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FINANCIAL ECONOMICS | RESEARCH ARTICLE

Territorial Marketing Impacts on Foreign Direct Investment Attraction (Empirical Evidence in Nghe An Province, Vietnam)

Thanh Cuong Dang¹, Thi Thao Banh^{1*}, Thi Hang Trinh¹, Thi Viet Hoang¹ and Thi Ngoc Han Doan¹

Abstract: FDI and territorial marketing are fields of interest and research by many scientists and managers. However, this is still a new field of science in Vietnam, both academically and practically. The awareness of building a local image to investors, especially foreign investors, is still limited. This has had a significant impact on attracting FDI into many provinces of Vietnam in general and Nghe An province in particular. Although Nghe An has issued and implemented many policies to attract FDI, FDI attraction results are not commensurate with the potential and position of the province. In this study, the author conducted a survey of foreign investors who made surveys to invest in or implemented FDI projects in Nghe An. Data is primary data which is collected from 160 foreign investors who invested or did investing survey, then processed by exploratory factor analysis (EFA) and multiple regression to determine the territorial marketing factors affecting the investment decisions of foreign direct investors in Nghe An. Research results have shown that 6 territorial marketing factors have a positive impact on the investment decision of foreign direct investors, this will be an important foundation to propose solutions for territorial marketing to attract FDI in Nghe An in the next coming time.

Subjects: Asian Economics; Development Economics; Finance

Keywords: Territorial marketing; FDI attraction; territorial product; territorial location; territorial price

JEL Classification: E22; E28; F00; G00

1. Introduction

In the context of international integration and vigorously developing scientific-technical revolution, FDI is essential for the developing country in general and developing localities in particular. Vietnam is a developing country, many localities and regions in the country have low living

ABOUT THE AUTHOR

The research team consists of 5 members from the Department of Banking and Finance, College of Economics, Vinh University. Leader of the research group is Dr. **Thanh Cuong Dang**, who has 15 years of experience in research and teaching. The research fields are all the issues about business and management, especially in Banking and Finance. The main research direction of the group is on issues related to financial management, financial economics, banking governance ...



standards, and the ability to accumulate capital in the economy is limited. Therefore, FDI is considered as a capital mobilization channel with a very important role. Many studies have shown the great role of FDI in domestic investment, trade ... and other sectors of the economy. FDI not only adds necessary capital to the locality but also indirectly helps the government to adjust and allocate investment from the government budget to localities and regions in a more reasonable way, thereby creating a “push” to economic development. Majumder (2019), have shown that FDI supports local investment, encouraging literacy and energy consumption in boosting the economy. Miah and Majumder (2020) examine the impact of FDI on GDP by using ARDL model. The results showed that the coefficient of FDI is 0.05 indicating that if FDI rises 1% then the GDP will rise 0.05%. Majumder et al. (2021) analyzed the effects of FDI inflows on EPZs in terms of exports and employment in EPZs through processing secondary data from 1997 to 2018 in Bangladesh. The results showed that if the FDI inflows increase by 1%, the export of EPZ production will increase by 0.74%. In addition, in the long-run and short-run, there is a positive association between FDI inflows and EPZ employment. This study proposed some recommendation for the government and policymakers of the country should emphasize the real operation of the one-stop service to encourage foreign investors as well as local investors.

In fact, over the past time, FDI has contributed significantly to the development of Vietnam such as creating many new industries and strengthening the capacity of industries (oil and gas, chemicals, assembling cars, and technology items). In addition, FDI contributes to the formation and development of industrial parks, export processing zones, and high-tech zones system.

“Territorial marketing” is a term that refers to a set of supportive action programs implemented by the locality to improve local competitiveness and economic development. These activities comprehensively change the way, procedures, perceptions of the roles and functions of government agencies, and use financial incentives ... to build a new, more promising, more attractive local image. Thereby, creating a locality with artificially different characteristics, together with natural factors such as geography and natural resources, becomes more attractive than other localities in attracting FDI.

Nghe An, which is in the center of the North Central region of Vietnam, is the locality with the largest area in the country. In the first quarter of 2022, Nghe An was ranked at the top of the country in terms of FDI attraction. From the beginning of the year to 22 February 2022, Nghe An has granted new investment registration certificates for 16 projects with a total registered capital of 954.67 billion VND and adjusted 12 projects, in which the total investment capital of 5 projects was adjusted to 9,292.24 billion VND, bringing the total newly and additionally granted capital to 10,246.91 billion VND. Until now, Nghe An has 102 valid FDI projects with a total registered capital of 2,077.3 million USD. In the past time, through attracting FDI, Nghe An province’s socio-economic development has achieved certain achievements such as expanding and increasing development inflow investment capital, increasing production capacity, contributing to the transformation of economic structure, creating many new jobs, speeding up the process of renewing technological equipment, management experience, expanding export markets and increasing budget revenue in order to develop socio-economic development of provinces faster. However, the province’s FDI attraction still has some limitations such as small-size projects, low implemented capital, not using modern technology, no project creating a strong driving force for socio-economic development, and low contribution to GRDP and state budget revenue. Although the province has issued and implemented many policies to attract FDI, in general, the programs to attract FDI are not commensurate with the potential and position of the province.

