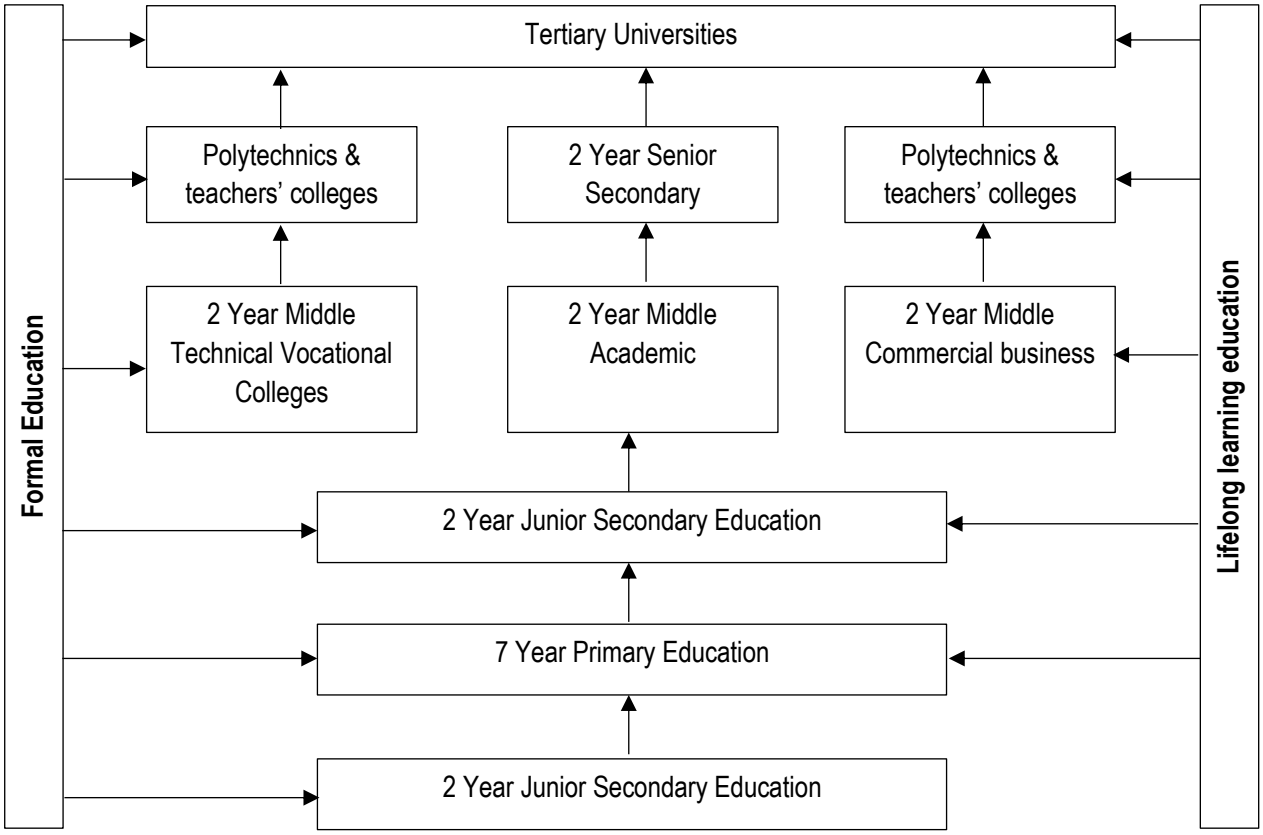
			Estimate
Fac2	<-->	Fac9	.484
Fac10	<-->	Fac2	.578
Fac3	<-->	Fac4	.460
Fac3	<-->	Fac5	.379
Fac3	<-->	Fac6	.464
Fac3	<-->	Fac7	.299
Fac3	<-->	Fac8	.376
Fac3	<-->	Fac9	.453
Fac10	<-->	Fac3	.110
Fac4	<-->	Fac5	.683
Fac4	<-->	Fac6	.775
Fac4	<-->	Fac7	.746
Fac4	<-->	Fac8	.760
Fac4	<-->	Fac9	.833
Fac10	<-->	Fac4	.504
Fac5	<-->	Fac6	.694
Fac5	<-->	Fac7	.670
Fac5	<-->	Fac8	.746
Fac5	<-->	Fac9	.671
Fac10	<-->	Fac5	.533
Fac6	<-->	Fac7	.672
Fac6	<-->	Fac8	.700
Fac6	<-->	Fac9	.812
Fac10	<-->	Fac6	.288
Fac7	<-->	Fac8	.629
Fac7	<-->	Fac9	.636
Fac10	<-->	Fac7	.701
Fac8	<-->	Fac9	.736
Fac10	<-->	Fac8	.413
Fac10	<-->	Fac9	.330

Appendix 6: Correlations – (Group number 1 – Default model) – Zimbabwe

			Estimate
f1	<-->	f2	.250
f1	<-->	f3	.483
f1	<-->	f4	.510
f1	<-->	f5	.242
f1	<-->	f6	.086
f1	<-->	f7	.810
f1	<-->	f8	.479
f1	<-->	f9	.754
f1	<-->	f10	.663
f1	<-->	f11	.861
f12	<-->	f1	.723
f2	<-->	f3	.078
f2	<-->	f4	.354
f2	<-->	f5	.043
f2	<-->	f6	.143

