

# “Whatever you hit call it a target”: on segmentation and targeting of investment promotion policy

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Foreign direct investment (FDI) remains one of the staple propositions and a focal point of national and regional development policies world over. Economy ministries, specialised public agencies, regional development bodies, and private site developers compete for mobile investment projects in hope to secure employment, innovation, links to global supply and knowledge networks leading to growth and development of their locales.

Previous research shows the importance of targeted investment promotion policy (Charlton et al 2004, Harding & Javorcik 2012). Other studies demonstrate targeting to be often misunderstood and an overall uncommon practice dominated by generic messages and undifferentiated offer (Aharoni 2010, Schotter & Beamish 2013, Monaghan 2015). If at all applied, the two dominant approaches in investment promotion segment the foreign investors based on their nationality or sector of operations (Beal & Pinson, 2014, Almond et al 2015).

The paper argues such an approach is outdated and insufficient, and offers a more robust approach to segmentation and targeting of investors. The proposed approach recognises the ever-increasing diversity of foreign investors and argues for their segmentation based on strategy and behavioural characteristics in addition to country-of-origin and type of activity.

Presented discussion is underpinned by international business strategy, place marketing and regional development literature, and provides policy guidance on the relationship between differentiated place offer to investors, internal segmentation of the group and possible targets within it.

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