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The Clients' Perceptions of the UK as a Business Location and the Services of UK Trade and Investment

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The first objective of this study is to discover how Finnish companies, which are interested in investing to the UK, perceive the UK as a business location. Another objective is to research how the companies perceive the services of UK Trade and Investment. The study is conducted for UK Trade & Investment (later UKTI), which is a government based promotion organization that operates internationally and offers assistance for companies, which wish to trade with the UK.

The theoretical framework is divided under two main issues: Foreign target market and service marketing. The foreign target market part concentrates on understanding different factors, which companies evaluate when they are trying to find a correct location to set up their business. Factors that relate on the companies' own strengths and abilities to expand abroad are set aside and the concentration is specifically in the UK factors. The service marketing part researches different aspects, which comprise the service in the minds of the customers. By knowing how the customers observe these aspects, it is possible to get to know how the customers evaluate the service, and understand which the service's strengths and weaknesses are.

The analytical approach is deductive and the research method for collecting primary data was quantitative. Data was collected through a structured online questionnaire, which was sent to 77 UKTI's clients in March 2010. The questionnaire was open for three weeks. During this time two reminding emails were sent and phone calls were made to encourage the clients to answer. The potential respondent group was challenging, and thus, the response rate is 17%.

The findings indicate the investors perceive the UK as a rather favourable business location. The businesses situate close to their customers in the UK, and the investors believe in the UK's growth potential and have confidence in their investments. The social and cultural environment attracts the Finnish investors, as well as the labour law. The investors seem to consider the UK as a stable legal environment, but the investors are not convinced about the economic stability. Operating costs and productivity are the least favourable factors in the market. The respondents evaluate communications and technology, transport infrastructure, and level of research and development relatively low.

Responsiveness, reliability and assurance are the most significant dimensions for the clients in UKTI's services, and the clients evaluate UKTI's services relatively high, especially in these factors. UKTI should contact their past clients and keep contact with their current clients, as 85% of the respondents consider they would like to receive information from UKTI also in the future.

| Key words
Business location, target market, services marketing, service quality, UK |
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1   Introduction

The United Kingdom has been able to create hundreds of thousands of work places and to strengthen its economic growth through direct investments. Assumptions why the UK has attracted Finnish investors are based on its strong market potential, culture and opportunities. According to Office for National Statistics (2009), the UK is a country of 61 million people. Inhabitants come from different backgrounds and they are open to try new products and services. Finnish people can adapt English language and culture rather easily. Opportunities to use the UK as a gateway to different countries are wide.

UK Trade & Investment (later UKTI) is a government based promotion agency, which operates internationally and offers assistance for companies, which wish to trade with the UK. The study is conducted particularly for Inward Investment Team of UKTI that assists Finnish companies especially in foreign direct investments to the UK. UKTI is concentrated on assisting three target groups, which are in different stages in internationalization processes. New investors are the largest customer group that has got the main attention in the recent years. Other focus groups are the companies, which have invested to the UK during the past 1-3 years, and the companies, that have been operating in the UK more than three years.

UK Trade and Investment has not conducted similar research, which would have gathered knowledge of the clients' opinions of the UK market nor UKTI's services. Lack of knowledge of the customer groups is disadvantageous, as the satisfaction of UKTI's clients may affect on their investment decisions. Knowing the clients' opinions means UKTI could deliver the most valuable information for the clients in the most efficient way. There have been conducted two studies though, which triggered off the topics for this study. In Germany, UK Trade and Investment made a research in 2008, which dealt the perceptions of German decision makers about the UK as a business location. In 2006-2007, UKTI conducted a study, which concentrated on researching what kind of information Finnish companies found important to receive related to the UK market through UKTI's periodical newsletter.

1.1   Objectives and research questions

The purpose of this study is twofold: The first objective is to gather knowledge of which factors in the UK market attract Finnish companies to choose the UK as a business location. The second objective is to identify opinions of the client companies about the services of a promo-

tional agency, UK Trade and Investment, which assists the companies to make investments to the UK.

The main research questions are:

– How is the UK considered as a business location by the clients of UK Trade & Investment?
– How do the companies perceive the services of UK Trade and Investment?

The main research question is expanded into three sub questions contributing the research problems. They are:

– What are the pros and cons of the UK market for foreign investors?
– What is the perception of the companies of operating in the UK market area now and in the future?
– How UKTI has succeeded in delivering its service?

1.2 Methodology

Theoretical part defines conceptual frameworks for both subjects of the study that need to be taken into consideration to solve the research questions. First part of the theory discusses of location factors, which are important especially for foreign investors when investing abroad. The second theoretical part discusses of issues related to customer satisfaction, and especially to the service quality. It is essential to know all the relevant factors, which customers use to base their evaluations of service. Thus it is possible to discover how the clients perceive the services of UKTI. As the relevant factors are defined in the theory, it is possible to research, how the UK is considered as a business location, and how the offered service of UKTI meets the customer needs and expectations.

The research method is quantitative. Quantitative method was chosen as it was considered important to be able to draw conclusions, which would generalize UKTI's customer base within eligible time frame and resources set for the thesis. The research was conducted by collecting primary data through online surveying with Webropol tool. Self-complete questionnaires, which mainly included closed questions, were sent to 77 clients' email addresses. The questionnaires, which were received back in 18 days, were analysed through a statistical analy-

sis with SPSS tool. The conclusions were drawn to reflect the central issues, which were discovered through the submitted responses.

1.3   UK Trade & Investment

Parent departments of promotion agency, UK Trade & Investment, are Foreign and Commonwealth Office and the Department for Business, Innovation and Skills of the United Kingdom, of which UKTI receives most of its funding. There are a number of local offices in the UK and over 150 offices are overseas. One of the offices is situated in Helsinki. The total number of employees is around 2500. (UKTI 2009.)

UKTI has been in Finland since 2003. The study is made especially for Inward Investment Team that assists Finnish companies for free of charge. The team assists companies no matter of their size and experience in the UK market, however most of the customers are small and medium-sized companies and the main concern of UKTI is to promote foreign direct investments (later FDI). (UKTI 2008, 11-12, 14). There are two employees in the Inward Investment Team and the team's main budget, the marketing budget, is GPB£ 23500 (Aaltonen, M. 16.12.2009).

UKTI generates the UK investment activity by performing several supporting tasks. The team provides advice on where and how business can be set up. One of the essential tasks of the team is to provide required market entry data, and thorough and tailored information of research and development, taxation, human capital, administrative regulations, and other legal and financial matters, which are vital to take into account. In practice, UKTI does not conclude entire market research for individual companies, but advices with it. UKTI helps businesses to tackle cultural and language related issues to ease communication. The team helps companies to network by introducing professional advisers and important contacts. UKTI works in a partnership with Regional Development Agencies and the Devolved Administrations in Scotland, Wales and Northern Ireland. Furthermore, UKTI is able to offer access to the UK Advisory Network, where can be found a list of professional service organizations, such as lawyers and accountants. The team can identify UK firms as for potential business partners, and help in other practical things, such as selecting suitable trade fairs, making visits to expedient locations and assist in accessing financial incentives and private funding. In addition, UKTI offers aftercare service for investors, who have questions about their foreign located investment. The team monitors FDI activities and promotes UK's strengths and investment opportunities. (UKTI 2009; UKTI 2008, 4, 11.)

1.4 Structure

The introduction part introduces the purpose and aim of the study as well as the case company, UK Trade and Investment. The theoretical discussion is divided under two subjects, and thus there will be two theoretical frameworks. Chapter two includes theory about the location factors, and Chapter three investigates service marketing and customer satisfaction by concentrating on service quality. Section four introduces the research methods, workflow of the research, and design of the survey as well as the validity and reliability discussion. Chapter five presents findings of the research, and connects them to the introduction, theory and practice. Section six reviews and concludes the outcomes, and provides recommendations.

2 Foreign target market

The first part of the theoretical presentation focuses on a research of a foreign target market. This study is concentrated mostly on factors in the macroeconomic, as the aim is to find out perceptions of the UK market rather than how businesses manage their internationalization processes by their own. International business literature and UKTI's knowledge about the UK market and its clients have been explored widely to ensure the most relevant factors, which investors are interested in when expanding to the UK, are included in the theoretical part of the foreign target market. The factors that may be the reasons why companies are interested to conduct a foreign direct investment in a specific market often include also downsides. If the downsides dominate the factors, this lowers the attractiveness of a specific foreign investment location and may hinder conducting or expanding the foreign investments.

2.1 Legal and political environment

Political and legal forces rule how business can be conducted. EU countries are affected by legislation at EU and national levels, but national laws create inconsistencies between countries. EU regulations are affective on every member state, and directives are binding only if the member state enacts the law in line with the directive. (Jobber 2010, 73.)

The UK has a common law system, which differs from civil law used in continental Europe. In a common-law country business contracts must be written in detail and many disputes are decided by reliance on the authority of earlier judicial cases. In a civil-law country law is written in broad general terms and disputes can be solved only by referring directly to law. (Keegan & Green 2008, 155.)

2.1.1 Stability

Political stability is highest in countries, which have stable and consistent history (Hollensen 2007, 188). Managers should monitor information regarding the government, its policies, and overall stability of the country to foresee potential political changes and risks for the business (Czinkota & Ronkainen 2010, 134). According to Hollensen (2007, 195) political risk analysis includes three steps: First, relevant issues and their importance to the firm should be assessed; second, potential political events should be assessed; and third, political risks should be addressed by building relationships with government, customers, employees and the local com-

munity. Unfortunately, managers often fail to understand issues related to political risks, because they do not have background with political studies (Keegan & Green 2008, 149).

Business can be exposed to a risk of loss due to a political risk relating to a domestic policy or risk relating to domestic affairs. There are three main political risks: Ownership risk, which exposes property and life; operating risk, which relates to ongoing operations of the business; and transfer risk, which refers to problems in shifting funds from one country to another. Political risk occurs if government decides to change its policies or regulations, or if negative events, which are outside the government control, occur. The most harmful actions government can take and events, such as strikes, extortion, and terrorism can cause, cause that the company loses control over specific assets without adequate compensation. Losing control can be executed by actions such as expropriation, forced divestiture, and confiscation. Government can also restrict policies with issues such as access to finance, labour and suppliers or control of prices, outputs and other company's activities, and reduce the value of benefits, which foreign business expects to gain by investing abroad. (Czinkota & Ronkainen 2010, 135; Keegan & Green 2008, 150.) Nationalistic buyers or illegal activities such as crime, corruption, and disruption are examples out of government control. These factors are related to stability of the legal environment, and can reduce the benefits foreign investor expects to gain in a host country. (Czinkota & Ronkainen 2010, 151.)

2.1.2   Intellectual property

Intellectual property (later IP) refers to a legal and exclusive right to use an idea, knowledge, or invention, and prevent competitors to profit from other innovator's IP (Keegan & Green 2008, 158). Intellectual property is main concern in various industries such as in research and development. Large investments are needed in creative and investigative work to create the product, whereas manufacturing has typically relatively low costs. (Kotabe & Helsen 2004, 160.)