			Estimate
f2	<-->	f7	.154
f2	<-->	f8	.027
f2	<-->	f9	.293
f2	<-->	f10	.372
f2	<-->	f11	.153
f12	<-->	f2	.324
f3	<-->	f4	.312
f3	<-->	f5	.444
f3	<-->	f6	-.136
f3	<-->	f7	.425
f3	<-->	f8	.425
f3	<-->	f9	.450
f3	<-->	f10	.428
f3	<-->	f11	.521
f12	<-->	f3	.480
f4	<-->	f5	.021
f4	<-->	f6	.084
f4	<-->	f7	.440
f4	<-->	f8	.204
f4	<-->	f9	.529
f4	<-->	f10	.454
f4	<-->	f11	.477
f12	<-->	f4	.538
f5	<-->	f6	-.150
f5	<-->	f7	.229
f5	<-->	f8	.262
f5	<-->	f9	.196
f5	<-->	f10	.215
f5	<-->	f11	.183
f12	<-->	f5	.171
f6	<-->	f7	.160
f6	<-->	f8	.042
f6	<-->	f9	.142
f6	<-->	f10	.137
f6	<-->	f11	.087
f12	<-->	f6	.199
f7	<-->	f8	.468
f7	<-->	f9	.716
f7	<-->	f10	.650
f7	<-->	f11	.784
f12	<-->	f7	.723
f8	<-->	f9	.355
f8	<-->	f10	.345
f8	<-->	f11	.479
f12	<-->	f8	.502
f9	<-->	f10	.696
f9	<-->	f11	.760
f12	<-->	f9	.760
f10	<-->	f11	.679
f12	<-->	f10	.777
f12	<-->	f11	.746

Appendix 7: Structure of the Education System in Zimbabwe

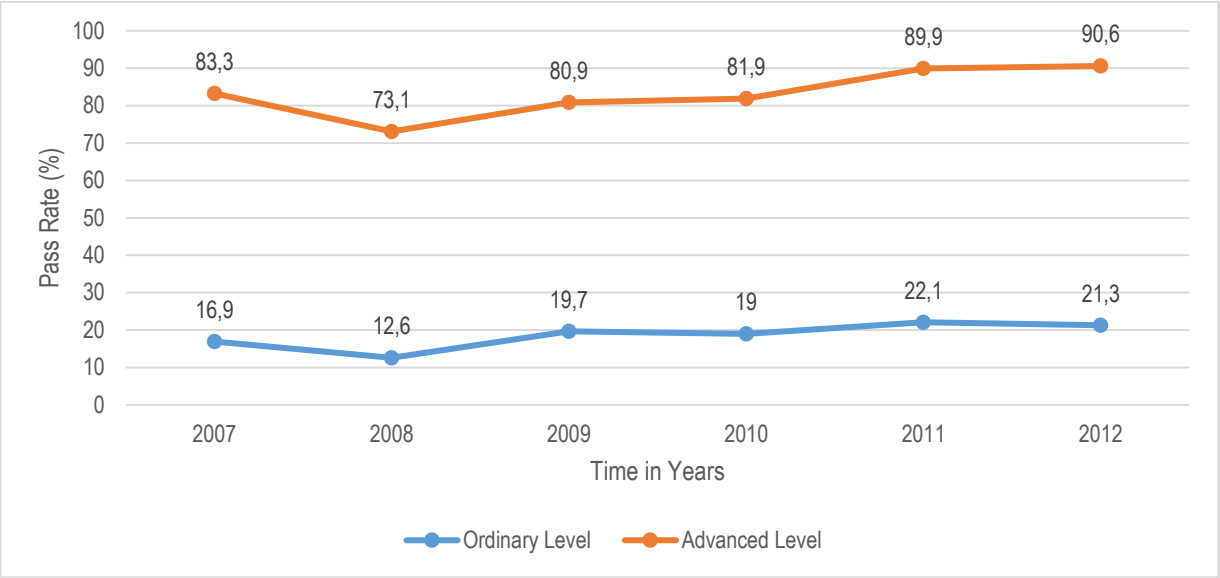


Source: Zimbabwe National Statistics Agency (ZIMSTAT) (2014:1)

This structure was recommended by the 1999 Presidential Commission of Inquiry into Education and Training

While this appendix contributes to knowledge on the education brand or system of Zimbabwe, it does not clearly show the how polytechnic and teachers' education exactly relates to university education. The practice is that holder of the Diploma in Education who apply to do the Bachelor of Education Honours Degrees only study for two years to be awarded the degree because their prior learning at diploma level is taken into account. However, the same does not apply for holders of HNDs, national diplomas, and national certificates offered by polytechnic colleges. Some universities do not enroll holders of these qualification if they do not have at least two Advanced Level passes and others consider enroll them but in both cases the applicants are enrolled into first year of a suitable four-year honours degree. For an applicant holding an HND in an appropriate area it means their HND knowledge does not qualify them for an exemption yet the curriculum of, for example an HND in marketing and that of a four-year honour degree in marketing are closely related in terms of structure, depth of courses, and learning outcomes. As a result, the country does not get a good return on its investment in polytechnic education. The situation is even bleaker for holders of certificates and diplomas awarded by registered private colleges despite that the qualifications are accredited with the Ministry of Higher and Tertiary Education, Science and Technology Development. However, those same qualifications are better recognised for higher education purposes at universities in other countries such as South Africa and the United Kingdom.

Appendix 8: Zimbabwe's Ordinary and Advanced Levels Pass Rates—2007 to 2012



Source: ZIMSTAT (2014:35)

The huge disparity between Ordinary Level and Advanced Level pass rates in Zimbabwe is evidence of a national education system in crisis. The high pass rate at Advanced Level is indicative of a national education system that is elitist in nature. In the Zimbabwean context, the education system is elitist in that formal schools with Advanced Level enroll students with excellent Ordinary Level passes and not just five Ordinary Level passes, which is the benchmark for Ordinary Level passes in Zimbabwe.

