

Identifying and ranking factors affecting marketing investment in the petrochemical industry

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Abstract:

The aim of this study is “Marketing survey of attract capital “and " Determine the factors affecting it" and” Using the results to plan and raise funds to develop petrochemical projects in the petrochemical industry “. In current situation in Iran and the existence of various sanctions by the countries of the West, Using the local resources, especially its capital market capacity and also external financing and the use of various techniques can be very good for Financing petrochemical industry . This research, in terms of heuristic method and data collection, is in Gauging- Sectional. In terms of aim is also an applied program. Research tool is the questionnaire and contains 5 main variables. The statistical community is managers, professionals and experts in the petrochemical industry. The total number populations were about 160 people that of this number 123 persons were selected for sampling. A questionnaire was used to collect data that reliability was 863/0. In order to analyze the data, after identifying the factors influencing attract capital, to prioritize and determine the role of each of the factors, Expert Choice software and AHP hierarchical analysis model were used.

Keywords: marketing, fundraising, investment, Analytical Hierarchy

Introduction

Iran is a developing country and one of the characteristics of these countries is greatly needed financial resources for investment. Apart from the development strategies adopted by each country, investment is the most important factors of economic growth of any country. Investment in most countries, especially in developing countries, is done by public and private sectors. Private sector investments, not only as a component of aggregate demand, but more important than that, is a source of growth and jobs in the future. (Sameti, 19, 2004) In fact, one of the most important economic goals in countries, create the conditions for an increase in GDP and economic growth. Including the necessary requirements for increased production and economic growth is investment in economic infrastructure. Lack of investment in economic issues, has been raised as one of the most important causes of underdevelopment, in other words, economic growth would not be possible without the accumulation of capital. The most important barriers to investment in Iran can be traced to factors such as lack of economic security, false concessions to investors, bureaucracy, institutional and legal problems, lack of social and political stability, social and cultural barriers. In the petrochemical industry can be traced to the obstacles such as sanctions, global problems and global decline in investment, the price of gas, the presence of competitors interested in attracting foreign investment, new policy-and the lack of clear and attractive list of projects. The main issue of this study is to determine the obstacles in the way of achieving the goal research the marketing attract capital. In previous years the petrochemical industry has been facing serious problems raise funds to launch initiatives and the development of industry in the country. For this reason we seek to determine the impact on attract capital and rank these factors.

Literature research

Marketing to attract investors

In the past, entrepreneurs or corporate executives who need to attract capital had limited choices. The money of investors and banks was not free for companies. So they can invest in profitable methods, because always legal barriers, cultural or

technological was Limiting the flow of capital. Currently attract capital is done more easily through international sources, because they have lost

Control over foreign exchange. Investors can actually make their money in any country who wishes to invest. On the basis of modern financial theory, Investors expect the highest returns in terms of risk mitigation, the capital of their own.

Principles of investment decision are as follows:

- Preferred interests in the form of profits or the flow of funds compared to smaller profits
- Short-term benefits are preferable to long-term benefits.
- Safer investments are preferable to high-risk investments.

Marketing to attract investors

Although the main motivation for investing is business efficiency and competitiveness, But other motives as early as the entrepreneurial process and there are good reasons, such as getting the opportunity to play a role. Considering that a large number of companies are competing with each other to attract investment, so the process works as a financial obligation, is a marketing task. It is therefore logical that the key elements play an important role in the relationship marketing (Cutler et al., 15,2011)

Attract investment: Review Solutions

In the basic level, there are two forms of debt capital and brought the right partners. Debt funding for correctional, comes from bank loans and bonds mainly from suppliers and loans from development banks and some other institutions. Partners have been mainly in the form of ordinary shares, But the preferred stock and stock option is also sometimes used. Now a multi-purpose tool, also is used a combination of debt and has partners (Cutler et al., 27, 2011).