 IP must be intangible but it should be able to be turned into property for potential profit making. A patent is a legal document, which provides an exclusive right for an innovator to produce, use and sell an invention for a specified period of time. A trademark is a unique mark, motto, device or symbol that manufacturer attaches to a product or package to distinguish it from competitors' products. A copyright protects ownership of a written, recorded, performed or filmed creative work. (Keegan & Green 2008, 158.) Trade secret can be defined also as IP, but it differs from other intellectual property as protection is sought without regis-

tration and thus it is not legally protected. However, if a business can show it took all precautions to protect the idea and that infringement occurred illegally through espionage or hiring employees with crucial knowledge of work, courts can protect trade secrets. (Kotabe & Helsen 2004, 163.)

Marketing possibilities for new innovations are wide all over the world, and the losses can become high for a company if its innovation is counterfeited; product is copied or produced without authorization. Associative counterfeit means a well-known brand is imitated in a way consumers associate imitator's product with the genuine product. A third type of counterfeiting is piracy, which refers to unauthorized publication or reproduction of copyrighted work. (Keegan & Green 2008, 159.)

IP laws are increasingly corresponding between different countries, but there can be differences. World Trade Organization (later WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights was adopted in 1994. All its requirements concern equally all WTO member states including the UK and Finland. (Czinkota & Ronkainen 2010, 150-151.)

2.2 Economic environment

According to Keegan (2002, 31), the most important characteristic of the international market environment is the economic dimension as money can enable everything and lack of money limits possibilities. High-cost products cannot be sold to low-income consumers and high-tech industrial products require high-tech industries as buyers.

Most Western European countries are market economies, which mean their market systems are economic democracies, where the government promotes competition and ensures consumer protection (Keegan 2002, 34). The United Kingdom is listed in Group of Five (G-5) with United States, France, Germany and Japan, as these comprise the major advanced countries of the world. Advanced countries have achieved their current income through a process of sustained economic growth. (Czinkota & Ronkainen 2010, 30).

2.2.1 Stability

Economic environment and stability reflects also stability of the political system, degree of control of economic system, constitutional guarantees, effectiveness of public administration and labour relations and social peace (Czinkota & Ronkainen 2010, 34). Economical stability

can be explored in detail through economic variables, such as economic growth, unemployment, interest and exchange rates (Jobber 2010, 76). There is vast amount of information available for advanced countries from secondary sources such as international organizations, individual governments, and private organizations or associations. Businesses monitor especially those economic variables, which relate most significantly to their products or services. (Czinkota & Ronkainen 2010, 34.)

2.2.2 Tax system

Income taxes are the most obvious taxes both business and individuals must pay. Companies must estimate also the impact of payroll taxes, sales taxes, property taxes, inventory taxes, and specialized taxes on the cost of company's operations. (Zimmerer & Scarborough 2008, 520.) Country's tax system affects indirectly and directly to businesses. Business can benefit indirectly if government reduces taxation or increases government spending. This provides more income into the economy and increases the demand for goods and services, which businesses sell. Reductions in taxes on company profits or increases in company's tax allowances for investment's capital equipment can be used directly to encourage business to increase spending on investments, which can boost the income of firm's industrial products, and thus cause extra spending on consumption. Government spending can be targeted for exporting firms or new business start ups, which in return increases business activity and may lead to more output and employment in the economy. On the contrary, encouraging market by increasing governmental spending or reducing taxation can cause inflationary pressures, which can harm businesses. (Worthington & Britton 2006, 106-107).

According to Laulajainen and Stafford (1995, 38) most researches have shown that tax rates do not vary as much as usually perceived, especially when taking into consideration the offered services taxes allow and how much subsidies governments provide (discussed in the next chapter, 2.2.3). Some corporations avoid regions with high taxes partly due to costs, but also because high tax influences how they perceive the region's business climate. Still, taxes can influence to the location decision when a company is about to be established in to a new area. Many companies that are flexible with geographical location and do not require extensive labour, likewise multinational companies prefer to be legally established in a hospitable tax environment. (Laulajainen & Stafford 1995, 38-39.)

2.2.3 Incentives

Governments aim to create jobs for their citizens by offering incentives for foreign direct investors. There are three main types of governmental incentives: fiscal, financial, and nonfinancial. Authorities have direct control on taxes, and thus reduced taxes for newly established companies are among the most popular fiscal incentives offered for businesses. Fiscal incentives typically consist of special depreciation allowances, special deductions for capital expenditures, tax holidays, and other reductions of the investor's tax burden. Financial incentives are governments' special funds, which investor can use to acquire land or buildings, loan guarantees, or wage subsidies. Nonfinancial incentives are guaranteed government purchases. Nonfinancial incentives offer special protection from competition to direct investors through tariffs, import quotas, local content requirements, and infrastructure investments, which improve country's infrastructure facilities. (Czinkota & Ronkainen 2010, 294.)

Incentives enable the investor to improve and ease investment related issues such as training of workers and government grants can ease obtaining buildings and machinery. Financial incentives benefit companies, but as many areas offer direct and indirect aid especially for large manufacturing plants and to large retail stores, they are not considered as critical location decision factors. (Laulajainen & Stafford 1995, 40-41.) Still, internationalizing businesses can benefit, if they recognize how government support for specific industries affect on which industries are competitive and which are not (Kotabe & Helsen 2004, 138).

2.2.4 Private capital

Financing foreign direct investment may involve acquisitions from external sources. There are variety of different forms how to obtain private capital such as equity investment, debt financing, asset-based financing and non-profit agencies. The sources of private external financing can include business angels, banks, and venture capital firms. (Shane 2005, 161.)

The resource acquisition is important for business, which doubts if it has enough capital to finance foreign direct investment. Foreign direct investments are more likely to survive, become profitable and grow in the new market with the aid of adequate capital, as the business can respond better to the needs of a new market than without external financing. (Shane 2005, 161.) It is problematic for SME's that often financing institutions prefer larger, well established firms than small companies as they perceive higher risk. (Scarborough & Zimmerer 2003, 366.)

Uncertainty and information asymmetry influence on the capital acquisition process, and make it also difficult. Information asymmetry appears because the business has more in-depth knowledge about the opportunity and method how to exploit the opportunity. The business owner does not want to reveal the entire business plan in the negotiation stage as if the external capital owner would know it; the capital owner could have an opportunity to implement the plan alone. This results that company cannot disclose all information for the potential resource provider when seeking for finance. Another problem rises if the potential resource provider has to protect against the company, which has more knowledge how the capital can be used and what kind is the company's commitment and ability to deliver results. The company can use the internal information to take advantage of the investor and gain greater concession than what fully informed investor would provide. Information asymmetry between the company and the investor also encourages the company to undertake risk with the external resources. This thought results that the resource provider needs to compensate the risk by offering fixed rate for the financing at a high interest rate. This leads the company to favour risky projects with high potential returns. Problems may occur also when potential investors are not able to distinguish businesses with good implementation plan from other businesses with lower potential. As there are low ability businesses and better potential businesses in the market, resource providers make financing offers to businesses of all quality levels at the average price. As the price attracts more low ability businesses, this drives high ability businesses and their high potential opportunities away from the market. (Shane 2005, 166.)

2.2.5   Labour

Labour law regulations: Governments seek ways to improve the efficiency of the markets by regulating the labour law. Trade unions are often seen as a barrier to the operation of the market forces, as well as cause of high wage costs and low labour productivity. Lower power of the trade unions means better labour market flexibility, which can benefit businesses that are trying to respond to competition and evolve. (Worthington & Britton 2006, 421-422.)

Availability: The most significant aspect of labour is availability, a balance between need and supply. Labour's mobility and employee's criterion for its potential employees effect on supply. Mobility can be split into two dimensions: daily commuting and relocation to a new area. The upper limit for daily working distance from home is 45-60 minutes for most non-managerial labour, when excluding world-class metropolitan regions. If the work requires skilled and specialized workers, it limits the capacity of available workers. Workers can be

trained for work in manufacturing, but for operations and positions requiring high quality workers, the background in education and skills need to correspond to the demands of the work. Even though high requirements limit the number of applicants, skilled workers are more mobile than unskilled, meaning that if the workplace is situated in a long distance or if it relocates, the skilled workers are more ready to follow the work than the unskilled. Even though this is the theoretical view, the practice depends heavily upon the specific situation. If the move is within an urban area, e.g. inside Greater London, from Greenwich to Kensington, only the most unskilled workers can be very doubtful to follow. But in case the move is from Finland to the UK or from England to Wales, the loss of cultural associations and family and friendship ties would lead to resigns in all levels of the company hierarchy. Companies, who need qualified workers prioritize this aspect in their strategy and locate in such environments, which attract specialized and qualified workers even though the premises would be more expensive than in more unpopular areas. (Laulajainen & Stafford 1995, 21-24.)

Quality: Quality of labour is equivalent to training and skills of the labour to manage work processes and thus produce quality products. In assembly production is it easy to divide the flow into different stages and manage them but in process industries the stages are more difficult to separate and insufficient skills can lead to extensive damages. In high quality industries not just the training the employee provides but especially the background such as education and experience of the worker should correspond the needs of the work. (Laulajainen & Stafford 1995, 35.)

Productivity and salary: A worker who earns double salary compared to the other worker is no more expensive if s/he produces twice as much. The highly paid worker should produce equal quality at a rate above nominal pay rate differential to be a bargain. A direct measure of productivity is the number of units produced in a time period, but comparisons are difficult to make because the mix of production factors and workers and machinery as well as end products are not identical. More machinery leads usually to increased output when the workers have skills to run the machinery. With more sophisticated products more effort is needed and this means lower productivity. (Laulajainen & Stafford 1995, 25, 30.)

Absenteeism is also affecting to productivity and it varies geographically. There are many reasons behind absenteeism. Full employment policies, liberal legislation and employees with relaxed attitudes increase the problem. (Laulajainen & Stafford 1995, 34.)

2.2.6 Productivity

The real cost of labour is a consequence of productivity and other direct costs, that are salary and fringe benefits. Fringes can include health insurance, overtime, bonuses, and paid vacations, paid sick, maternity and other leaves, unemployment compensation, retirement obligations and severance pay. The total is often 30 percent in developed industrial countries. (Laulajainen & Stafford 1995, 26.)

Productivity and salary vary highly depending on industry and region in addition to variations between regions within a country can be wide. Relatively unsophisticated production processes that require less skilled workers to produce standardized products are likely to be established in low-wage areas. Sophisticated products and processes are likely to situate in established business areas, where can be found many research and development facilities and corporate headquarters. (Laulajainen & Stafford 1995, 25.)

Furthermore, productivity is influenced by industrial relations. The measurement is the strength of labour unions, which can vary highly between different regions inside the same country. The implication is that high unionization indicates trouble, though it is complex to show that areas with low union activity would continuously attract more businesses than areas with high unionization. Co-operative union can be an advantage to management. (Laulajainen & Stafford 1995, 33-34.)