There has also been a study done to attract FDI for Nghe An such as Dang and Nguyen (2019). This study, mostly approached according to investment economic theory, pointed out the full importance of investment for the economic growth of the locality, reflecting the real situation of investment attraction, and at the same time, has proposed some important solutions with application value. However, there has not been a study approaching FDI attraction from the perspective

of territorial marketing, which has not yet reflected the characteristics of territorial marketing to attract FDI of Nghe An. In fact, for localities with difficult socio-economic conditions, such as Nghe An, the effective implementation of territorial marketing is the problem that the research team wishes to approach to enhance the ability to attract development investment. Faced with that situation, the research team realizes that it is necessary to have a study that reflects relatively fully the applications of territorial marketing to attract FDI in Nghe An, an important and representative locality of the Northern Central Region of Vietnam. In other words, there should be a work on territorial marketing in the specific and unique conditions of Nghe An, approaching from the supply side.

2. Literature review and hypothesis

The OLI theory of Dunning (2001) assumes that companies are not likely to follow through with a foreign direct investment if they can get the service or product provided internally and at lower costs. The framework follows three tiers—ownership, location, and internalization. Most of studies about FDI attraction based on this theory. However, the variables identified as determinants of FDI differ between studies. Studies have tried to answer the question of why some countries attract more FDI than others. Most of these studies used secondary data. Some determinants were examined are institution, infrastructures, labors, input cost, market size ... For instant, some empirical studies emphasize the important role of institutions. On the one hand, economic institutional reform can significantly affect the performance of the economy, on the other hand, this reform is a signal to attract FDI. These are the main conclusions in the studies of Acemoglu and Johnson (2005), Adams (2009), and Easterly and Levine (2003). In addition to the direct impact on growth, the institutional system also plays a key role in attracting FDI. Some empirical showed that the quality of local infrastructure is also an additional relevant factor (Easterly & Levine, 2003). Other showed the influence of the macroeconomic environment on economic activity as well as the ability to attract FDI (Demekas et al., 2007). Macro instability is likely to hinder capital accumulation and economic growth. These factors are believed to increase volatility, worsen the business environment, and thus slow growth. Furthermore, they create uncertainty, which in turn, not only prevents access to foreign capital, but also reduces the productivity-boosting effect of FDI, a view corroborated by Prüfer and Tondl (2008). Khachoo and Khan (2012) examine the determinants of FDI in developing countries, based on a tabular sample of 32 developing countries in the period 1982–2008, using the FMOLS method to show that FDI inflows depends on a set of market size, total reserves, infrastructure, labor costs, and openness of the economy.

Kotler, the “father” of modern marketing, was also the first to use the term “territorial marketing”. Around the topic of “Marketing Places”, Kotler et al. (1993) have published many works, and these are important contributions, both in theory and practice on territory marketing. Kotler divides the development of territory marketing into 3 stages: The first generation of territorial/local marketing is Smokestack Chasing; The second generation is Target Marketing for some industries and improving infrastructure; The third generation is Product Development with an emphasis on competition, selection, and a “niche” mindset.

There have been some studies combine the OLI theory and the territorial marketing or approaching attracting FDI issues from the perspective of territorial marketing. Metaxas (2010) showed that the attractiveness of a country or locality to FDI depends on three groups of factors: environment, supply side, and demand side. Therefore, Metaxas (2010) develops 3 groups of corresponding hypotheses to build a local marketing model to attract FDI including the general hypothesis—global market context; the supply side hypothesis—locality (country, region, city) and the demand side hypothesis—FDI investors. Metaxas (2010) states that “Local marketing is considered successful when it not only meets the local development goals but also meets the needs of foreign investors. Local brand promotion plays an important role in linking local values and FDI investor behavior. It is necessary to analyze the local situation (needs, characteristics, and specific values of the locality) to determine the type of FDI and the scale of FDI to be attracted. The process of administering a local brand to create a local image as a “final good”, representing the

distinctive features of the locality (traditional economic factors, geography, technology, cultural factors, urban infrastructure, employment, investment incentives, etc.). When local marketing is specifically applied to investment attraction activities, the demand-investor aspect gets more attention Lall (1997), Metaxas (2010). Considering both supply and demand sides helps researchers and marketers to understand the interaction more fully between marketing activities and target customers. Local marketing models in both empirical and practical research all show that local government is still the main and sometimes the only factor performing local marketing. The local marketing models of Ashworth and Voogd (1990), Fretter (1993), all mainly approach from the supply side—how marketing activities are carried out. Based on the theory of Kotler et al. (1993) besides the traditional 4Ps of marketing consumer goods (Product, Price, Place, Promotion), the study will consider Territorial Marketing add 2Ps of Power (Government) and Public (Public), attracting FDI through 6 components: Local government, Public, Territorial product, Pricing strategy, Distribution strategy or territorial location, Promotion strategy.