Appendix 9A: Zimbabwe Enrolment in Technical Colleges, 1997 to 2012

Year	1997	1998	1999	2000	2001	2002	2003	2004
Students	17 277	16 965	17 446	16 306	20 107	15 416	15 331	15 233

Appendix 9A (Continued): Zimbabwe Enrolment in Technical Colleges, 1997 to 2012

Year	2005	2006	2007	2008	2009	2010	2011	2012
Students	15 121	14 361	13 150	13 044	11 605	13 242	16 859	17 432

Source: Adapted from ZIMSTAT (2013:38)

Appendix 9B: Zimbabwe Enrolment in University Education, 1997 to 2012

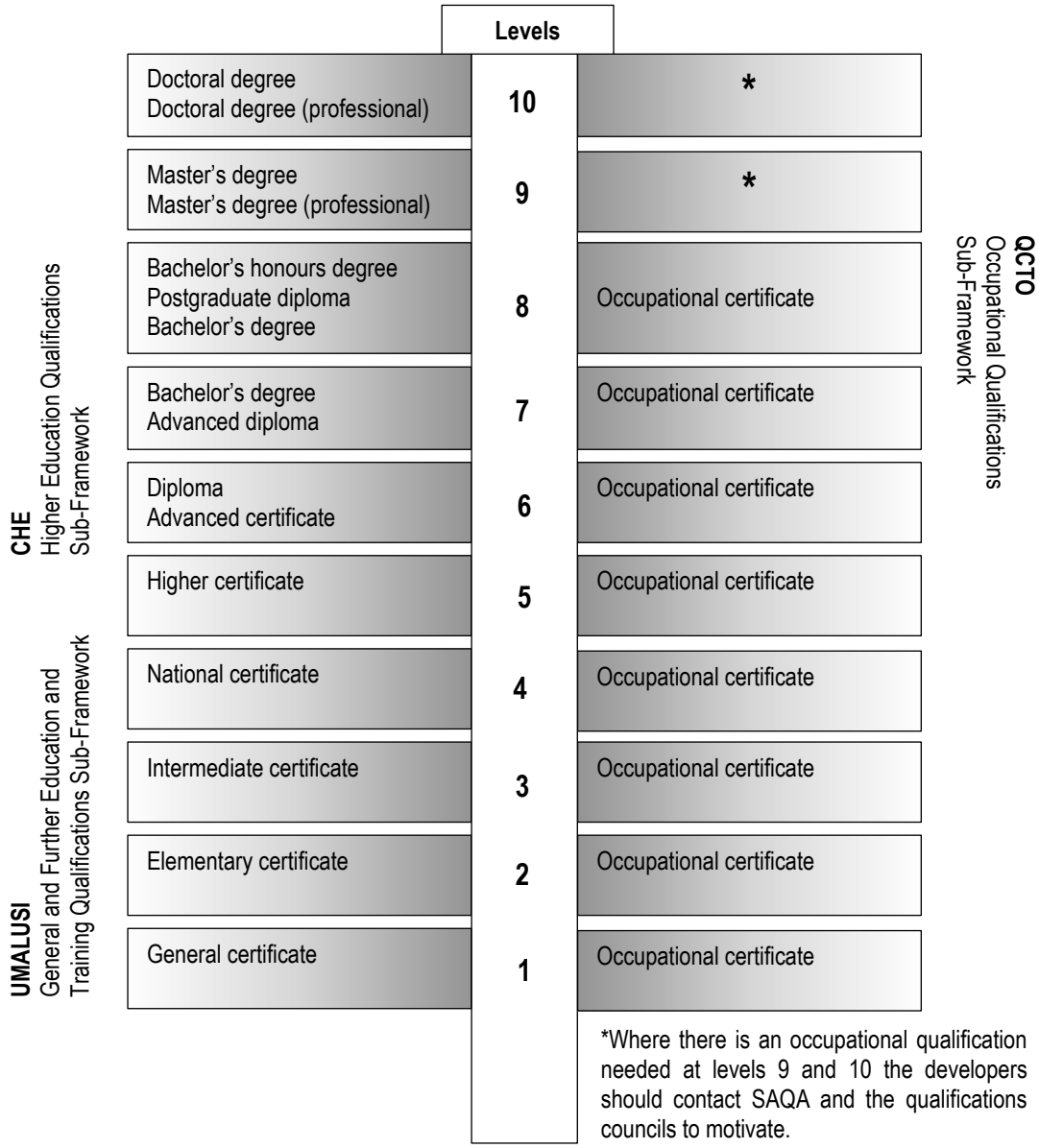
Year	1997	1998	1999	2000	2001	2002	2003	2004
Students	19 285	19 071	28 028	31 375	35 103	35 606	40 998	46 712

Appendix 6B (Continued): Zimbabwe Enrolment in University Education, 1997 to 2012

Year	2005	2006	2007	2008	2009	2010	2011	2012
Students	53 665	54 325	54 844	59 295	48 413	53 547	53 095	60 143

Source: Adapted from ZIMSTAT (2013:37)

Appendix 10A: South African National Qualifications Framework – Sub-Frameworks and Qualifications Types



Source: South African Qualification Framework (www.saqa.org.za)

Appendix 10B: Summarised Level Descriptors of South African National Qualifications Framework

The following level descriptors describe the learning achievement at a particular level of the NQF that provides a broad indication of the learning achievements or outcomes that are appropriate to a qualification at that level.