2.2.7 Quality of life

The common understanding is that quality of life reflects the welfare of the region and its residents, thus economic environment impacts on social development. When measuring the quality of life around the world, used indicators may be life expectancy, infant mortality, adult literacy rates, and social relationships, enjoyment at work, job stability, and overall conditions in the country. (Czinkota & Ronkainen 2010, 45.)

The used indicators change according to the purpose. The importance of quality of life for a company searching for a new location correlates with how trained and sophisticated employees the business is searching for (Zimmerer & Scarborough 2008, 526). Companies that need to hire skilled and relatively mobile workers are typically also searching to locate in areas with cultural facilities, high levels of services and good housing possibilities, as these are important factors for their workers. (Laulajainen & Stafford 1995, 49.)

2.2.8 Operating costs

When foreign investor is researching where to locate, it has to consider the total cost of operation on its business. Differences can be found between different countries, but also between different regions. A region may have low property costs, but labour costs and tax rates may be high compared to other areas. To solve questions related to operating costs there can be used a matrix shown in Table 1, which covers relevant operating costs, to assist in selecting the best location for a business. (Zimmerer & Scarborough 2008, 521.)

Table 1. Operating costs matrix (Zimmerer & Scarborough 2008, 521)

Location Criterion	Weight	Score (Low=1, High 5)	State Weighted Score (Weight x Score)		
			Location 1	Location 2	Location 3
Quality of labour force					
Wage rates					
Union activity					
Property/building costs					
Utility costs					
Transportation costs					
Tax burden					
Education/training assistance					
Start-up incentives					
Raw material availability					
Quality of life					
Others					

In Table 1, manager defines a weight to each location criterion, which tells how important the criterion is for the company and then each location option is scored. The weighted score is calculated for each criterion and criterions weighted scores are added. The location with the highest total weighted score is the best location option for the business.

2.2.9 Market access

Governments prefer often to attract foreign direct investors by removing barriers and making direct investors' market access uncomplicated, as democratic market economies consider these kinds of businesses increase employment and income, and thus generate economic growth to

the host country. Still many countries review desirability and effect of major incoming investment projects. Restrictions for foreign investments may permit more control for domestic industries, but it also denies access to foreign capital and innovation. This may tighten credit markets, higher interest rates, and weaken willingness to adapt to changing world market conditions. (Czinkota & Ronkainen 2010, 81, 294.)

Many governments and trade organizations create vast amount of marketing information available for businesses to ease the market access, but often many small businesses do not use the information. SMEs may feel there is too much information or they may not be aware where to search for. This makes it complex to find the correct and specific information relevant to individual businesses. (Scarborough & Zimmerer 2003, 366.)

2.2.10 Gateway to other important trade areas

Particular countries have wider and stronger connections with other countries around the world than others because of factors such as central geographical location, extensive history in trade, and historical events. Favourable business location provides possibilities for growth and further internationalization if success is sufficient over the time. Businesses that seek opportunities in the world markets should make a foreign investment to a host country, where networking possibilities are wide and policies favour expanding to a third country. (Zimmerer & Scarborough 2008, 531.)

2.2.11 Growth potential

Growth is an objective shared by governments and businesses. For government the aim is to have a sustained level of non-inflationary growth, which is usually led by exports. Real national income and gross domestic product express growth in annual rates. Growth is hard to describe inclusively, but general definition of desirable level of growth in Western countries is that nation's levels of real growth would be steady and 3-4%, growth rates would be higher than the main competitors' rates. The growth should also be based on investment in technology and on increased sales in exports, rather than on government spending or current consumption. Economic growth is good for business as the increases in output correlates with increases in consumption. Where growth forecast for the economy is favourable, business confidence increases and this often reflects in increased levels of investment, and eventually to employment. (Worthington & Britton 2006, 99-100.)

2.3 Social and cultural environment

Culture is system of learned behaviour patterns that distinguish characteristics of the members of different societies. Because culture resists change and fosters continuity, problems may arise when person from another culture needs to adjust to another culture. (Czinkota & Ronkainen 2010, 92-94.) If a manager fails to have cultural sensitivity when conducting business with a person from a different cultural background, it is highly unlikely a productive business relationship will be established. Learning local habits and customs enables foreigner to show his or her respect around the globe. (Scarborough & Zimmerer 2003, 368.)

2.3.1 Elements of culture

Ability to adapt to another culture is based on patience, flexibility and tolerance for others' beliefs. Effective implementation of local operations and success overseas depends very much how business adapts to the cultural environment. Manager should get familiar, distinguish relevant differences, and isolate potential opportunities as well as problems related to elements of culture. The elements of culture are (Czinkota & Ronkainen 2010, 92-94, 96):

- Verbal and nonverbal language
- Religion
- Values and attitudes
- Manners and customs
- Material elements
- Aesthetics
- Education
- Social institutions

Verbal and nonverbal language: Understanding local language helps international manager gather information and evaluate market personally without depending on the opinions of others. Language provides access to society and improves one's ability to interpret contexts and meanings. International managers should familiarize themselves also with the hidden language of foreign culture. Understanding nonverbal language such as concept of time, friendship patterns and business agreements are relevant issues for businesses that invest abroad. (Czinkota & Ronkainen 2010, 100.)

Religion: The ideals for life are defined in religion and those can be noticed in the values and attitudes of societies and individuals. Values and attitudes, which reflect the religion, are the most challenging for the marketer to adjust to. The dominant religions in the world are the ones which have most followers, but also the religions that have influenced on world history are significant even though these religions would not have as many followers. (Czinkota & Ronkainen 2010, 100.)

Values and attitudes: Values are mutual beliefs of group norms that individuals have internalized and attitudes are evaluations that are based on shared values. Foreign marketer has to be cautious especially with values and attitudes in the society that are rooted deep and close to fundamental beliefs such as religion. (Czinkota & Ronkainen 2010, 102.)

Manners and customs: Knowledge about manners and customs is essential whether the motivation behind learning foreign manners and customs was to have a business negotiation abroad or sell product to foreign customers. Potential areas, which foreign manager may not be prepared to understand related to manners and customs are 1) inadequate understanding of different ways of thinking, 2) inadequate attention to the necessity of saving face, 3) inadequate appreciation of the host country, 4) inadequate recognition of the decision, and 5) inadequate allocation of time for negotiations. (Czinkota & Ronkainen 2010, 103.)

International manager should also carefully distinguish reasonable ways of conducting business abroad. As in many countries norms of conducting business vary, issues such as offering bribes may seem corruption from the outsider's point of view but perceived as fairly normal within the culture. Many experienced international business managers argue that one country should not apply its moral principles to other culture in which bribery and corruption are common. These managers argue that if they are to compete in international markets, they should be free to use the most common methods of competition in the host country. Especially in limited markets, stiff competition forces firms to find any way possible to attain a contract. Then again, the question remains unsolved as unrestricted bribery could result in businesses to concentrate on what is the best way to bribe rather than what is the best technique to produce and market products. (Czinkota & Ronkainen 2010, 151-152.)

Material elements are results of technology and refer how a society organizes its economic activity. It is reflected in the availability and sufficiency of the basic economic, social, financial, and marketing infrastructures. The basic economic infrastructure refers to transportation, energy, and communications systems. The social infrastructure consists of housing, health and educa-

tional systems. The financial and marketing infrastructures relate to agencies, which facilitate firms' operations. (Czinkota & Ronkainen 2010, 105.)

Aesthetics: Each society has own ideas and concerns of good taste, which is expressed in the arts and in symbolism of colours, form and music. What is acceptable in aesthetic nature may vary dramatically in different places, though markets would seem otherwise very similar. International companies need to take into consideration local tastes and concerns in designing facilities, products and other business related materials. (Czinkota & Ronkainen 2010, 107.)

Education conveys and shares culture. Educational levels of culture can be assessed by using literacy rates, enrolment in education, and information of overall level and qualitative aspects of education. Education levels have impact on many business functions such as when assessing do the workers have suitable educational background for the work, what is the most efficient way to train the work force and how a product such as a technical device should be adapted, to make it easy for the target customers to use it. (Czinkota & Ronkainen 2010, 107.)

Social institutions affect how people relate to each other. The Western family unit consists of parents and children, whereas in other countries the family unit may include grandparents and other relatives. This has an impact on consumption patterns. Managers and subordinates can be separated explicitly by wide range of boundaries from different social classes to separate office facilitates, but in other culture equality and lack of status symbols can be the key for successful cooperation in the work place. (Czinkota & Ronkainen 2010, 108.)

2.3.2 Location image

Businesses' concern about the location image is great especially if the investment is large and fixed. (Laulajainen & Stafford 1995, 49.) Managers take decisions based on hard factors, but also on their perceptions. Thus the brand of a certain country can ease and fasten the decision process about locating the company in to a certain country or region. (Anholt 2007, 8, 29.)

Anholt (2007, 5) arguments reputations of places occur more randomly than brand images of products, services and companies. The image of the place is affected by more complex factors and linked events that are planned or can occur unexpectedly. In most of the cases the reputation of a place is shifting all the time between the complex of negative and positive, but there are also places with images that stay mainly negative or positive. (Anholt 2007, 8.)

Place has a strong reputation if most of the people have same kind of image of a certain place. Weak reputation is due to inadequate images people, who are aware of the place, have, or if the people describe the place with many different individual images. Strong and famous images do not equal automatically on positivity. (Anholt 2007, 8.)

2.3.3 Business climate

Some countries are more business friendly for foreign investors than others. Business climate adds up all different factors, which relate to the company and its operations such as do the region have laws that impose restrictions on the way company can be established?; what is the region's corporate income tax rate?; are there laws that restrict business on Sundays?; has the region devoted to improve the technological infrastructure? (Zimmerer & Scarborough 2008, 520.)

2.4 Technological environment

The availability and quality of infrastructure are important for ensuring marketers' operations run as planned. Technological developments have enabled markets to offer more efficient services for transportation, communication, and energy. A firm uses these functions for marketing communications, distributing, information and financing. (Worthington & Britton 2006, 159.)

A region's communications and technology infrastructures play significant factors for businesses. Firms' ability to communicate in the market can be predicted by using indicators of communication infrastructure such as telephones, computers, broadcast media, and print media. There are significant differences between regions penetration rates, and assessing the infrastructure reveals where are the best opportunities for companies' operations to run as expected. (Czinkota & Ronkainen 2010, 42-43.)

2.4.1 Information, communications and technology

Integration of information technology and communications contributes internally to companies' working habits and its marketing systems. Information and communications provides business environment, where participants can operate independently, and at the same time be connected to each other. Developments in information and communications have eased the creation of content, and its efficient delivery through various communication tools. The pro-

gress in technological development has shortened the life cycles of companies' services and products. Delivery of new innovations is faster and companies have to observe changes to maintain their position in the markets. Technology has tightened competition as it has upgraded the speed to communicate and reduced the needed work force. (Kasper, Helsdingen & Vries 1999, 83.)