Within the scope of this research, the authors only study local marketing activities carried out by local authorities, approaching from the supply side, and using different method which are EFA and OLS methods. So, this study uses the primary data by questionning FDI investors about the territorial marketing that Nghe An province had done to attract them. Based on territorial marketing strategy, the study propose 6 hypohthesis in Figure 1 as following:

Territorial products has a key role in territorial marketing, which is what foreign investors look forward to satisfying their needs. So, the hypothesis H1 is proposed:

H1: *Territorial product has a positive influence on investment decisions of foreign direct investors.*

According to economic theory, territorial location represents the local attractiveness and distance to the consumer market, which in turn is related to land rent and land use. So, the H2 hypothesis is proposed:

H2: *Territorial location has a positive influence on investment decisions of foreign direct investors.*

In territorial marketing strategy, price policy always plays a very important role. A suitable and good price strategy will be the factor that makes foreign investors choose to invest locally. So, the H3 hypothesis is proposed:

H3: *Territorial price has a positive influence on investment decisions of foreign direct investors.*

Territory promotion and publicity includes covert or overt activities aimed at presenting the position and strategy of the territory to investors. Promotion and publicity include all local activities aimed at communicating and amplifying the image of that locality to the outside. So, the H4 hypothesis is proposed:

H4: *Territorial promotion has a positive influence on investment decisions of foreign direct investors.*

One of the important social factors of attracting foreign direct investment to the locality is the quality of human resources and the cost of labor. Labor quality is a competitive advantage for investors in fields with high technology content or using many modern technologies. In addition, cultural factors also affect labor factors such as diligence, discipline, consciousness in work... Therefore, the H5 hypothesis is proposed:

H5: *Public attitudes and residents have a positive influence on investment decisions of foreign direct investors.*

Local governments play a very important role in making local orientations, strategies, policies, development planning, etc. So, the H6 hypothesis is proposed:

H6: *Local government has a positive influence on investment decisions of foreign direct investors.*

3. Data and methodology

Primary data (FDI investors who came to survey and implemented FDI projects in Nghe An province) was collected by online and offline questionnaires. The prepared questionnaire has been revised and supplemented after consulting experts working at the Department of Planning and Investment, the Department of Industry and Trade, the Department of Finance, the Department of Taxation, and the Management Board of Economic Zones, Industrial Park...of Nghe An province. The survey was carried out from December 2021 to June 2022. The study used 5-level Likert scale so that foreign investors can assess the territorial marketing factors affecting investment decisions of foreign direct investors in Nghe An province. (Totally Disagree, Disagree, Confused, Agree, Totally Agree).

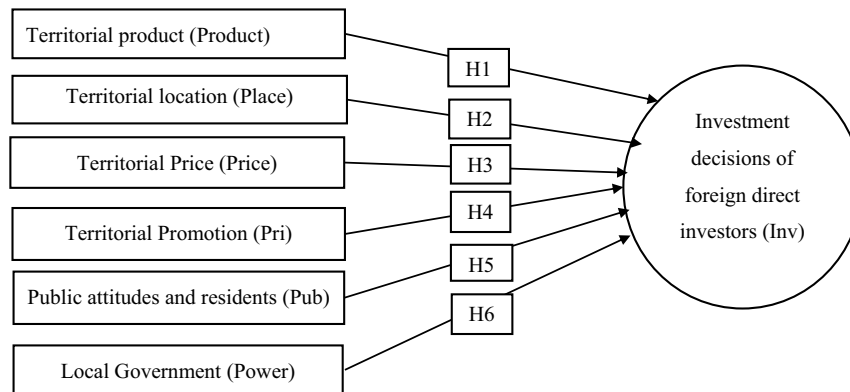
The author sent out 250 survey sheets, but after synthesizing and selecting the valid sheets, only 160 sheets were obtained. According to research by Hair et al. (1998), this is the appropriate sample size for research using factor analysis. The sample size of 160 observations with 31 indicators, met the analysis requirements. After coding the variables, the study uses descriptive and correlation analysis, factor analysis and multiple regression to describe and make inferences about relationships among variables on SPSS 26.0.