Factors influencing capital resources

With innovations occurring in the capital markets worldwide, has expanded the range of financial resources and it is also increasing. The following

list is part of the available financial resources (Cutler et al., 29, 2011) :

- lending on the basis of assets
- financing by customers
- financing by volunteers Supply Chain
- risky venture
- Friends and family
- Leasing
- personal savings
- issuance of public debt
- R & D Limited Partnership
- financing by vendors
- bank loans guaranteed

Extensive resources, financing options allow companies to choose the best. These needs may be big or small, short-term or long-term. A business may be able to provide a high degree of security, while another business may require significant investment risk tolerance. Since the supply of capital have different goals, capabilities and limitations, Some of them, such as banks prefer to invest in low-risk, low and usually short-term conflict and some of them are vice versa. The main source of financing for companies in the Stock Exchange and most private companies is Domestic financing in the form

of reinvestment of profits . When companies are not able to finance all of their assets are resorting from internal resources to external sources. Financing through debt is preferred rather than equity method. In summary, the methods of financing depend on size, forecasts, cash flow and risk, in other words, the curve position in life. With the growth and maturity of the company and the risk characteristics Change the way business investment companies (Cutler et al., 33, 2011). The company follows the curve of life (Cutler et al., 54, 2011-34):

- start
- Expanding
- growth stage after the first offer of shares on the Stock Exchange
- Low maturity
- Decline

Start, is after the formation of the preliminary phase, in this process which usually begins with research and development, Entrepreneur focuses on research and development activities. Still on the assets required for manufacturing and selling

products or services is not an investment. During this period, investments do not generate any income. In the Expanding company begins to buy facilities and equipment and the recruitment of staff that it is essential for the production and sale of products. After the company gets successful in attracting customers and market presence, begins the search to find resources for growth. At this stage the company provides production and supply of goods and services, but the company is not yet profitable and if there is, it is not enough. Such firms are mainly dependent on private capital and venture capital usually total. In the growth of the first supply of stock on the stock market, earnings and operating cash flow and profitability, these companies may be on the rise and consolidation of their profitability, but investment needs are greater than the financial resources of the company. In other words, while operating cash flow may be positive but growing free cash flow is negative. In this case, companies need external resources. Increased financing through supply of stock, liquidity, profitability and high levels of offering shares to public investors, encourages companies to finance from other sources is not available to smaller companies. In addition to bonds, The Company can meet its capital requirements by issuing new shares. In the maturity and low growth, The Company can use its business, adequate funds to finance business investment opportunity and there is no need to Access to sources of capital out of the company's loans or equity capital. If the cash flow is available to make a good return, the shareholders would prefer the company to invest. In the decline revenue, profit and cash flow start to reduce. But the company may still generate positive cash flow. The company may not need to external finance in the form of debt or equity capital.

Research methodology

This research because the variables are not manipulated and there is no laboratory conditions, and it is a description of the type of (non-experiential). Descriptive research includes a set of ways with the aim of them that they describe the phenomena studied. The goal of the present study is primarily to understand the current situation or help the decision-making process (Sarmad et al., 2010, p. 81).

By nature, this study is an example of evaluation research. This type of research is a process to gather and analyze data for decision-making

(Khaki, 2003, p. 205). This is the first record and then work on the main topic of the thesis project.

++ To collect information and achieve the desired results as well as the library and field studies have been utilizing.

++ Information through a questionnaire of managers, specialists and teachers will be collected and analyzed.

In this theoretical research we will use library methods (articles, online texts, books, etc.) and the information needed with using the field method (questionnaire) is to be extracted. For data analysis we have used Expert Choice software and hierarchical analysis technique.

Data analysis

The AHP for the main operating parameters of the study

After entering matrix model in Expert Choice and paired comparisons, the weight of criteria and sub criteria were as shown below. As you see in 13-4 diagram, the relative weight of its most important economic factor is 538/0. Political factors the relative weight of 165/0 in the second priority and the third priority is to manage the relative weight of 113/0. Managing natural resources in fourth with 100/0 and 083/0 of the laws and regulations relative weight is in the end. 08/0 paired comparisons mismatch rate is achieved because less than 10/0, the comparisons are acceptable.