2.4.2 Transport

Transportation industry transports two main subjects: freight and passengers. Options for transportation vary between road, rail, water and air. Selection of mode is based on attributes of freight and the time how long it can take to be delivered. Transportation networks are important for companies, which operations are dependent of physical distribution. The development of transportation infrastructure is related to overall economic development around the world and in individual countries, because economic development increases overall demand of products. (Kasper et al.1999, 112-113.)

2.4.3 Research and development

According to Worthington and Britton (2006, 161-162) 'research' can be theoretical or applied, whereas 'development' means using the research in the production process. Most of the research and development of private companies is designed to develop and improve products and production processes, which make the production more profitable.

Level of research and development is especially important for companies that invest abroad because of the following reasons (Czinkota & Ronkainen 2010, 470):

– to help technology transfer from parent to subsidiary
– to develop and improve products for foreign markets
– to develop products and processes for simultaneous application in firms' world markets
– to generate new technology and innovations to stay ahead in long-term

Multinational companies choose the location of their R&D facilities by evaluating different locations' specific skills and access to scientific and technical personnel and information in industry or universities. The location decision may be driven also by unique features of the

market such as the market is the leader in specific industry and it has a trendsetting image. (Czinkota & Ronkainen 2010, 471.)

2.5 Business environment

Closeness to markets is the most important factor in the location with some industries such as manufacturing and service industries. It is vital for manufacturing and service industries to situate near suppliers and/or clients (Zimmerer & Scarborough 2008, 519).

2.5.1 Proximity to industry clusters

Locating near an industry cluster can be worthwhile because regions with clusters are often perceived to have greatest competition advantage. A competitive industrial cluster is a geographic concentration of competitive businesses in the same industry that buys or sells with region's other industries, uses common technologies, or shares specialized workforce. (Zimmerer & Scarborough 2008, 524.) Industry clusters form around certain driver industries, which have the region's main competitive advantage. Geographic clustering is dynamic and forward looking especially with knowledge activities, which are driven by innovation and potential technology rather than existing industry linkages. (McCann 2002, 278.)

Research and development industries prefer locating near research universities, because they may benefit from knowledge transfers from local universities. Most activities of R&D firms include investing in ability to observe relevant technological and economic information, identifying technical and market possibilities, and acquiring knowledge, information and skills to develop technologies. Usually firms are competent to master the new technology, but the risk is to fail in adjusting the firm's systems of coordination and controlling them to match the new technological opportunities. Thus, proximity to other businesses in similar industries and to universities with research capabilities is beneficial. (McCann 2002, 279.)

2.5.2 Proximity to suppliers, resources and clients

Short distance to supplier enables manufacturers to be more flexible with orders and have fewer costs than if the supplier would locate far from the manufacturing plant. This also applies to some business services, as they are actually second or third tier retailers. Though suppliers that are nearer customers are more appreciated, the customer is less tolerant with a long delivery times than a customer, which has more distance to the supplier. When considering

retailing, as long as there are enough customers within an area, the most vital requirements are met and retailer can set up a physical presence. The size of the physical presence correlates with the distance how far the customers are willing to come. (Laulajainen & Stafford 1995, 53.)

2.6   Framework: Factors foreign investors are interested in a host country

Companies observe the environment where they operate and adapt to take advantage of emerging opportunities. They are also able to reduce the amount and possible damage of potential threats by looking outwards to the environment. (Jobber 2010, 73.) There have been included a combination of factors in Figure 1 that UKTI's clients, which are mostly foreign direct investors, are most likely interested in when investing to the UK. The factors in the combination have been gathered from all of the sources presented earlier in Chapter 2. These factors attract companies to invest to the UK when they are perceived positively, and can hinder foreign investing if investors find them negative.

Macro dimensions of the environment are political and legal, economic, social and cultural, and technological. (Keegan 2002, 31). Four big arrows illustrate influence macroenvironment has over microenvironment and the foreign investor. Although a group of a few large companies or multinationals can sometimes influence on some of the factors, these forces of the host country remain invariable in most companies (Kasper et al.1999,75). This study is mainly concentrated on forces in the macroeconomic that business managers cannot control, as the aim is to research the UK market rather than businesses' investing processes to the UK.

Microenvironment consists of business related factors. Grey small arrow heading from the microenvironment to the investor displays influence of the microenvironment on foreign investor and on decisions the investor has to make. Grey small arrow pointing from the foreign investor to microenvironment visualizes that also the investor can influence substantially on some external factors in the microenvironment if the company's strategy is efficient enough (Jobber 2010, 73).

MACROENVIRONMENT

POLITICAL/LEGAL
– Stability
– Intellectual property

TECHNOLO-GICAL
– Information and communications;
– Technological;
– And transport infrastructure
– R&D

MICRO-ENVIRONMENT

BUSINESS
– Industry clusters
– Proximity to:
– Clients;
– Suppliers;
– And resources

FOREIGN INVESTOR

ECONOMIC
– Stability
– Tax system
– Incentives
– Capital
– Labour
– Productivity
– Quality of life
– Operating costs
– Growth potential
– Gateway to other important trade areas
– Market access

SOCIAL/CULTURAL
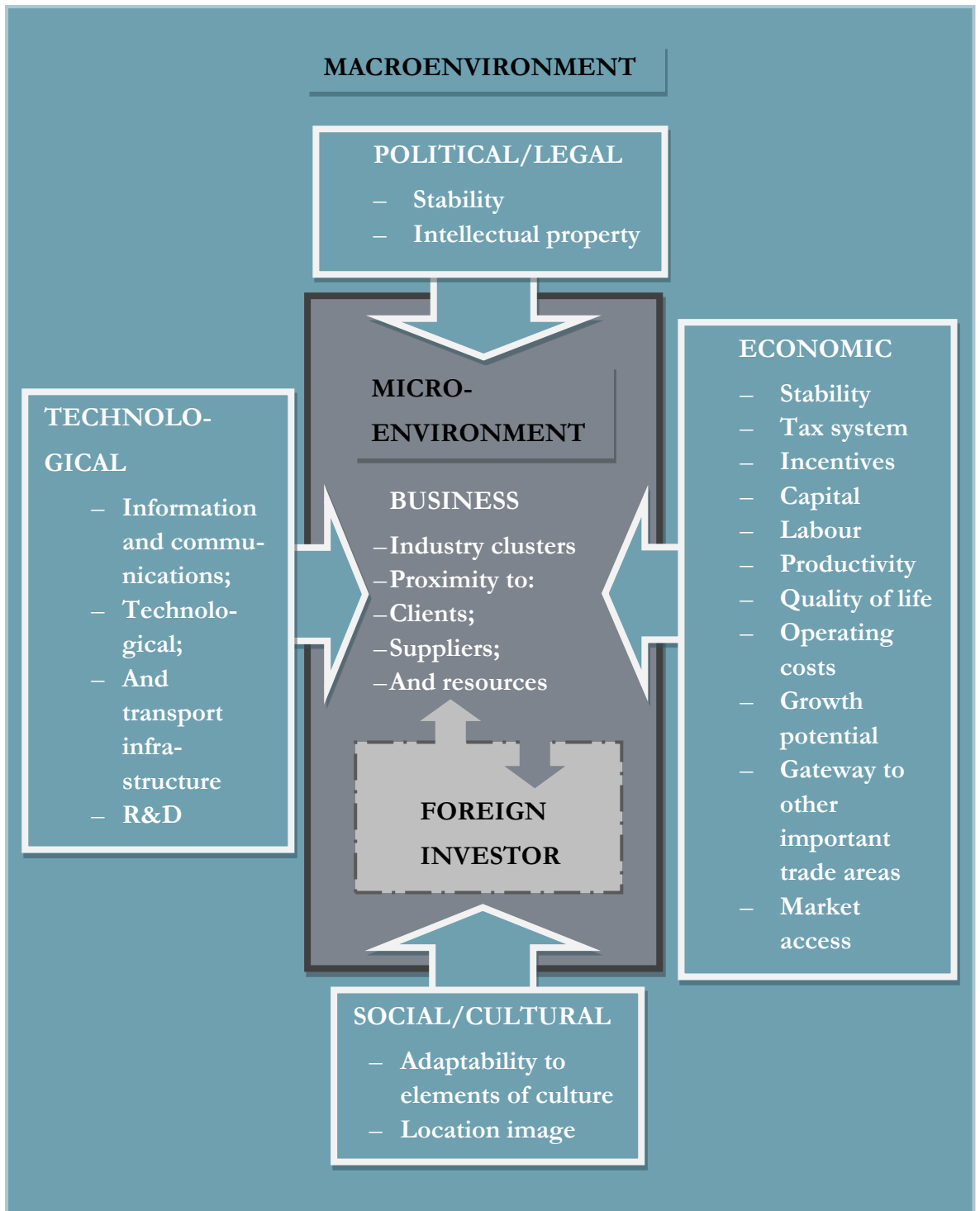– Adaptability to elements of culture
– Location image

Figure 1. Factors of the host country that foreign investors are interested

3 Service marketing

In this study, services are defined as processes and performances, which the service provider offers for its clients and coproduces with the clients. As UKTI does not take fees for the services it offers, price of the services is not discussed. The services may include tangible reports, website or in case of a conference, tangible information materials. But for the most part, the entire service is provided to clients through problem analysis activities, meetings with clients, and reporting. Service marketing reflects the service provider urge to obtain more efficient ways to understand their customers. Thus the service provider is able to deliver quality services, and to strengthen its position against competition.

3.1 Factors influencing on customer satisfaction

Customer satisfaction is customer's evaluation of a service or a product, which is based on how well the service or the product has met the customer's needs and expectations. If the company fails meeting the customer's needs and expectations, the result is dissatisfaction. Satisfaction evolves over time as variety of changing factors influence on it. Service is experienced differently depending on which point of the service cycle the customer satisfaction is being measured. Each experience gained during different parts of the cycle affect on ultimate satisfaction. (Zeithaml, Bitner & Gremler 2009, 104-105.)

3.1.1 Service features

Customers' evaluation of the service features influences significantly on customer satisfaction. For a service provider such as an investment promotion agency, important features might include helpfulness and knowledge of staff, reliability and responding to the customers' requests. In studies concentrating on satisfaction, firms can determine through specific means, such as focus groups, which are important features and attributes for their service. Thus perceptions of the important features can be measured as well as an overall satisfaction. Customers make trade-offs among different service features depending which kind of service is being evaluated and how critical the service is. Examples of trade-offs are price versus quality versus friendliness of staff versus customization. (Zeithaml et al. 2009, 105.

3.1.2   Emotions

Customers' emotions, which are stable and persistent, or mood, which occurs at specific times and in specific situations, affect on perceptions of gained service. In addition, the experienced service can induce specific emotions because of the service itself or because of the moods and emotions of the service provider or other customers. Positive moods can make customers more ready to follow and cooperate within the service process as planned and gain aimed result easier. Customers with negative moods may be less interested to engage themselves in essential parts of service and the effectiveness of the service, as well as the satisfaction level may decrease. Strong feelings may influence customers to judge services in more opinionated way. (Zeithaml et al. 2009, 64, 105.)