4. Research results

4.1. Reliability

The internal consistency of the questionnaire is tested through Cronbach's alpha. As per the rule, if the coefficient is greater than or is equal to 0.7 then it is considered a good indication (Nunnally, 1978).

Figure 1. Research Model.



In this study, after removing some unreliable indicators (Prod5, Pla1, Pow1), all remaining observed variables have Corrected Item-Total Correlation greater than 0.3, Cronbach's Alpha coefficient of the scales are all greater than 0.7, so the scale ensures reliability. The final Cronbach's Alpha coefficient is shown in Table 1 as follow:

4.2. Exploratory factor analysis EFA

After running the 1st factor rotation, the authors removed Pro5 indicator because of loading factor less than 0.5, removed Pub6 indicator because loading in both factors. Then running the second factor rotation. The result of the second rotation showed in Table 2, 3, 4.

The table results in Table 2 show that the coefficient $KMO = 0.847 > 0.5$, so the factor analysis method is appropriate. Furthermore, Bartlett's test gives Sig results. (Bartlett's Test) = 0.000 (sig. < 0.05) shows that the observed variables are correlated with each other.

The table 3 show that Eigenvalues = 1,183 > 1 at the 6th factor, so the 6 factors extracted from EFA have the meaning to summarize the information of the observed variables the best. Total variance extracted: Extraction Sums of Squared Loadings (Cumulative %) = 66.126 % > 50 %. This proves that 66.126% of the variation is explained by 6 factors.

The results of the rotation matrix in Table 4 show that, 24 observed variables are classified into 6 factors, all observed variables have Factor Loading coefficients greater than 0.5.

After testing Cronbach's Alpha coefficient and analysis EFA, the authors have given 6 variables affecting the dependent variable, ensuring the scale reliability, convergence, and discriminant validity in Table 5.

4.3. Regression model

Table 6 shows that Sig test $F = 0.00 < 0.05$, so the regression model is significant. Corrected R^2 in Table 7 is $0.672 = 67.2\%$. Thus, the independent variables affect 67.2% of the change of the dependent variable. All independent variables have an impact on the dependent variable because the sig T test of each independent variable is less than 0.05. Table 7 also shows Durbin-Watson = 2.159, according to Yahua Quiao (2011) this value is in the range (1.5, 2.5) will not occur autocorrelation.

Table 1. Reliability tests

No	Variables	Code	Alpha value	No.of items
1	Territorial product (Product)	Prod	0.795	4 (Remove Prod5)
2	Territorial location (Place)	Pla	0.782	3 (Remove Pla1)
3	Territorial Price (Price)	Pri	0.821	4
4	Territorial Promotion (Promotion)	Pro	0.827	5
5	Public attitudes and residents (Public)	Pub	0.843	6
6	Local Government (Power)	Pow	0.813	3 (Remove Pow1)

(Sources: SPSS 26.0)

Table 2. KMO and Bartlett's test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.847
Bartlett's Test of Sphericity	Approx. Chi-Square	1724.860
	df	276
	Sig.	.000

(Source: Retrieved from SPSS 26.0)

Table 8 shows the t-test results (to evaluate the hypothesis of the significance of the regression coefficient) and the VIF (to evaluate multicollinearity and the regression coefficients). The variables Pow, Prob, Pub, Pri, Pla, and Pro all have t-test sig less than 0.05, so these variables are all statistically significant and all affect the dependent variable Inv. The regression coefficients of these independent variables all have positive signs, so the independent variables positively affect the dependent variable. The VIF coefficients of the independent variables are all less than 10, so there is no multicollinearity phenomenon.

The residuals histogram Figure 2 show that Mean is close to 0, and the standard deviation is 0.981 which is close to 1, so the residual distribution is approximately normal. Therefore, the assumption of the normal distribution of the residuals is not violated

5. Discussion

5.1. Territorial products

Nghe An has a full system of technical infrastructure for economic development and economic relations with other localities in Vietnam as well as with countries around the world. The road traffic system, railway traffic, sea traffic, and Vinh international airport have all been upgraded for exploitation. The grid power system has covered all districts, cities and towns in the province. Information—modern telecommunications, with a full range of services, can quickly meet the needs of information exchange, and domestic and international communication.