Diagram 1: Prioritizing main factors through using Expert Choice software

Table 1: Prioritizing main factors affecting capital attraction marketing in Petrochemical Industry

Priority	Weight	Criterion	Row
1	0.538	Economic factors	1
2	0.165	The political / social factor	2
3	0.113	Management	3
4	0.100	Natural resources / infrastructure	4

5 0.083 Rules and regulations

Calculate the relative weight of economic indicators

Due to the weight given to the components of the tariffs and customs formalities, monetary policy, financial, currency and price stability, economic openness and free trade in goods and services, GDP

growth, capital market conditions and interest rates the size of the market and the transfer of technology and know-how of the highest and lowest groups receive the importance. On the other hand, given that the incompatibility rate obtained from 09/0 x 10/0 is smaller than the standard, with high accuracy by the respondents of the questionnaire has been completed.

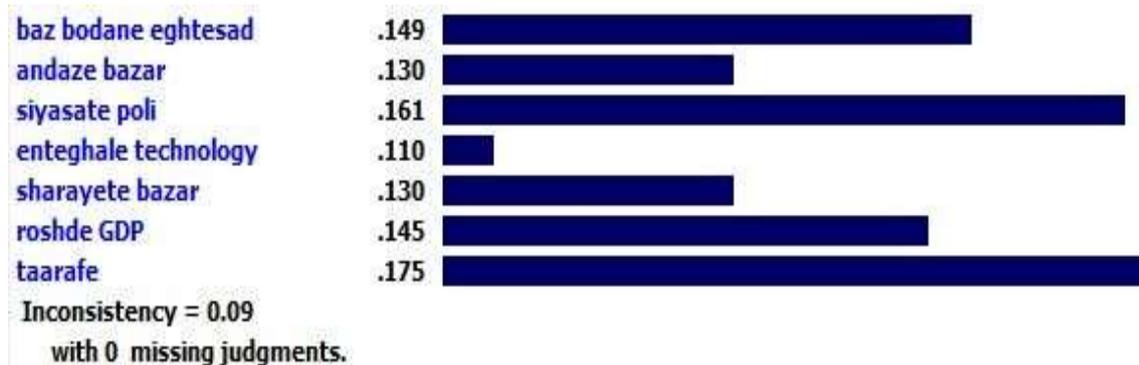


Diagram 2: Prioritizing main factors according to economic factor

Table 3: Prioritizing main indexes according to economic factor

priority	weight	Criterion	Row
1	0.175	Tariffs and customs formalities	1
2	0.161	Monetary policy, financial, currency and price stability	2
3	0.149	Openness and free trade of goods and services	3
4	0.145	(GDP) GDP growth	4
5	0.130	Capital market conditions and interest rates	5
5	0.130	Market size	6
6	0/110	Transfer of technology and technical knowledge	7

Calculate the relative weight of political / social

Due to the weight given to the components of sanctions and international relations, political and social stability and the reduction of regional conflicts, skilled manpower and the labor market

and investment security receive the most and least important in the group. On the other hand, given that the incompatibility rate obtained from the 02/0 number that is smaller than the standard 1.0, so the questionnaire has been completed by the respondents with high accuracy.

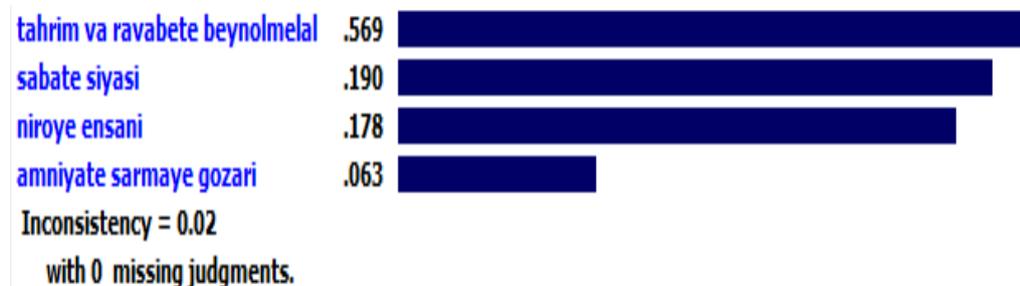


Diagram 3: Prioritizing main indexes according to political /social factor

Table 3: Prioritizing main indexes according to political /social factor

priority	weight	Criterion	Row
1	0.569	Sanctions and international relations	1
2	0.190	Political and social stability and the reduction of regional conflicts	2
3	0.178	Skilled manpower and the labor market	3
4	0.063	Investment security	4