NQF Level One

a. Scope of knowledge, in respect of which a learner is able to demonstrate a general knowledge of one or more areas or fields of study, in addition to the fundamental areas of study.

b. Knowledge literacy, in respect of which a learner is able to demonstrate an understanding that knowledge in a particular field develops over a period of time through the efforts of a number of people, and often through the synthesis of information from a variety of related sources and fields.
c. Method and procedure, in respect of which a learner is able to demonstrate the ability to use key common tools and instruments, and a capacity to apply him/herself to a well-defined task under direct supervision.
d. Problem solving, in respect of which a learner is able to demonstrate the ability to recognise and solve problems within a familiar, well-defined context.
e. Ethics and professional practice, in respect of which a learner is able to demonstrate the ability to identify and develop own personal values and ethics, and the ability to identify ethics applicable in a specific environment.
f. Accessing, processing and managing information, in respect of which a learner is able to demonstrate the ability to recall, collect and organise given information clearly and accurately, sound listening and speaking (receptive and productive language use), reading and writing skills, and basic numeracy skills including an understanding of symbolic systems.
g. Producing and communicating information, in respect of which a learner is able to demonstrate the ability to report information clearly and accurately in spoken/signed and written form.
h. Context and systems, in respect of which a learner is able to demonstrate an understanding of the context within which he/she operates.
i. Management of learning, in respect of which a learner is able to demonstrate the ability to sequence and schedule learning tasks, and the ability to access and use a range of learning resources.
j. Accountability, in respect of which a learner is able to demonstrate the ability to work as part of a group.

NQF Level Two
a. Scope of knowledge, in respect of which a learner is able to demonstrate a basic operational knowledge of one or more areas or fields of study, in addition to the fundamental areas of study.
b. Knowledge literacy, in respect of which a learner is able to demonstrate an understanding that one's own knowledge of a particular field or system develops through active participation in relevant activities.
c. Method and procedure, in respect of which a learner is able to demonstrate the ability to use a variety of common tools and instruments, and a capacity to work in a disciplined manner in a well-structured and supervised environment.
d. Problem solving, in respect of which a learner is able to demonstrate the ability to use own knowledge to select and apply known solutions to well-defined routine problems.
e. Ethics and professional practice, in respect of which a learner is able to demonstrate the ability to apply personal values and ethics in a specific environment.
f. Accessing, processing and managing information, in respect of which a learner is able to demonstrate the ability to apply literacy and numeracy skills to a range of different but familiar contexts.
g. Producing and communicating information, in respect of which a learner is able to demonstrate the basic ability to collect, organise and report information clearly and accurately, and the ability to express an opinion on given information clearly in spoken/signed and written form.
h. Context and systems, in respect of which a learner is able to demonstrate an understanding of the environment within which he/she operates in a wider context.
i. Management of learning, in respect of which a learner is able to demonstrate the capacity to learn in a disciplined manner in a well-structured and supervised environment.
j. Accountability, in respect of which a learner is able to demonstrate the ability to manage own time effectively, the ability to develop sound working relationships, and the ability to work effectively as part of a group.

NQF Level Three
a. Scope of knowledge, in respect of which a learner is able to demonstrate a basic understanding of the key concepts and knowledge of one or more fields or disciplines, in addition to the fundamental areas of study.
b. Knowledge literacy, in respect of which a learner is able to demonstrate an understanding that knowledge in a field can only be applied if the knowledge, as well as its relationship to other relevant information in related fields, is understood.
c. Method and procedure, in respect of which a learner is able to demonstrate operational literacy, the capacity to operate within clearly defined contexts, and the ability to work within a managed environment.
d. Problem solving, in respect of which a learner is able to demonstrate the ability to use own knowledge to select appropriate procedures to solve problems within given parameters.
e. Ethics and professional practice, in respect of which a learner is able to demonstrate the ability to comply with organisational ethics.
f. Accessing, processing and managing information, in respect of which a learner is able to demonstrate the basic ability to summarise and interpret information relevant to the context from a range of sources, and the ability to take a position on available information, discuss the issues and reach a resolution.
g. Producing and communicating information, in respect of which a learner is able to produce a coherent presentation and report, providing explanations for positions taken.

h. Context and systems, in respect of which a learner is able to demonstrate an understanding of the organisation or operating environment as a system, and application of skills in measuring the environment using key instruments and equipment.
i. Management of learning, in respect of which a learner is able to demonstrate the ability to learn within a managed environment.
j. Accountability, in respect of which a learner is able to demonstrate the capacity to actively contribute to team effectiveness.

NQF Level Four
a. Scope of knowledge, in respect of which a learner is able to demonstrate a fundamental knowledge base of the most important areas of one or more fields or disciplines, in addition to the fundamental areas of study, and a fundamental understanding of the key terms, rules, concepts, established principles and theories in one or more fields or disciplines.
b. Knowledge literacy, in respect of which a learner is able to demonstrate an understanding that knowledge in one field can be applied to related fields.
c. Method and procedure, in respect of which a learner is able to demonstrate the ability to apply essential methods, procedures and techniques of the field or discipline to a given familiar context, and the ability to motivate a change using relevant evidence.
d. Problem solving, in respect of which a learner is able to demonstrate the ability to use own knowledge to solve common problems within a familiar context, and the ability to adjust an application of a common solution within relevant parameters to meet the needs of small changes in the problem or operating context with an understanding of the consequences of related actions.
e. Ethics and professional practice, in respect of which a learner is able to demonstrate the ability to adhere to organisational ethics and a code of conduct, and the ability to understand societal values and ethics.
f. Accessing, processing and managing information, in respect of which a learner is able to demonstrate a basic ability in gathering relevant information, analysis and evaluation skills, and the ability to apply and carry out actions by interpreting information from text and operational symbols or representations.
g. Producing and communicating information, in respect of which a learner is able to demonstrate the ability to communicate and present information reliably and accurately in written and in oral or signed form.
h. Context and systems, in respect of which a learner is able to demonstrate an understanding of the organisation or operating environment as a system within a wider context.
i. Management of learning, in respect of which a learner is able to demonstrate the capacity to take responsibility for own learning within a supervised environment, and the capacity to evaluate own performance against given criteria.
j. Accountability, in respect of which a learner is able to demonstrate the capacity to take decisions about and responsibility for actions, and the capacity to take the initiative to address any shortcomings found.