Nghe An also has extremely rich land, forest, marine, and mineral resources. Nghe An is a province with a long coastline with many attractive beaches for international tourists such as Cua Lo, Cua Hoi, Nghi Thiet, Bai Lu, Quynh Bang, Quynh Phuong, Quynh Nghia, Dien Thanh beaches. Nghe An has more than 12,000 km² of natural land area of forests and mountains with many caves, waterfalls, and primeval forests such as Pu Mat National Park. The United Nations has recognized the forest in the West of Nghe An as one of the six largest regions in the world with primary forests and many rare animal species. In addition, Nghe An province is also home to a rich tradition of history—culture, and unique humanity, with over 1000 historical—cultural - revolutionary relics and festivals. Currently, Nghe An is one of 14 key national tourism development centers in the country. Thus, foreign investors can invest in many economic sectors that Nghe An has potential to develop such as mineral exploitation, marine economy, eco-tourism—resort, and many useful traveling services.

It must be affirmed that, in the past ten years, Nghe An province has had an open mechanism to “the red carpet” to attract FDI into the province. There are 11 large industrial zones planned for construction; in which, there are 6 industrial zones under construction or in operation. However, in reality, there are still many gaps that have not been filled in economic zones and industrial zones. That means after investors have completed the industrial infrastructure system, the attraction of businesses into operation takes place slowly. Even, many areas in industrial zones in the area are now abandoned, causing a waste of production materials that people previously gave up land for site clearance to make way for the construction of industrial zones.

Table 3. Total variance explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.327	30.527	30.527	7.327	30.527	30.527	3.077	12.820	12.820
2	2.507	10.446	40.973	2.507	10.446	40.973	2.816	11.733	24.554
3	1.966	8.192	49.165	1.966	8.192	49.165	2.796	11.652	36.205
4	1.622	6.758	55.924	1.622	6.758	55.924	2.549	10.621	46.826
5	1.266	5.274	61.198	1.266	5.274	61.198	2.333	9.720	56.547
6	1.183	4.928	66.126	1.183	4.928	66.126	2.299	9.579	66.126
7	.809	3.371	69.496						
8	.733	3.054	72.550						
9	.716	2.982	75.533						
10	.689	2.871	78.404						
11	.575	2.398	80.802						
12	.520	2.168	82.970						
13	.495	2.062	85.032						
14	.473	1.969	87.002						
15	.424	1.765	88.767						
16	.401	1.672	90.439						
17	.386	1.610	92.049						
18	.363	1.512	93.561						
19	.332	1.381	94.942						
20	.324	1.349	96.291						

(Continued)

Table 3. (Continued)

Component	Initial Eigenvalues		Extraction Sums of Squared Loadings		Rotation Sums of Squared Loadings	
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
21	.274	1.141	97.432			
22	.250	1.041	98.473			
23	.213	.889	99.362			
24	.153	.638	100.000			

Extraction Method: Principal Component Analysis.

(Source: Retrieved from SPSS 26.0)

Table 4. The second rotated component Matrix^a

	Component					
	1	2	3	4	5	6
Pub2	.762					
Pub3	.716					
Pub4	.689					
Pub5	.676					
Pub1	.657					
Pro3		.771				
Pro1		.753				
Pro4		.711				
Pro2		.677				
Pro5		.472				
Pri4			.796			
Pri2			.793			
Pri3			.744			
Pri1			.721			
Prod4				.816		
Prod2				.755		
Prod3				.751		
Prod1				.709		

(Continued)

Table 4. (Continued)

	Rotated Component Matrix ^a					
	Component					
	1	2	3	4	5	6
Pow2					.839	
Pow3					.773	
Pow4					.705	
Pla3						.811
Pla4						.808
Pla2						.723

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

(Retrieved from SPSS 26.0)

Table 5. Independent variables in regress model

No	Variables	Code	Indicators
1	Territorial product (Product)	Prod	Prod1, Prod 2, Prod3, Prod4
2	Territorial location (Place)	Pla	Pla2, Pla3, Pla4
3	Territorial Price (Price)	Pri	Pri1, Pri2, Pri3, Pri4
4	Territorial Promotion (Promotion)	Pro	Pro1, Pro2, Pro3, Pro4
5	Public attitudes and residents (Public)	Pub	Pub1, Pub2, Pub3, Pub4, Pub5
6	Local Government (Power)	Pow	Pow2, Pow3, Pow4

“Territorial product is not the policy to attract FDI but the local investment environment”. The investment environment can be understood as the totality of policies that affect and influence the activities of investors. Therefore, improving the investment environment is a very necessary condition to increase FDI attraction.

5.2. Territorial price

To attract FDI projects, Nghe An issued many incentive policies for investors. Accordingly, FDI investors will be supported by the provincial budget up to 50% of the cost of implementing investment procedures in the investment preparation step according to valid contracts, and invoices ... but not more than 200 million VND per project when the project went into operation. Regarding ground leveling, if the investor self-funds to implement, after the project is put into operation, based on design documents and estimates approved by authorities, the provincial budget will support 50% of the cost of ground leveling, but not more than 30 billion VND per project.