Calculate the relative weight management indicators

Due to the weight obtained , Respectively components of transparency and stability in regulations and government policies, effective and targeted information management, marketing,

advertising, reliable statistics receive of the highest and lowest the importance the group. On the other hand, given that the incompatibility rate obtained from the 01/0 number that is smaller than the standard 1.0, so the questionnaire has been completed by the respondents with high accuracy.

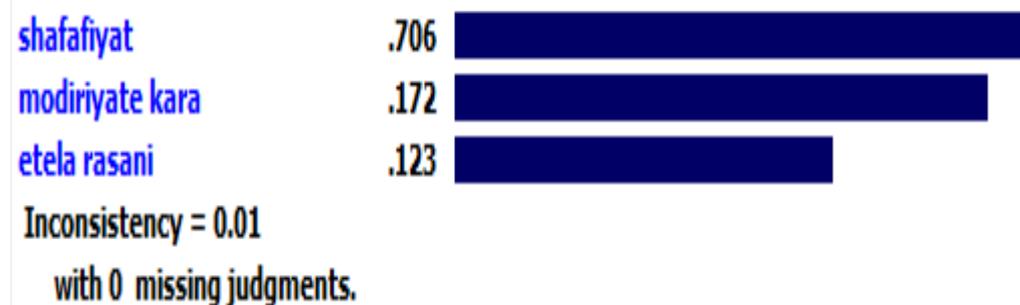


Diagram 4: Prioritizing main indexes according to management factor

Table 4: Prioritizing main indexes according to management factor

priority	weight	Criterion	Row
1	0.706	Transparency and stability in regulations and government policy	1
2	0.172	Efficient and targeted management	2
3	0.123	Information, marketing, advertising, statistically reliable	3

Calculate the relative regulation indicators

Due to the weight obtained, respectively Components of facilities and investment incentives, privatization and the creation of an appropriate business environment, politics, global, regional and national ownership of physical assets and financial

restrictions on the transfer of most and least important in this respect. On the other hand, given that the incompatibility rate obtained from the 06/0 number that is smaller than the standard 1.0, so the questionnaire has been completed by the respondents with high accuracy.



Diagram 5: Prioritizing main indexes according to regulation factor

Table 5: Prioritizing main indexes according to regulation factor

priority	weight	Criterion	Row
1	0.413	Facilities and investment incentives	1
2	0.295	Privatization and creating an appropriate business environment	2
3	0.194	World politics, regional and national	3
4	0.097	Ownership of physical and financial assets and transfer restrictions	4

Calculate the relative weight of indicators Natural Resources / Infrastructure

Due to the weight obtained, respectively Components of the infrastructure, food and resources needed and plan for land use planning

and geographic location are the most and least important in the group. On the other hand, given that the incompatibility rate obtained from the 09/0 number that is smaller than the standard 1.0, so the questionnaire has been completed by the respondents with high accuracy.



Diagram 6: Prioritizing main indexes according to natural resource / Infrastructures factor

Table 6: Ranking main indexes according to natural resource / Infrastructures factor

priority	weight	scale	Row
1	0.623	Infrastructures	1
2	0.234	Food & needed resources	2
3	0.143	Land usage plan & geographical positioning	3

Conclusion

According to results of Hierarchical Analytic Process implementation have been identified that the importance of identified variables are:

economic factor (0.538), political/ social factor (0.165), management (0.113), natural resources/infrastructures (0.100) & regulations (0.083) respectively.