3.1.3   Attributions for service success or failure

Attributions are the perceived causes, which a customer finds affecting the end result of the service. Especially, if the customer is surprised by an outcome, the customer starts to search for answers why the outcome was different than expected. As the customer is able to make own decisions during the service process, the customer takes usually at least some responsibility for how the things turn out. Even if the customers would not take responsibility for the result, customer satisfaction can be influenced also by other attributions. If there occurs an error during the service process and the customer perceives that as an incident, which the service provider could not control or it occurs rarely, the customers are less dissatisfied with the error's impact on them. (Zeithaml et al. 2009, 106.)

3.1.4   Perceptions of equity and fairness

Fairness is central to customers' perceptions of satisfaction especially in service recovery situations, when problems have occurred and service provider has hopefully taken action to fix the problem. Customers think issues such as were others served better, or were the others offered better quality of the service when customers perceive how fairly they were treated. Satisfaction with a service provider after a service failure is determined heavily according to perceptions of fair treatment. (Zeithaml et al. 2009, 106.)

3.1.5 Others' opinions

Other people influence often to customer satisfaction. If a business orders a service from another business, satisfaction of the employee, who placed the order, is likely to be influenced by other employees' opinions and experiences about the service. This happens especially when there has to be implemented changes in the company because it is part of the service itself or the outcome of the service suggests changes. (Zeithaml et al. 2009, 107.)

3.2 Impacts of customer satisfaction

Post experiences of satisfaction or dissatisfaction contribute significantly what customers tell other potential and potential customers are strongly influenced by these opinions (Zeithaml et al. 2009, 65). Customer satisfaction correlates also with customer loyalty and thus, many companies try to understand customer satisfaction and the ways it can be improved (Zeithaml et al. 2009, 109).

3.2.1 Word of mouth

Customers use personal and nonpersonal sources when purchasing services, because both convey information, but they rely to a greater extent on personal opinions especially with pure services that do not include tangible products within the service. Media offers information of search qualities, which are attributes that customer can determine before ordering the service such as the length of the service relationship. For services, much is still undefined at the point of purchasing the service. Experience qualities can be discovered during consumption or after the service, and best way to find them out is to rely on friends or experts, who are familiar with the service. Understanding and controlling world of mouth has grown to be challenging but essential on social connection websites, blogs, and other individually driven mass communication tools. The best way to drive positive world of mouth is to produce impressive service experiences. If the service turns out dissatisfying, it is critical to have a service recovery strategy, which limits harmful world of mouth. (Zeithaml et al. 2009, 53, 56, 65.)

3.2.2 Loyalty

The relationship between customer satisfaction and customer loyalty is especially strong when customers appear very satisfied. Thus it may not be enough for building loyalty if the companies are just trying to satisfy their customers. Instead, they should try to satisfy customers even

more or even delight them. Research shows that companies, which invest in service and excel in customer satisfaction, gain excess profit. This suggests that if the service company needs to improve its financial status, the effort should be focused in discovering ways to improve customer service, and expenses should be cut elsewhere. Downsizing in customer service can prove critical if the customers perceive their demands and needs are not fulfilled properly. (Zeithaml et al. 2009, 109-110.)

3.3 Service quality

The dominant element customers evaluate in services is service quality (Zeithaml et al. 2009, 103). Customers base their evaluations of service on several relevant factors. The factors have been categorized under five quality dimensions. The quality dimensions represent how customers organize information related to service quality in their minds. (Zeithaml et al. 2009, 111.) The service quality dimensions are (Bruhn & Georgi 2006, 52; Grönroos 2001, 74; Zeithaml et al. 2009, 111):

– Reliability: capability to perform the promised service dependably and accurately.
– Responsiveness: willingness to respond to customer's needs and wishes in a prompt matter.
– Assurance: employee's capability to deliver the output in a professional and polite matter, and inspire trust and confidence in customer.
– Empathy: willingness and capability to care about customers' requests and give them individual attention.
– Tangibles: appeal of physical facilities, equipment, personnel's appearance, and written materials.

3.3.1 Reliability

Reliability has been noted to be most important determinant of perceptions of service quality. Reliability means that the company delivers what it promises related to delivery, service provision, and problem resolution as seen in Table 2. Customers want to interact with service providers that keep promises, especially, about the service outcomes and core service attributes. Companies need to understand the importance of reliability. Businesses, that do not perform the core service, which customers think they will be receiving, fail the customers in the easiest and most crucial way. (Zeithaml et al. 2009, 113-114.) When a service employee has time to listen and help, the performance is perceived sincere (Zeithaml et al. 2009, 61). In addition to

examples in tables 2-6, see how UKTI's services are adapted to Service Performance (SERVPERF) scale, which is generally used for evaluating services, in Appendix 1.

Table 2. Examples of how business-to-business customers judge reliability (Zeithaml et al. 2009, 116)

Reliability: Delivering what has been prom-ised	Needed information is provided when requested.
	Provided information is correct.
	Customer requests are executed accurately.
	Meetings are kept on schedule.
	Problems are fixed at the first time they occur.
	Predictions prove to be accurate.

3.3.2 Responsiveness

Responsiveness stresses attentiveness and responding in time to customer requests, questions, complaints, and problems. Table 3 presents examples of how customers judge responsiveness. Highly bureaucratized services are complex and require customers follow complicated series of actions to complete the process. The amount and the logic of how to follow the steps to complete the process may frustrate customers. (Zeithaml et al. 2009, 25.)

To be more responsive, a service provider needs to view the process of service delivery and requests handling from the customer's perspective rather than from the company's own point of view. What customer expects for speed and promptness can vary widely from the compa-ny's internal process standards in speed and promptness. To prosper in responsiveness, com-panies need to have well-staffed service and responsive employees in every contact position. Responsiveness rates decreases if customers need to wait a reply for the email they have send to enquire something, they are put through a complex voice mail system, or they have trouble navigating the information they are looking for from the company website. (Zeithaml et al. 2009, 114.)

Table 3. Examples of how business-to-business customers judge responsiveness (Zeithaml et al. 2009, 116)

Responsiveness: Being willing to assist and help	Employees are willing listen the customer.
	Responds for requests are provided in a prompt matter.
	Requests are handled by avoiding bureaucratic approach.
	Phone calls are returned.
	Company website is quick and it doesn't have errors.

3.3.3 Assurance

Assurance dimension is important for services that customers perceive as a high risk or if the customers feel insecure to predict the outcomes. Trust and confidence may be linked directly to the employee of the service company, such as investment promoter. In this particular service context the service provider tries to build trust and loyalty between company's contact persons and individual customers by creating a positive image related to similar issues as presented in Table 4. Services that require high investments, customer can be assigned to an employee, who will get to know the customer individually, and who will coordinate all of the services the customer requests. Trust and confidence can be embodied also to the whole company. In this situation the company tries to create trusting relationships between the company and the individual customer. (Zeithaml et al. 2009, 116.)

Table 4. Examples of how business-to-business customers judge assurance (Zeithaml et al. 2009, 116)

Assurance: In-fusing trust and confidence	Staff is well-trained and knowledgeable.
	Brand is represented and recognized easily.
	Reputation is optimal.
	Credentials are apparent.
	Information sources are credible.

3.3.4 Empathy

Empathy means conveying, through personalized or customized service, and valuing customers' uniqueness in ways their needs are understood as presented in Table 5. The service may follow standardized approach or it can be customized. The importance of these characteristics depends on what kind of service is being offered and what is the aim of the service, but in many cases customers can be induced to purchase a service by making the customer feel the service provider understands them, and the service is aimed especially for the customer. If the service needs high customization, employees should be empowered to provide nonstandard service when needed. In business-to-business services, the customers need the service provider to understand their industries and concerns. In small firms the employees often remember the customers by name and they have knowledge of the customer's preferences and requirements. Empathy can be considered as a clear advantage for small firms, when they are competing against large firms with higher customer volumes. Especially small firms compete by positioning themselves as specialists in particular industries, but also larger firms win custom-

ers on their side by offering knowledgeable and customized service. (Zeithaml et al. 2009, 25-26, 115.)

Table 5. Examples of how business-to-business customers judge empathy (Zeithaml et al. 2009, 116)

Empathy: Valuing customers' individuality	Customers are recognized as individuals.
	Individual needs are understood.
	Responds as human interaction needed.
	Customer's industry is understood.
	Acknowledges and adapts to specific customer needs.
	Staff gets to know the client.
	Remembers previous problems.
	Customer is heard.
	Customer needs are being anticipated.

3.3.5 Tangibles

Tangibles represent the service's physical evidence; what the customers can see and feel by experiencing the facilities and material the service uses and provides for the customers. The importance of tangibles is the highest for industries, which emphasize tangibles in their strategies such as in restaurant and entertainment industries, and their new customers are most exposed to use tangibles (see Table 6) to draw conclusions of the service. Physical evidences offer noticeable opportunities for the service company to boost their image and send consistent and strong messages concerning the company's purpose, the intended market segments, and the nature of the service. (Zeithaml et al. 2009, 25, 115.)

Table 6. Examples of how business-to-business customers judge tangibles (Zeithaml et al. 2009, 116)

Tangibles: Embodying the service	Appearance of brochures, flyers and other printed materials are in line with the brand.
	Appearance of a website is optimal.
	Office area is neat.
	Employees are dressed professionally.
	Equipment is modern.
	Reports look professionally written.

3.4   Framework: Service satisfaction and quality

Figure 2 in the next page represents customer perceptions of quality and customer satisfaction. Service quality indicates often concrete quality attributes: reliability, responsiveness, assurance, empathy, and tangibles. Customer satisfaction refers the whole entity of the service. (Bruhn & Georgi 2006, 54, 57.)

According to Bruhn and Georgi (2006, 54, 57) customer expectations are essential for perceived service quality and customer satisfaction. Customer expectations are generated by emotions, attributions, feelings of equity and fairness and others' opinions. All of these influencing factors are affected by previous experiences.