NQF Level Five
a. Scope of knowledge, in respect of which a learner is able to demonstrate an informed understanding of the core areas of one or more fields, disciplines or practices, and an informed understanding of the key terms, concepts, facts, general principles, rules and theories of that field, discipline or practice.
b. Knowledge literacy, in respect of which a learner is able to demonstrate the awareness of how knowledge or a knowledge system develops and evolves within the area of study or operation.
c. Method and procedure, in respect of which a learner is able to demonstrate the ability to select and apply standard methods, procedures or techniques within the field, discipline or practice, and to plan and manage an implementation process within a well-defined, familiar and supported environment.
d. Problem solving, in respect of which a learner is able to demonstrate the ability to identify, evaluate and solve defined, routine and new problems within a familiar context, and to apply solutions based on relevant evidence and procedures or other forms of explanation appropriate to the field, discipline or practice, demonstrating an understanding of the consequences.
e. Ethics and professional practice, in respect of which a learner is able to demonstrate the ability to take account of, and act in accordance with, prescribed organisational and professional ethical codes of conduct, values and practices and to seek guidance on ethical and professional issues where necessary.
f. Accessing, processing and managing information, in respect of which a learner is able to demonstrate the ability to gather information from a range of sources, including oral, written or symbolic texts, to select information appropriate to the task, and to apply basic processes of analysis, synthesis and evaluation on that information.
g. Producing and communicating information, in respect of which a learner is able to demonstrate the ability to communicate information reliably, accurately and coherently, using conventions appropriate to the context, in written and oral or signed form or in practical demonstration, including an understanding of and respect for conventions around intellectual property, copyright and plagiarism, including the associated legal implications.
h. Context and systems, in respect of which a learner is able to demonstrate the ability to operate in a range of familiar and new contexts, demonstrating an understanding of different kinds of systems, their constituent parts and the relationships between these parts, and to understand how actions in one area impact on other areas within the same system.

i. Management of learning, in respect of which a learner is able to demonstrate the ability to evaluate his or her performance or the performance of others, and to take appropriate action where necessary; to take responsibility for his or her learning within a structured learning process; and to promote the learning of others.
j. Accountability, in respect of which a learner is able to demonstrate the ability to account for his or her actions, to work effectively with and respect others, and, in a defined context, to take supervisory responsibility for others and for the responsible use of resources, where appropriate.

NQF Level Six
a. Scope of knowledge, in respect of which a learner is able to demonstrate: detailed knowledge of the main areas of one or more fields, disciplines or practices, including an understanding of and the ability to apply the key terms, concepts, facts, principles, rules and theories of that field, discipline or practice to unfamiliar but relevant contexts; and knowledge of an area or areas of specialisation and how that knowledge relates to other fields, disciplines or practices.
b. Knowledge literacy, in respect of which a learner is able to demonstrate an understanding of different forms of knowledge, schools of thought and forms of explanation within an area of study, operation or practice, and awareness of knowledge production processes.
c. Method and procedure, in respect of which a learner is able to demonstrate the ability to evaluate, select and apply appropriate methods, procedures or techniques in investigation or application processes within a defined context.
d. Problem solving, in respect of which a learner is able to demonstrate the ability to identify, analyse and solve problems in unfamiliar contexts, gathering evidence and applying solutions based on evidence and procedures appropriate to the field, discipline or practice.
e. Ethics and professional practice, in respect of which a learner is able to demonstrate an understanding of the ethical implications of decisions and actions within an organisational or professional context, based on an awareness of the complexity of ethical dilemmas.
f. Accessing, processing and managing information, in respect of which a learner is able to demonstrate the ability to evaluate different sources of information, to select information appropriate to the task, and to apply well-developed processes of analysis, synthesis and evaluation to that information.
g. Producing and communicating information, in respect of which a learner is able to demonstrate the ability to present and communicate complex information reliably and coherently using appropriate academic and professional or occupational conventions, formats and technologies for a given context.
h. Context and systems, in respect of which a learner is able to demonstrate the ability to make decisions and act appropriately in familiar and new contexts, demonstrating an understanding of the relationships between systems, and of how actions, ideas or developments in one system impact on other systems.
i. Management of learning, in respect of which a learner is able to demonstrate the ability to evaluate performance against given criteria, and accurately identify and address his or her task-specific learning needs in a given context, and to provide support to the learning needs of others where appropriate.
j. Accountability, in respect of which a learner is able to demonstrate the ability to work effectively in a team or group, and to take responsibility for his or her decisions and actions and the decisions and actions of others within well-defined contexts, including the responsibility for the use of resources where appropriate.

NQF Level Seven
a. Scope of knowledge, in respect of which a learner is able to demonstrate integrated knowledge of the central areas of one or more fields, disciplines or practices, including an understanding of and the ability to apply and evaluate the key terms, concepts, facts, principles, rules and theories of that field, discipline or practice; and detailed knowledge of an area or areas of specialisation and how that knowledge relates to other fields, disciplines or practices.
b. Knowledge literacy, in respect of which a learner is able to demonstrate an understanding of knowledge as contested and the ability to evaluate types of knowledge and explanations typical within the area of study or practice.
c. Method and procedure, in respect of which a learner is able to demonstrate an understanding of a range of methods of enquiry in a field, discipline or practice, and their suitability to specific investigations; and the ability to select and apply a range of methods to resolve problems or introduce change within a practice.
d. Problem solving, in respect of which a learner is able to demonstrate the ability to identify, analyse, evaluate, critically reflect on and address complex problems, applying evidence-based solutions and theory-driven arguments.
e. Ethics and professional practice, in respect of which a learner is able to demonstrate the ability to take decisions and act ethically and professionally, and the ability to justify those decisions and actions drawing on appropriate ethical values and approaches within a supported environment.
f. Accessing, processing and managing information, in respect of which a learner is able to demonstrate the ability to develop appropriate processes of information gathering for a given context or use; and the ability to independently validate the sources of information and evaluate and manage the information.
g. Producing and communicating information, in respect of which a learner is able to demonstrate the ability to develop and communicate his or her ideas and opinions in well-formed arguments, using appropriate academic, professional, or occupational discourse.