For FDI projects on construction and infrastructure business of industrial parks and hi-tech zones in the Southeast Economic Zone: the state budget will support the entire cost of compensation and ground clearance; Investors are encouraged to voluntarily advance funds for compensation and site clearance according to the plan approved by competent state agencies. The provincial budget will refund investors in cash annually, within 05 years from the completion of site clearance compensation. For projects, investors voluntarily advance 100% of the funds for compensation and ground clearance will be refunded by the provincial budget within 03 years from the completion of compensation and site clearance. In particular, the People’s Committee of Nghe An province also considers deciding on a separate support policy for investment projects with a contribution to the local budget of over 300 billion VND per year (excluding the trial operation period) but not more than 60 billion VND per project.

5.3. Public attitudes and residents (Public)

Nghe An is the province with the fourth largest population compared to other localities in the country (after Ho Chi Minh City, Hanoi, and Thanh Hoa) with a population of over 3.3 million. The system of education and training institutions, especially professional and vocational education, has been focused on investing in building, upgrading, and developing at a rapid pace. Up to now, Nghe An has more than 60 professional education and vocational training institutions, including 6 universities with an annual training scale of over 35,000 students, 8 colleges, 12 vocational and professional intermediate Schools; 45 vocational training centers in all districts, cities, and towns in the province. Vinh University was approved by the Prime Minister to invest and build to become a university of international standards. With a system of training and vocational training institutions

Table 6. Results of multiple regression analysis - ANOVA

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.930	6	6.155	55.186	.000 ^b
	Residual	17.064	153	.112		
	Total	53.994	159			

a. Dependent Variable: Inv

b. Predictors: (Constant), Pro, Prod, Pow, Pri, Pla, Pub

Table 7. Model summary

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.827 ^a	.684	.672	.33396	2.159

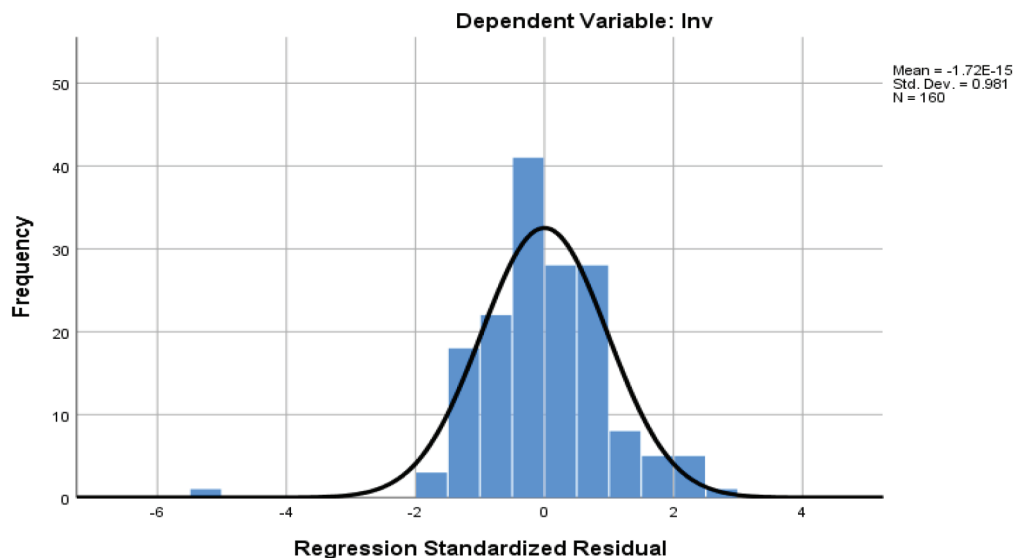
a. Predictors: (Constant), Pro, Prod, Pow, Pri, Pla, Pub
 b. Dependent Variable: Inv

Table 8. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta				Tolerance	VIF
1	(Constant)	-.270	.228			-1.187	.237		
	Pow	.107	.042	.145		2.572	.011	.652	1.534
	Prod	.301	.042	.364		7.165	.000	.800	1.250
	Pub	.188	.049	.222		3.804	.000	.606	1.651
	Pri	.201	.049	.213		4.066	.000	.753	1.327
	Pla	.123	.046	.142		2.684	.008	.740	1.351
	Pro	.124	.045	.155		2.772	.006	.658	1.520

a. Dependent Variable: Inv

Figure 2. Histogram



planned for development and effective incentive policies, every year, 4.5–50,000 workers have been trained from elementary vocational level to vocational college increasing the proportion of trained laborers up to now to 36.5% compared to the total labor resources of over 1.7 million people of the province, of which vocational training is 24.5%, creating a trained labor source supply for businesses inside and outside the province, serving the needs of labor export.