The study focuses to collect clients' evaluations of the service quality to find out how satisfied they are to UKTI's services. Satisfied clients are loyal for the same service provider. They are expected to return to use UKTI's services also in the future if they need further assistance along investment processes. Satisfied clients create also positive image about the services for the surrounding environments. Positive word of mouth may attract new clients when satisfied clients share their success stories related to the service. Customer loyalty and positive word of mouth of UKTI's clients are expected to increase positivity towards the UK market and increase investments.
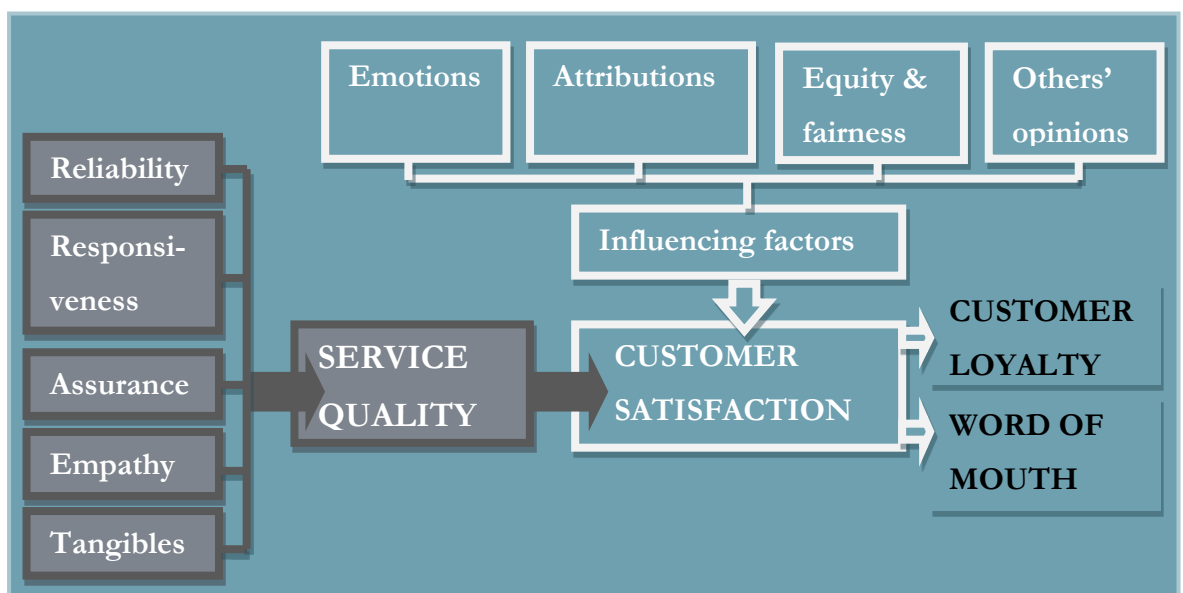

Figure 2: Framework of customer perceptions of quality and customer satisfaction combines part of model adopted from Zeithaml et al. 2009 (103) to theoretical background from Bruhn and Georgi (2006) and Grönroos (2001), which are discussed in previous subchapters.

4 Research methods

A quantitative primary research was chosen as a research method to reach the aim to gather UKTI's clients' opinions about the UK as a business location and the services of the UK Trade and Investment. According to Ghauri and Grønhaug (2005, 111), qualitative methods are most suitable when the problem is unstructured and it not has been research a lot; When there is knowledge already available, quantitative methods are used often to test how well different hypotheses correspond to specific target groups' opinions. The quantitative method was chosen as literature has already theoretical knowledge available related to the factors foreign investors assess when evaluating business locations, as well as how customers judge services. Additionally, UKTI has drawn conclusions about their clients' opinions within several years' experience. Quantitative methods are also recommended when the research is result oriented instead of process oriented, and the focus is to research issues particularly instead of draw conclusions through broad holistic answers, which are typical for qualitative researches (Ghauri & Grønhaug 2005, 110).

4.1 Data collection

The population of target group was 77 respondents, which represented the list UKTI provided. 77 potential respondents represent most of UKTI's Inward Investment Team's clients. There was not a clearly defined customer database available and thus different databases were used to gather a list of most of the UKTI's clients. According to this, the used sampling procedure was a convenience sample. Convenience sample refer to that the units are most convenient to be selected for some reason and they belong to the target group (Ghauri & Grønhaug 2005, 146). The list included especially Finnish direct investors that have expanded to the UK in the recent years, and UK Trade and Investment has assisted them. According to Official Statistics of Finland (2009), there are all together 200 Finnish investors in the UK. None of demographic factors were selected to narrow down the potential respondent population.

Quantitative online survey was chosen as survey method and it was conducted by Webropol tool. This was preferred as the aim was to collect data within limited amount of time, and data collection through interviews from several respondents would not have served the aim to gather data from numerous respondents. Surveying is typical quantitative research method, which can reach a lot of respondents within limited amount of time, whereas qualitative data

collection involves more time and happens by using research instruments such as interviews, focus groups and observation (Ghauri & Grønhaug 2005, 110).

The questionnaire was designed based on the theoretical background of the study. The questionnaire is available in Appendix 6. The theory contributed to the research questions (see Appendix 2), which were inspired by the subjects for the study that the sponsoring company, UKTI, had appointed. When the draft of the questionnaire was ready, it was sent to UKTI, and a meeting was arranged to be able to discuss about the questions. The questionnaire was finalized according to the feedback of UKTI, and it was pre-checked by quantitative analysis instructor in HAAGA-HELIA to make sure there would not occur difficulties when analyzing responses in SPSS.

The questionnaire was created only in English according to the advice of the sponsoring company. Potential respondent group included also non-Finnish speakers, and UKTI assured all their customers have knowledge in English. The translation was checked by native English speaker and UKTI checked wording and specific terms. This was conducted to make sure the language is clear and specific decreases generalization and estimates in responding (Ghauri & Grønhaug 2005, 228). Only structured questions were used, as according to Saunders, Lewis & Thornhill (2009, 375) open-ended questions are complex to analyze between potential large amounts of respondents. Structured questions limit the choice options for answering, whereas unstructured questions may capture more in-depth information from respondents, but can also raise the potential for interviewer bias (Czinkota & Ronkainen 2010, 258). Some specific question batteries required option "other" in the end, and if respondents replied "other", they were asked to specify their answer in own words.

There were several questions which used Likert-scales for answering options. The scale organizes responses according to how similarly respondents have answered (Kvantimotv 2009). In the questionnaire it was made sure all similar type question batteries had a scale of seven variants. Thus, it was possible to compare results between others without errors due to different values in the scales (Kvantimotv 2009). Scale with seven variants instead of optional five variant scales created also more variant visually between responses and made analysing the data more defined.

The questions were organized to be in a fluent order as possible for the respondents. Questions, which demand respondent's opinion, were assumed to be more demanding to answer, than fact based demographics, which managers of the companies are usually well aware of.

Thus demographical data was asked in the end to minimize respondents' fatigue to answer questions, in which respondents' opinions were asked.

The questionnaire was pre-tested by 6 business students. Pre-testing is important to discover any possible problems in clarity, structure and time-need (Ghauri & Grønhaug 2005, 228). According to the feedback, some adjustments were made in the questionnaire. A cover letter was created and accepted to be in line with UKTI. In order to attract respondents, effort was made to convince the potential respondents of the need for the survey for UKTI. According to Saunders et al. (2009, 389) the cover letter should explain why the research is conducted; and according to Kvantimotv (2009), where the information is going to be used. These issues were also considered in the cover letter.

The questionnaire was sent to email addresses of a population of 77 persons during the week nine, on 9.3.2010 (see Appendix 3). It appeared that the questionnaire attracted only couple of respondents. A reminder of the survey was sent after one week, and a second reminder was sent on week 11 (see Appendices 4 and 5). The population was not active in returning the questionnaire, and a list of 15 potential respondents' phone numbers was received from UKTI. Potential respondents were contacted by phone and asked if they could answer to the questionnaire. Nine persons who had been contacted by phone returned the questionnaire. The survey was closed on Monday 27.3.2010 and the total number of respondents was 13.

4.2   Validity

Validity is required so reliability could be achieved, thus a research measure can be valid if it is not reliable, but the measure cannot be reliable without it being valid. Validity refers to integrity of the answers in the research, which is the degree how well the research succeeded in measuring what its intention was to measure. If the respondent understands the question the way the researcher intended, the measurement validity is high. (Bryman & Bell 2003, 33.) The respondents should be able to understand the questions in similar way and the results should provide answers to the research problems for the research to have measurement validity. The sample has to be also extensive enough so it can be parallel to the whole population, thus the research is externally valid. (Heikkilä 2004, 29.)

The absence of an interviewer excludes risk that the respondents may have misunderstood some of the questions because of the interviewer. But then again, the absence also means there was no possibility to provide in-depth explanations to specify questions for the respond-

ents (Saunders et al. 2009, 326). Therefore the questionnaire's questions were aimed to be designed in manner they were easy to understand and answer, and pre-testing was organized to confirm the respondents would understand the questions as they were intended. The clarity of the questionnaire was supported by a clear layout and Likert-scales, which were kept as 7-point-scales throughout the questionnaire. The questionnaire was rather long, as it was comprised of two different subjects and demographical data, and this may have caused respondent fatigue. There was no time limit to fill out the questionnaire, so respondent did not need to hurry in case they wanted to consider their answers. The research findings responded the research problems clearly. These factors tell that despite the questionnaire was lengthy; the measurement validity of the study is rather high.

The target respondent group was UKTI's clients that represent companies that are established in Finland, and which are investing to the UK, or are interested in investing to the UK. The potential respondent group was comprised of 77 companies. If the respondent rate would have been higher than 17%, the perceptions of the UK market area could have been parallel to other Finnish UK investors, and thus more externally valid, as the whole population of Finnish investors in the UK is only around 200 (Official Statistics of Finland, 2009). As the response rate remained very low, 17%, there is a concern that the results would change if the study would be conducted again and if more potential respondents would take part in the questionnaire.

4.3 Reliability

Reliability measures whether the results would be the same or not if the research would be repeated. More similarity in the results between two correspondingly conducted researches refers to that the research is more reliable. There are two relevant factors for this study that measure reliability: stability and internal reliability. (Bryman & Bell 2003, 33.)

Stability measures whether a measures are able to produces stable results within same respondents if the research would be repeated (Bryman & Bell 2003, 33). The reliability of this study can be analysed by using other factors such as respondents' knowledge and honesty and external factors, which may have affected on reliability. To ensure stability the research was conducted by companies, which are all UKTI's clients and they have adequate knowledge about the UK market as the questionnaires were mostly sent to top managers and owners of the companies, who have been, and are, strongly involved in investing to the UK, and who have received services from UKTI. The questionnaire was sent to target group's individual

emails, thus respondents were able to take the survey when they felt it was most appropriate from them, and they had three weeks to participate in the survey. Even respondents were able to decide when and where to answer the questionnaire, they may have been influenced by negative situational factors, such as stress and lack of time as most of the email addresses were work emails. 7-point Likert scales were used for several questions that observed respondents' opinions. Within Likert-scales the problem is that some respondents tend to stay in the middle of the scale in their answers as it does not require strong opinion about the matter. This might have affected the results, but it was necessary to have the middle option, as the questionnaire aimed to enable the respondents to express themselves freely.

The reliability of the research is supported by that the targeted respondents were the most qualified to provide answers to the questionnaire. The external conditions were also eligible in a way the respondents were able to choose their own time and place to concentrate for responding to the survey. Also all opinions were appreciated whether they were strong or not.

5 Findings

The findings part analyses the results of the questionnaire and factors that may explain the outcomes. Chapter 5.1 reveals demographical data of the respondents, and Chapters 5.2-5.4 introduce the results for UK as a business location. Chapter 5.4 discusses of UKTI's services.

The questionnaire was sent to population of 77 potential respondents. The final response rate was 17%. A series of 17 questions were asked in the questionnaire. The research findings were collected by online Webropol tool, and the analysis was conducted by SPSS statistical programme and Microsoft Excel.

5.1 Demographics of the respondents

Demographics refer to backgrounds of the respondents' companies. In this study demographics reveal main company facts about the businesses, where the respondents are working. Facts include also information about companies' internationalization to the UK.