The importance of related factors to economic factor is: customs (0.175), financial policies & price stabilities (0.161), economic openness and free trade of goods and services (0.149), GDP growth (0.145), capital market condition & interest rate (0.130), market size (0.130), technology & technical knowledge transmission (0.110) respectively. The importance of related factors to political/ social factor is: prohibition & international relationships (0.569), social & political stability & regional dispute increments (0.190), skillful workers & labor market (0.178) & investment safety (0.063) respectively.

The importance of related factors to management is: Transparency and stability in government regulations and policy makings (0.706), objective & efficient management (0.172), informing, marketing, advertising, trustful statistics on industry (0.123) respectively. The importance of related factors to regulations is: investment motives & facilities (0.413), privatization & creating suitable business space (0.295), global, regional & national policies (0.194) & property of financial & physical properties & capital transmission limitation (0.097) respectively.

The importance of related factors to natural resources/infrastructures factors is: food & needed sufficient resources with competitive prices (0.623) respectively. Infrastructures includes; logistic & transportation, water/electricity/energy, telecommunication (0.234) & land usage plan & geographical positioning (0.143).

Suggestions:

1. Creating capital marketing unit in National Petrochemical Industries Company as well as elimination the regulations which decrease investors' motivations.
2. Allocating objective & studied motives to attract foreign investments.
3. Predicting the budget for motivating, marketing & attracting foreign investments in governmental institutions in the form of country budgeting system.
4. Retaining expert & efficient work forces, entrepreneur managers & efficient & strong executives.
5. Allocating budget to construction & establishment of basic infrastructures
6. Decreasing cumbersome regulations as well as decreasing administrative bureaucracy
7. One of the ways to attract investors is clarifying & publicizing related regulations of this part. In fact, regulations should be provided in a way to lessen ambiguities. Regulations should be provided & done in a way to keep investors safety financially & of property. Therefore, investment risk will be lessened & individuals can invest easily.
8. In recent years, one of the main obstacles to investment was related to prohibition regulations. Correct interaction with universe as well as more usage of internal investments or living abroad Iranians can be useful at this time.
9. Banking international regulations sometimes are in conflict with Islamic & Iranian banking regulations. These conflicts should be identified & be used correctively through proper planning to create a suitable investment space. Also, international trade law must be regarded by managers and planners of investment area in petrochemical industry.
10. Attracting trust of foreign investment & protecting it.
10. Using internal & external experts who has the experience of working in
11. Accessing to global market through foreign offices & build credibility.
12. Using well-known global auditors and trained forces of international institutions. .
13. Attracting active experts in Iran capital market, through knowledge of service providing to foreign investors.
14. Identifying real investors and holding annual foreign investment conferences.
15. Marketing and presentation of investment opportunities in the international community.
16. Strengthening private sector and giving private companies to managers and private management, giving governmental institutions by government.
17. Facilitating investment stages & corporate information transparency.
18. Building infrastructures and building the bridges to attract foreign investors
19. Using professional & specialized management, regulation adjustment, workflow transparency and instructions.
20. Evaluating related laws and regulations to trade and investment; adjusting & improving them in order to facilitate the presence and competitiveness in international level.

21. Strengthening the presence of non-governmental sector institutions in decision-making organs related to the investment trough facilitating and accelerating the implementation of Article 44 of constitution and abolition of monopolies.
22. Financial and trade liberalization through development of financial markets, refinement of laws and regulations governing business activities and improvement of foreign investment conditions.
23. Political and economic stability
24. Facilitating affairs in order to increase foreign investors' motivations in some fields such as the movement, employment permission and registration of trade marks.
25. Providing strategies to encourage and attract investments of abroad Iranian.
26. Effective legal protection of intellectual property.
27. Active participation in forums and international economic and trade organizations to take advantage of available opportunities in international and regional arenas.
28. Establishing legal and institutional order oriented to production and trade growth have created stable conditions for private sector activities, and in addition to providing safety , decreasing investment risk & fostering motives, provides suitable field in financial & non-financial needed facilities for investment attraction through appropriate changing in laws and regulations, especially laws and regulations governing the movement of investment capital and profits and laws

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