5.4. Territorial promotion

Nghe An develops a provincial investment promotion data manual such as updated information on the province's socio-economic development situation, socio-economic development planning, sectoral and field planning and product, preferential policies, investment support, investment procedures, potential and investment opportunities. Nghe An's Center for investment, trade and tourism promotion upgrades the investment promotion information documents in 4 languages (Vietnamese, English, Japanese, and Korean) on the Nghe An Provincial Portal in accordance with the customs and business culture of each desired investment partners, regularly update information on the Investment Promotion Information Page, the website of the Department of Planning and Investment; Website of the Southeast Economic Zone Authority. In particular, continue to promote and link the province's investment promotion information page with the websites of the Foreign Investment Department, investment promotion centers of the Ministry, agencies, and international organizations.

Nghe An province provided more than 5000 investment promotion publications, and 07 Clips promoting the image of the country and people of Nghe An province with the title "Nghe An attractive destination" in 04 languages: Vietnamese, English, Korean, and Japanese. Upgrading and putting into operation the investment promotion website at <http://ipsc.nghean.gov.vn>, updating legal documents on investment, business, and news on investment promotion serving businesses and investors. Actively propagate and promote information and images about the investment and business environment to investors on Nghe An Radio and Television Station and Nghe An Newspaper. Linking and coordinating with agencies and organizations that are focal points for investment promotion such as KOTRA (Korea), JETRO (Japan), Foreign Investment Agency, and other focal points to provide information and results relations, in order to strengthen the mobilization and promotion of foreign investment in Nghe An

5.5. Territorial place

Compared to other provinces in Vietnam, Nghe An has an unfavorable geographical position and natural conditions when it is far from the major economic centers of Vietnam (Hanoi and Ho Chi Minh city). Moreover, it is not in the key economic region of the country. Especially the mountainous districts of the province still face many difficulties, located far from the center, the mountainous terrain is divided. However, compared to other provinces in the North Central region, Nghe An has an advantage in terms of geographical location, which is located in the center of the region, Vinh city is planned by the Government to develop into an economic and cultural center of the entire North Central region. The natural conditions are diverse, having all the factors like a miniature Vietnam when converging the following conditions: The country's largest natural area, abundant land fund, plains, seas and rivers, midlands and mountains.

5.6. Local government (Power)

Nghe An provincial government has implemented land planning, construction sector, and sector planning according to Nghe An's socio-economic development plan for 2030 in order to create the best conditions for investors. The authorities quarterly work with investors on the progress of projects to promptly solve problems and difficulties of projects, maintain information systems, and provide information and data housing and real estate market data in Nghe An province. Quarterly, Nghe An Provincial Government also meetings with departments, branches, and localities to listen to reports on the implementation situation and solve difficulties and problems for key investment projects, projects with high investment potential or greatly affect the socio-economic development of the province, especially problems related to site clearance for project implementation.

Reform administrative procedures, support investors in pre-registration of bank accounts, registration services, returning results services and at the same time linking to other public service sites such as online business registration, and the department's web portal.

6. Conclusion and policy implications

6.1. Conclusion

Research results show that all 6 factors of territorial marketing have a linear relationship with investment decisions of foreign investors in Nghe An province with significance level $\text{Sig} < 0.05$. All of them have positive impact on the investment decisions of foreign direct investors. Through multivariable regression analysis, it was shown that the built model is suitable with the obtained data, the multivariate regression model is reasonable and meets the proposed hypotheses. The results shows that the above measurement components all have significance $\text{Sig} < 0.05$, so there is a difference and statistical significance with the 95% confidence level, so there is a significant influence on the investment decisions of foreign direct investors in Nghe An province.

6.2. Policy implication

Vietnam in general and localities in particular need a lot of capital for development investment because of low internal accumulation in the economy, attracting capital from outside is inevitable. Recently, there have been positive changes socio-economic development in Nghe An province, FDI has contributed a part in that development. Based on the characteristics and recent situation of attracting FDI in Nghe An, the implementation of territorial marketing solutions to attract this capital is very necessary and important to promote the economic development of Nghe An province.

- *Enhance investment attraction into socio-economic infrastructure development.*

Nghe An province needs to prioritize the allocation of investment capital to build the infrastructure system for socio-economic development, balance and spend annual capital for site clearance, invest in essential infrastructure of the Southeast Economic Zone especially in industrial parks to attract investment. Nghe An province should apply broadly public and private cooperation in

infrastructure construction, focus on promoting to attract private investors invested in industrial park infrastructure, actively create a reasonable clean land fund, ready to welcome investors, gradually eliminating the situation that investors wait for site clearance for too long.