h. Context and systems, in respect of which a learner is able to demonstrate the ability to manage processes in unfamiliar and variable contexts, recognising that problem solving is context and system bound, and does not occur in isolation.
i. Management of learning, in respect of which a learner is able to demonstrate the ability to identify, evaluate and address his or her learning needs in a self-directed manner, and to facilitate collaborative learning processes.
j. Accountability, in respect of which a learner is able to demonstrate the ability to take full responsibility for his or her work, decision-making and use of resources, and limited accountability for the decisions and actions of others in varied or ill-defined contexts.

NQF Level Eight
a. Scope of knowledge, in respect of which a learner is able to demonstrate knowledge of and engagement in an area at the forefront of a field, discipline or practice; an understanding of the theories, research methodologies, methods and techniques relevant to the field, discipline or practice; and an understanding of how to apply such knowledge in a particular context.
b. Knowledge literacy, in respect of which a learner is able to demonstrate the ability to interrogate multiple sources of knowledge in an area of specialisation and to evaluate knowledge and processes of knowledge production.
c. Method and procedure, in respect of which a learner is able to demonstrate an understanding of the complexities and uncertainties of selecting, applying or transferring appropriate standard procedures, processes or techniques to unfamiliar problems in a specialised field, discipline or practice.
d. Problem solving, in respect of which a learner is able to demonstrate the ability to use a range of specialised skills to identify, analyse and address complex or abstract problems drawing systematically on the body of knowledge and methods appropriate to a field, discipline or practice.
e. Ethics and professional practice, in respect of which a learner is able to demonstrate the ability to identify and address ethical issues based on critical reflection on the suitability of different ethical value systems to specific contexts.
f. Accessing, processing and managing information, in respect of which a learner is able to demonstrate the ability to critically review information gathering, synthesis of data, evaluation and management processes in specialised contexts in order to develop creative responses to problems and issues.
g. Producing and communicating information, in respect of which a learner is able to demonstrate the ability to present and communicate academic, professional or occupational ideas and texts effectively to a range of audiences, offering creative insights, rigorous interpretations and solutions to problems and issues appropriate to the context.
h. Context and systems, in respect of which a learner is able to demonstrate the ability to operate effectively within a system, or manage a system based on an understanding of the roles and relationships between elements within the system.
i. Management of learning, in respect of which a learner is able to demonstrate the ability to apply, in a self-critical manner, learning strategies which effectively address his or her professional and ongoing learning needs and the professional and ongoing learning needs of others.
j. Accountability, in respect of which a learner is able to demonstrate the ability to take full responsibility for his or her work, decision-making and use of resources, and full accountability for the decisions and actions of others where appropriate.

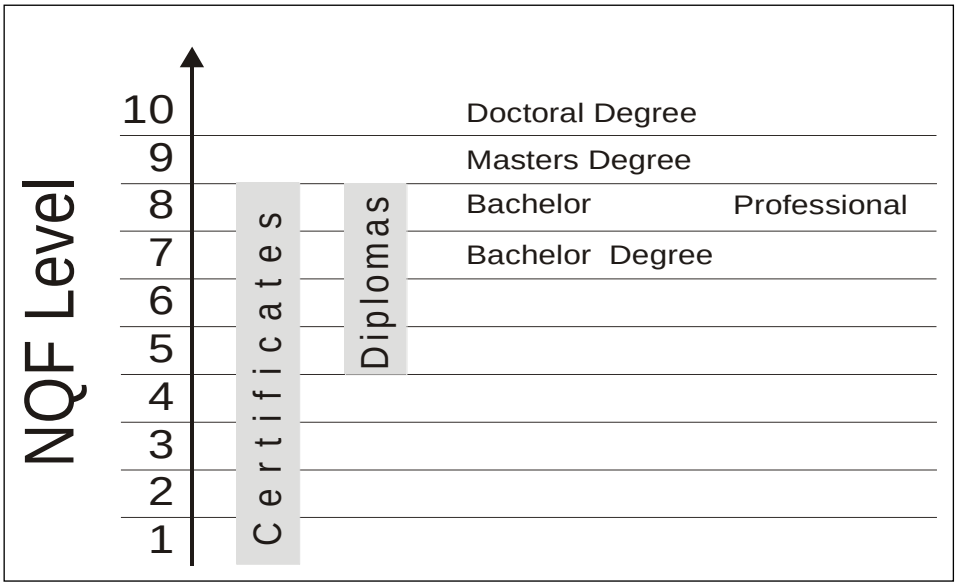
NQF Level Nine
a. Scope of knowledge, in respect of which a learner is able to demonstrate specialist knowledge to enable engagement with and critique of current research or practices, as well as advanced scholarship or research in a particular field, discipline or practice.
b. Knowledge literacy, in respect of which a learner is able to demonstrate the ability to evaluate current processes of knowledge production, and to choose an appropriate process of enquiry for the area of study or practice.
c. Method and procedure, in respect of which a learner is able to demonstrate a command of and the ability to design, select and apply appropriate and creative methods, techniques, processes or technologies to complex practical and theoretical problems.
d. Problem solving, in respect of which a learner is able to demonstrate: the ability to use a wide range of specialised skills in identifying, conceptualising, designing and implementing methods of enquiry to address complex and challenging problems within a field, discipline or practice; and an understanding of the consequences of any solutions or insights generated within a specialised context.
e. Ethics and professional practice, in respect of which a learner is able to demonstrate the ability to make autonomous ethical decisions which affect knowledge production, or complex organisational or professional issues, and the ability to critically contribute to the development of ethical standards in a specific context.
f. Accessing, processing and managing information, in respect of which a learner is able to demonstrate the ability to design and implement a strategy for the processing and management of information, in order to conduct a comprehensive review of leading and current research in an area of specialisation to produce significant insights.
g. Producing and communicating information, in respect of which a learner is able to demonstrate the ability to use the resources of academic and professional or occupational discourses to communicate and defend substantial ideas that are the products of research or development in an area of specialisation; and use a range of advanced and specialised skills and discourses appropriate to a field, discipline or practice, to communicate with a range of audiences with different levels of knowledge or expertise.