5.1.1 Main industries

Three industries, named as options for demographical data, are based on UKTI's classification of the most common industries, in which their clients are typically operating. Figure 5 shows, majority of the respondents work for companies that operate in information and communication technology.
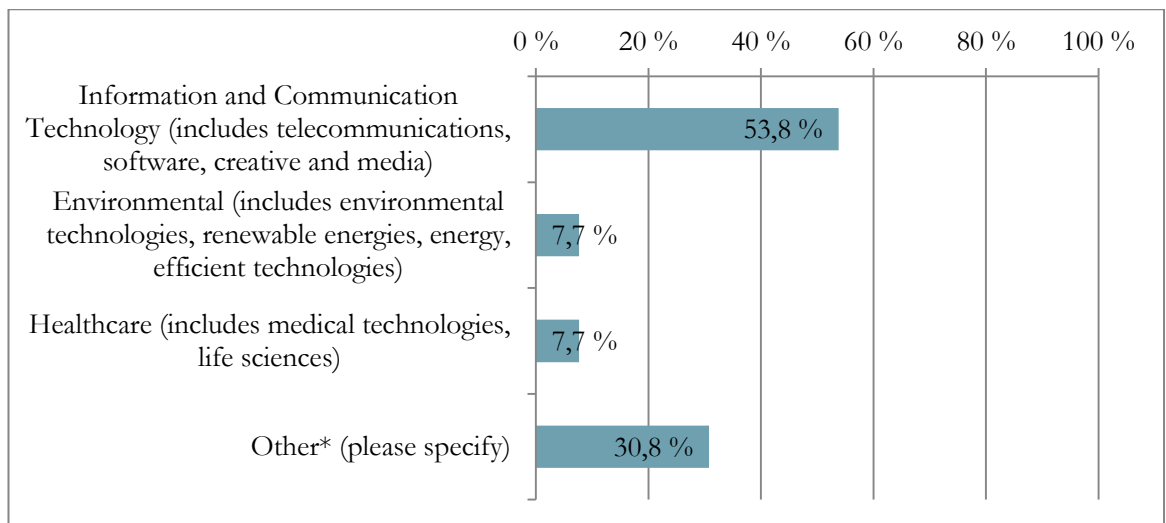

Figure 5: Main industries of the companies (n=13)

Amount of 8% are operating in the environmental industry, and another 8% are operating in healthcare, which includes medical technologies and life sciences. One third chose the option "other", and these four respondents specified individually that their industries are related with automation, construction materials, wooden structures, and financial sector combined with IT services. (See also Table 16 in Appendix 7.)

5.1.2 Size

Classification for size of the companies is based on EU standards. As seen in Figure 6, most of the respondents are working in micro companies. 15% are working in small, medium, or large companies. 8% of the total respondents are working for a macro company. (See also Table 17 in Appendix 7.)
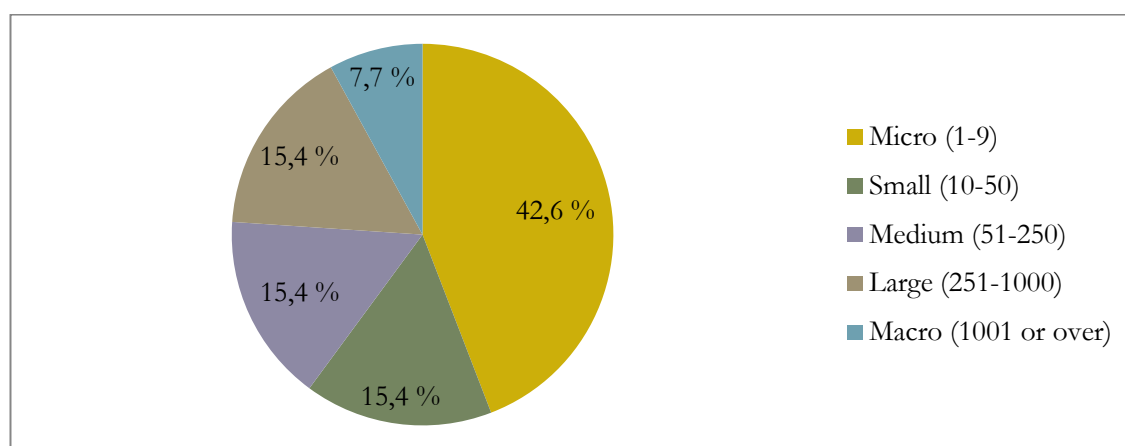

Figure 6: Number of the companies' employees (n=13)

5.1.3 Turnover

Figure 7 illustrates that most of the companies have a turnover of 2 million or less. 23% are working in a company with the yearly revenue of EUR€ 21-30 million. In total, 8% of the respondents revealed the turnover of the company is EUR€ 2-10 million, as well as another 8% responded their turnover is EUR€ 11-20 million. None of the companies have the turnover between EUR€ 31-50 million, but 15% of the companies exceed at least EUR€ 51 million of revenue during the financial year. (See also Table 18 in Appendix 7.)
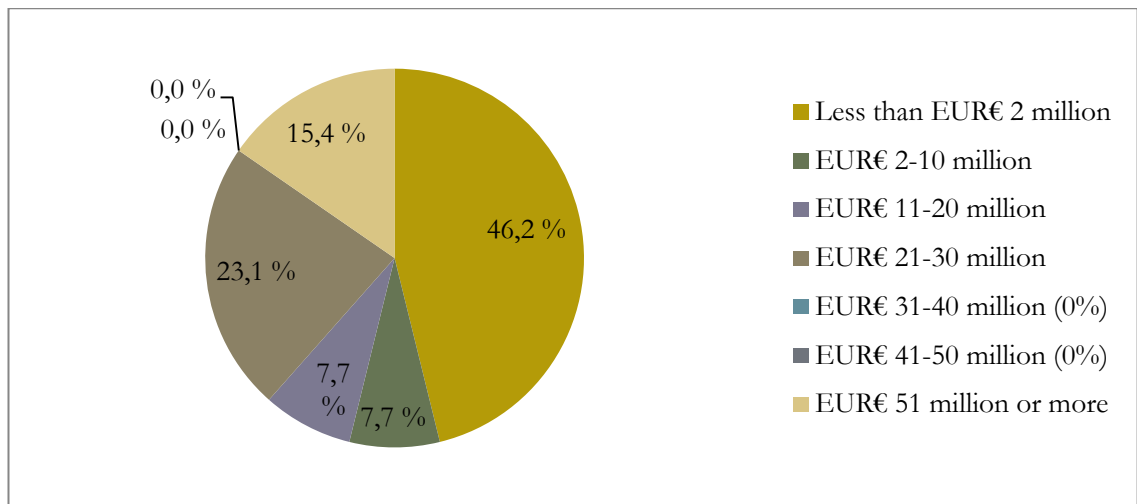
Figure 7: Turnover of the companies (n=13)

5.1.4 Time in business

Figure 8 demonstrates that majority of the companies have entered the business between the last 1-5 years.
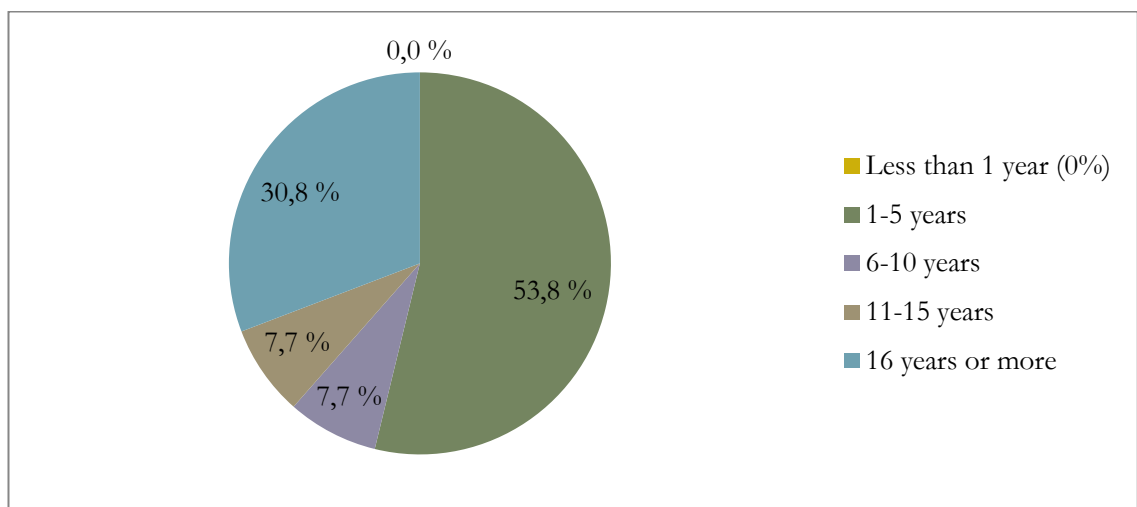

Figure 8: Companies' time in business (n=13)

There are 8% of companies that have been established between the last 6-10 years, as well as other 8% between the last 11-15 years. Another considerable group besides the 1-5 years ago established companies, is the group of companies, which have entered the market at least 16 years ago. (See also Table 19 in Appendix 7.)

5.1.5   The position of the respondent

Nearly all of the respondents belong to top management in the company according to the Figure 9.
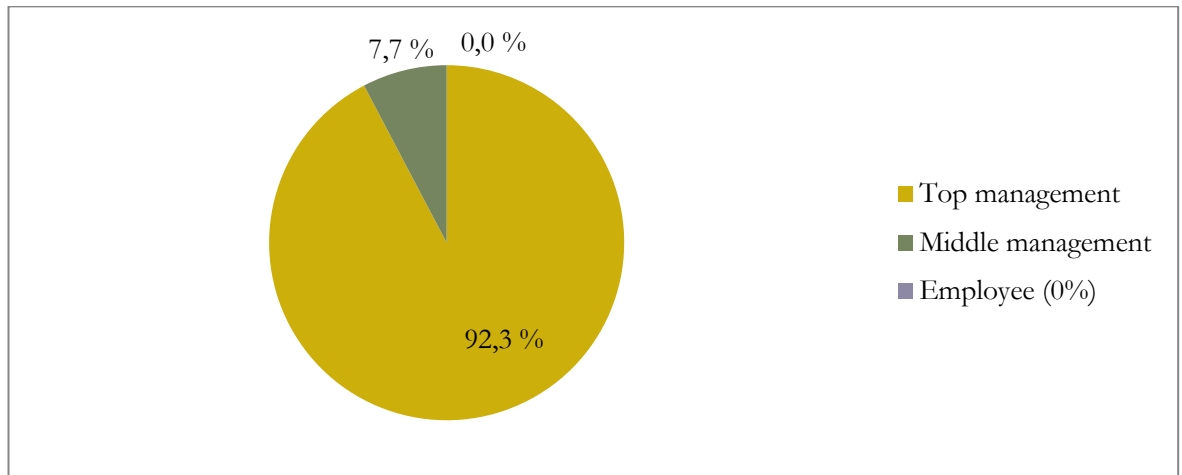

Figure 9: The position of the respondent in the company (n=13)

Remaining 8% represent the middle management. This improves the validity of the survey as managers make investment decisions and have wide knowledge of the market. (See also Table 20 in Appendix 7.)