Most of FDI projects are implemented in industrial zones and economic zones. Obviously, industrial zones and economic zones play an important role in attracting FDI. However, the outstanding problem is the difficulties in land clearance. To overcome the above situation, provincial governments at all levels need to apply synchronous measures: Increasing the dissemination of related issues such as the Land Law, Construction Law, Housing Law, Real Estate, government policies, and local policies on compensation for people whose land has been recovered in order to raise ideological awareness, create unity and consensus of the people, and actively contribute to ensuring the progress of construction site clearance.

- *Reform of administrative procedures*

In order to attract quality FDI, Nghe An province need regularly carry out reform of administrative procedures, eliminate cumbersome and unnecessary administrative procedures which causes inconvenience to FDI investors. Assigning specific responsibilities to agencies associated with specific time related to investment activities such as processing documents, compensation procedures, site clearance to ensure timely implementation. Beside that, Nghe An province needs to quickly settle procedures for investment incentives and support according to current regulations, ensure long-term stability in investment incentive policies, complete licensing procedures in the direction of publicity and transparency before granting project permits, strictly handle negative and harassment for investors. There is a form of periodic or irregular inspection of the One-Stop Department in carrying out administrative procedures with enterprises and investors, promptly correcting errors, removing inappropriate regulations, simplify procedures as well as have solutions to arrange and mobilize skilled and professional cadres and civil servants directly working at the One-Stop Department.

- *Reduce cost of market entry, cost of time to implement state regulations, informal costs*

Nghe An needs to shorten business registration time as well as re-registration time; Reduce the number of unnecessary business registrations, licenses and approvals; continue to improve land allocation procedures. Regarding access to land, strictly follow the general planning, avoid overlapping. For projects that are not feasible, not implemented, resolutely withdraw to create land fund for investment in other projects. The local government is responsible for the compensation for site clearance of the project's recovered land, solving problems with households in the work of compensation for site clearance, and handing over clean land. Site clearance for investors.

- *Improve the quality of human resource training in line with the requirements of the FDI sector*

Nghe An province needs to develop policies to attract good managers, scientists, experienced workers, skilled workers... to live and work. Improving the quality of human resource training meets the requirements of the FDI sector such as training according to the orders of FDI enterprises and closely following the reality, forecasting future needs. Developing a sustainable vocational training system with the active and proactive participation of FDI enterprises at different levels. Training institutions need to focus on training quality associated with practice.

- *Improve efficiency of FDI attraction promotion activities*

Beside general investment promotion activities, it is also necessary to pay attention to investment promotion by address in order to directly attract multinational investors with high technology or ability to influence the domestic economy development to create a balance in attracting investment. Thus, the promotion should be done in the direction of creating and providing support

services for foreign investors during the investment process, increasing the budget for investment promotion activities. Regularly organize investment promotion conferences, introduce opportunities and potentials to attract investment in Nghe An province through the media, closely coordinate with embassies of other countries and international organizations and agencies, foreign business associations... in Vietnam to introduce, promote and promote investment to foreign investors.

Implement promotion, advertising and investment attraction activities to promote cooperation and twinning relations between Nghe An province and a number of foreign localities such as Gifu (Japan), Gyeonggi, Deagu (Korea); Ulianop (Russian Federation); Adelaide (Australia); The provinces in the Association of Provinces of Vietnam, Laos and Thailand which use roads 8 and 12 (APOTC)... Attend seminars on enhancing cooperation and business connection coordinated by the Ministry of Foreign Affairs Embassies, Consulates General of countries in Hanoi and Ho Chi Minh City.

- *Properly evaluate planning developments*

The bad planning developments in recent years is one of the main reasons leading to low FDI attraction in Nghe An province. In the coming time, it is necessary to consistently implement the new provisions of the Investment Law in planning work, renew planning methods from traditional to applying advanced planning methods in the world such as: integrated strategic planning, multi-sectoral investment planning. At the same time, cooperate with international organizations to conduct training, improve capacity in planning and land use policies to develop infrastructure of industrial zones and economic zones.

Nghe An needs to accelerate the construction and approval of the missing plans, review, supplement and adjust the approved plans to suit the province's socio-economic plan as well as the national plan in each economic sector, international commitments to create favorable conditions for investors in identifying and developing projects such as product planning, material areas for the agriculture forestry and fishery processing industry, urban development planning and land use planning, formulating and submitting detailed planning for approval of Southeast Nghe An economic zone. Speed up the detailed planning of industrial zones that have been approved by the Government on the list, publicly announce construction locations of projects on the approved list of projects calling for investment.

6.3. Limitations

Besides the obtained results, the study still has certain limitations due to space limitations and research data. Some factors need to be analyzed and studied carefully in the longer-term context such as "institutional quality" according to Layla et al. (2020) or "infrastructure" according to Majumder (2016). ... These limitations will be suggestions for the authors to deploy in future studies.

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