h. Context and systems, in respect of which a learner is able to demonstrate the ability to make interventions at an appropriate level within a system, based on an understanding of hierarchical relations within the system, and the ability to address the intended and unintended consequences of interventions.
i. Management of learning, in respect of which a learner is able to demonstrate the ability to develop his or her own learning strategies, which sustain independent learning and academic or professional development; and can interact effectively within the learning or professional group as a means of enhancing learning.
j. Accountability, in respect of which a learner is able to demonstrate the ability to operate independently and take full responsibility for his or her own work, and, where appropriate, to account for leading and initiating processes and implementing systems, ensuring good resource management and governance practices.

NQF Level Ten
a. Scope of knowledge, in respect of which a learner is able to demonstrate expertise and critical knowledge in an area at the forefront of a field, discipline or practice; and the ability to conceptualise new research initiatives and create new knowledge or practice.
b. Knowledge literacy, in respect of which a learner is able to demonstrate the ability to contribute to scholarly debates around theories of knowledge and processes of knowledge production in an area of study or practice.
c. Method and procedure, in respect of which a learner is able to demonstrate the ability to develop new methods, techniques, processes, systems or technologies in original, creative and innovative ways appropriate to specialised and complex contexts.
d. Problem solving, in respect of which a learner is able to demonstrate the ability to apply specialist knowledge and theory in critically reflexive, creative and novel ways to address complex practical and theoretical problems.
e. Ethics and professional practice, in respect of which a learner is able to demonstrate the ability to identify, address and manage emerging ethical issues, and to advance processes of ethical decision-making, including monitoring and evaluation of the consequences of these decisions where appropriate.
f. Accessing, processing and managing information, in respect of which a learner is able to demonstrate the ability to make independent judgements about managing incomplete or inconsistent information or data in an iterative process of analysis and synthesis, for the development of significant original insights into new, complex and abstract ideas, information or issues.
g. Producing and communicating information, in respect of which a learner is able to demonstrate the ability to produce substantial, independent, in-depth and publishable work which meets international standards, is considered to be new or innovative by peers, and makes a significant contribution to the discipline, field, or practice; and the ability to develop a communication strategy to disseminate and defend research, strategic and policy initiatives and their implementation to specialist and non-specialist audiences using the full resources of an academic and professional or occupational discourse.
h. Context and systems, in respect of which a learner is able to demonstrate an understanding of theoretical underpinnings in the management of complex systems to achieve systemic change; and the ability to independently design, sustain and manage change within a system or systems.
i. Management of learning, in respect of which a learner is able to demonstrate the ability to demonstrate intellectual independence, research leadership and management of research and research development in a discipline, field or practice.
j. Accountability, in respect of which a learner is able to demonstrate the ability to operate independently and take full responsibility for his or her work, and, where appropriate, lead, oversee and be held ultimately accountable for the overall governance of processes and systems.

Source: www.**saqa**.org.za/docs/misc/2012/level_descriptors.**pdf**,

Appendix 11: Structure of the Namibian National Qualifications Framework



Source: Krönner (2005:11)

Appendix 12: Structure of the Mauritian National Qualifications Framework

Level	Primary/Secondary Education	TVET/Workplace	Tertiary Education	Level
10			Doctorate	10
9			Masters Degree e.g. MA, MSc, M.Phil, Postgraduate Certificates, Postgraduate Diplomas	9
8			Bachelor with Honours, Conversion Programmes	8
7			Bachelor (ord. Degree)	7
6		Diploma	Diploma	6
5	HSC/GCE 'A' Level/BAC/IBAC	Certificate	Certificate	5
4				4
3	SC/GCE 'O' Level			3
2				2
1	Certificate of Primary Education			1

Source: Krönner (2005:12)

Appendix 13: Some Common Characteristics in NQFs of South Africa, Mauritius and Namibia

Some of the common characteristics or values of all three qualifications frameworks are (Krönner, 2005:12):

Integration

- Integrated approach to education and training
- Integrating theory with practice
- Integrating academic general education with technical and vocational education and training

Credibility

- Have national, regional and international value and acceptance

Coherence

- Consistent framework of principles and certification
- Allow learners to link credits into a meaningful learning or career pathway

Flexibility

- Allow for multiple pathways leading to the same learning outcomes/ ends

Recognition of prior learning

- Through assessment, give credit to learning which has already been acquired in non-formal ways, e.g. through life/work experience.

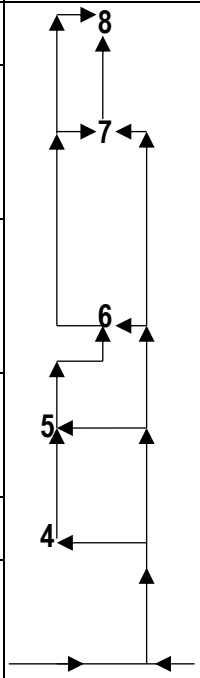
Appendix 14: European Qualifications Framework Proposed Level Descriptors and Indicators

	Typical Qualification	Level descriptor	Level indicators (input & structural information)
1	Literacy and numeracy qualifications	Ability to deploy the general and basic skills required to undertake initial vocational education and/or workplace training	Learning normally acquired during compulsory education and considered as contributing to a general knowledge and development of basic skills Learning is not usually contextualised in work situations
2	Any certification which is linked to basic workplace routines	Ability to perform basic tasks and exercise repetitive skills in a controlled environment Ability to deploy general and basic (limited) workplace knowledge and skills Ability to work satisfactorily where actions are governed by rules defining allowable routines and strategies	Completion of compulsory education which includes an induction to work. Basic knowledge of work can be acquired at an educational establishment, in an out-of-school training programme, or in an enterprise Generally it is not occupation specific
3	Completion of basic vocational training introducing the idea of job competence	Ability to deploy basic skills suitable for many job functions Ability to carry out tasks under direction Ability to apply knowledge and skills on repetitive tasks	Normally considered part of upper secondary education
4	Top-level craft qualification	Ability to deploy knowledge linked to a specific occupational sector Ability to work independently on tasks and apply specialist knowledge, skills and competences to these tasks Ability to solve problems independently using experience	Qualification at this level normally includes upper secondary education and a work based training programme in an alternance or apprenticeship scheme Awarded on the basis of extensive experience and practice in both common and exceptional situations
5	Technical certificates and diplomas Workplace qualifications for technicians	Ability to carry out technical work that can be performed independently Ability to deploy significant theoretical knowledge Ability to undertake supervisory and coordination duties Ability to deal with complex situations and to provide a benchmark for others	Awarded on completion of a main vocational training qualification such as apprenticeship or higher education training Based on considerable experience and practice across a wide range of work situations This qualification level often bridges secondary and tertiary education and training

	Typical Qualification	Level descriptor	Level indicators (input & structural information)
6	First cycle degree: Undergraduate honours degrees Workplace qualifications for senior Managers	Ability to deploy a high level of theoretical and practical knowledge, skill and competence, entailing a mastery of the scientific basis of an occupation Ability to deal comfortably with complex situations, to operate autonomously in most situations and to assume design, management and administrative responsibilities	Study for these qualifications outside work takes place mostly in higher education institutions
7	Taught or researched second cycle degree: Masters Workplace qualifications for very senior managers	Ability to work as a (senior) professional or manager using specialist theoretical and practical learning Ability to deploy a wide breadth and depth of knowledge and demonstrate high levels of specialist competence in an area Ability to operate independently and supervise and train others where they can be inspiring	Study for these qualifications outside work takes place in specialist Higher Education institutions
8	Top research degree: Doctorate	Ability to operate as a leading expert in a highly specialised field dealing with complex situations and having the capacity for long-range strategic and scientific thinking and action Ability to develop new and creative approaches that extend or redefine existing knowledge or professional practice	Study for these qualifications outside work takes place mostly in specialist higher education institutions Individuals working at this level will often teach others to be experts and masters

Source: Tuck (2007:43-44)

Appendix 15: United Kingdom National Qualification Framework

Framework for Higher Education Qualification (FHEQ)[5]		FQ-EHEA Cycle	Credit		Progression for selection of students (FHEQ Levels)	National Qualifications Framework for England, Wales and Northern Ireland[6]	
Typical Qualifications	Level		Typical UK	Typical ECTS credit ranges[3]		Typical Qualifications	Level
Doctoral Degrees (e.g. PhD, DPhil, EdD)	8	3nd cycle	Typically not credit rated[1]	Typically not credit rated		Vocational Qualifications	8
Masters Degrees Integrated Masters Degrees Postgraduate Diplomas Postgraduate Certificate of Education Postgraduate Certificates	7	2st cycle	180	60-120[2]		Fellowships NVQ Level 5 Vocational Qualifications Level 7	7
Bachelors Degrees with Honours Bachelors Degrees Professional Graduate Certificate in Education Graduate Diplomas Graduate Certificates	6	1st cycle	360	180-240		Vocational Qualifications Level 6	6
Foundation Degrees Diplomas of Higher Education Higher National Diplomas	5	Short cycle	240	120		NVQ Level 4 Higher National Diplomas (HND) Higher National Certificates (HNC) Vocational Qualifications Level 5	5
Higher National Certificates Certificates of Higher Education	4		120			National Qualifications Level 4	4
Entry to HE via equivalent experiential or prior learning						National Vocational Qualification (NVQ) Level 3 Vocational Qualification Level 3 GCE AS and A Level Advanced Diploma Welsh Baccalaureate Advanced[4]	3

Levels 2, 1 and entry

[1]PHD and DPhil qualifications are typically not credit-rated. Newer doctoral degrees, such as the Professional Doctorate, are sometimes credit rated, typically 540 UK Credits.
[2]A range of 90-120 ECTS is typical of most awards.
[3]1 ECTS credit typically worth 2 UK credits.
[4]The Welsh Baccalaureate Qualification is part of the Credit and Qualification Framework of Wales (CQFW)

[5]For students with necessary prerequisites, entry to each FHEQ is possible from the next lower level in the NQF of Framework for Higher Education Qualifications.
[6]These levels will also apply to the Qualifications and Credit Framework (QCF). The QCF will eventually replace the National Qualifications Framework (NQF)