5.1.6   Time of the market entry into the UK market

Figure 10 presents most of the companies, 54%, have entered to the UK market within 1-3 years.
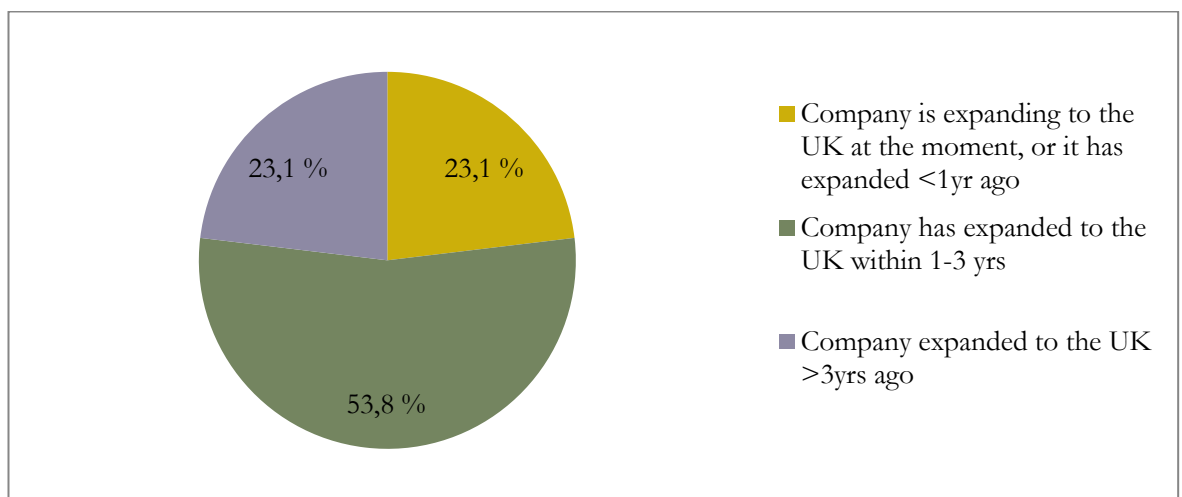

Figure 10: Companies' time of the market entry into the UK (n=13)

There are 23% of new entrants, which have expanded to the UK less than one year ago, or who are still strongly considering to invest in the UK. The amount of new entrants is being offset by similar 23% of businesses, which have more than 3 years' experience of the UK market. (See also Table 21 in Appendix 7.)

5.1.7 Investment sums into the UK market

All of the respondents have made financial investments to the UK as seen in Figure 11.
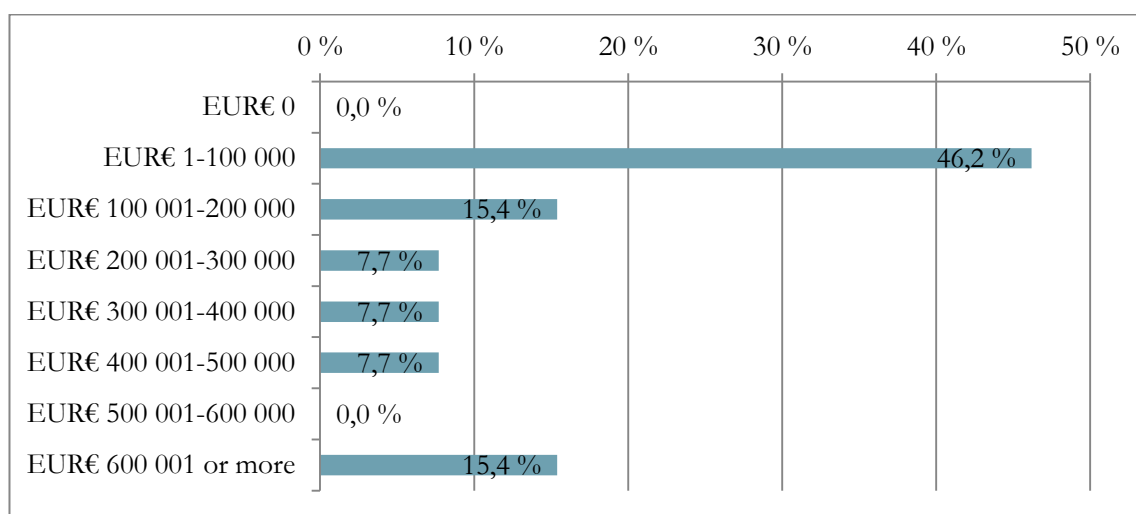

Figure 11: Companies investment sums into the UK market (n=13)

Almost half of the companies have invested estimated EUR€ 1-100 000 in the UK. There are 15% of companies that have invested EUR€ 100 001-200 000. Investment categories of EUR€ 200 001-300 000, EUR€300 001-400 00, EUR€ 400 001-500 000 had 8 % respondents each. There are 15% of the respondent's companies that have invested EUR€ 600 001 or more in the UK market. (See also Table 22 in Appendix 7.)

5.1.8 Business structure in the UK

Figure 12 displays that wholly-owned subsidiary is the most common entry mode when going to the UK with 54% of the companies. 15% have gone to the UK by signing partnership to ease the market entry.
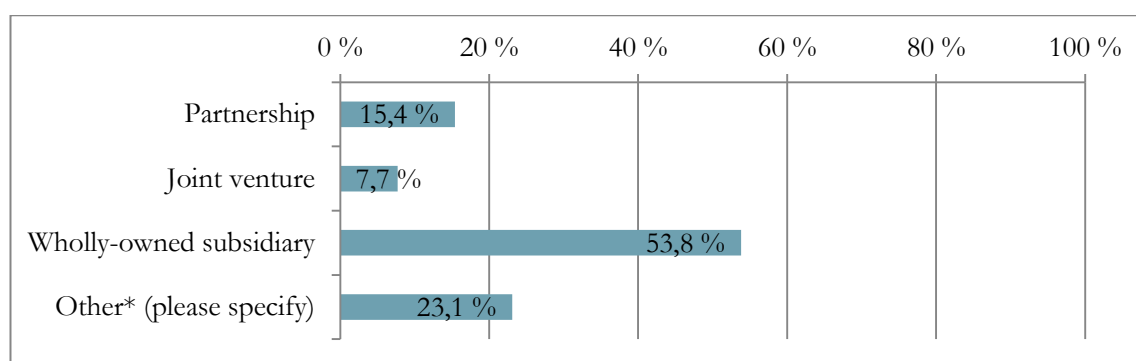
Figure 12: Companies' business structures in the UK (n=13)

Amount of 8% had chosen to conduct a joint venture, and 23% answered "other". The ones who had answered "other" commented that they used branch office and UK Ltd stand alone to enter the UK market. One respondent told his company is still importing to the UK, though they have imported since 2006 and are now considering of making a foreign direct investment. (See also Table 23 in Appendix 7.)

5.1.9 Preferred locations for business

There are 92% of companies that are located in Finland as can be noted in Figure 13.

Figure 13: Locations where companies are established at the moment (n=13)

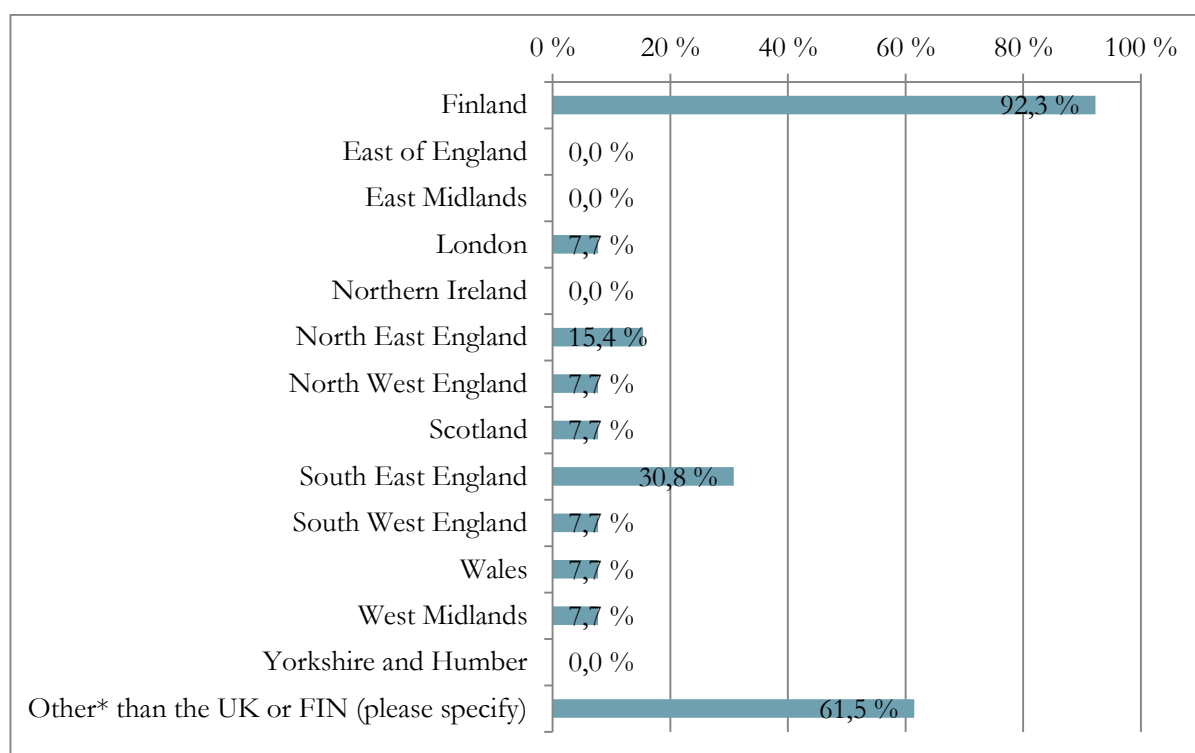South East England is the 2nd largest investment region in the UK among the Finnish companies with 31% of businesses. In North East England there are 15% of investors. In London, North West England, Scotland, South West England, Wales, and West Midlands there are 8% of Finnish companies in each. East of England, East Midlands, Northern Ireland, and Yorkshire and Humber do not have any Finnish investors according to the respondents.

Most of the respondents, 62%, are also located in other countries. When respondents were asked to specify in which other locations they are situated, 23% of the respondents answered they are located in Sweden, as well as another 23% are located in the USA. Two companies revealed as multinationals, as they mention they are present in 20 and 26 other countries. All together 54% of the companies are located in four or more countries, if assumed that those respondents who ticked "other", are all located also in the UK and in Finland. (See also Table 24 in Appendix 7.)

5.1.10 Last time of contact with UK Trade and Investment

When considering all three companies that have expanded to the UK less than one year ago, Figure 14 shows, one of them had been in contact with UKTI 2-6 months ago since the survey was conducted, one 7-12 months ago, and the third one during 2007-2008.
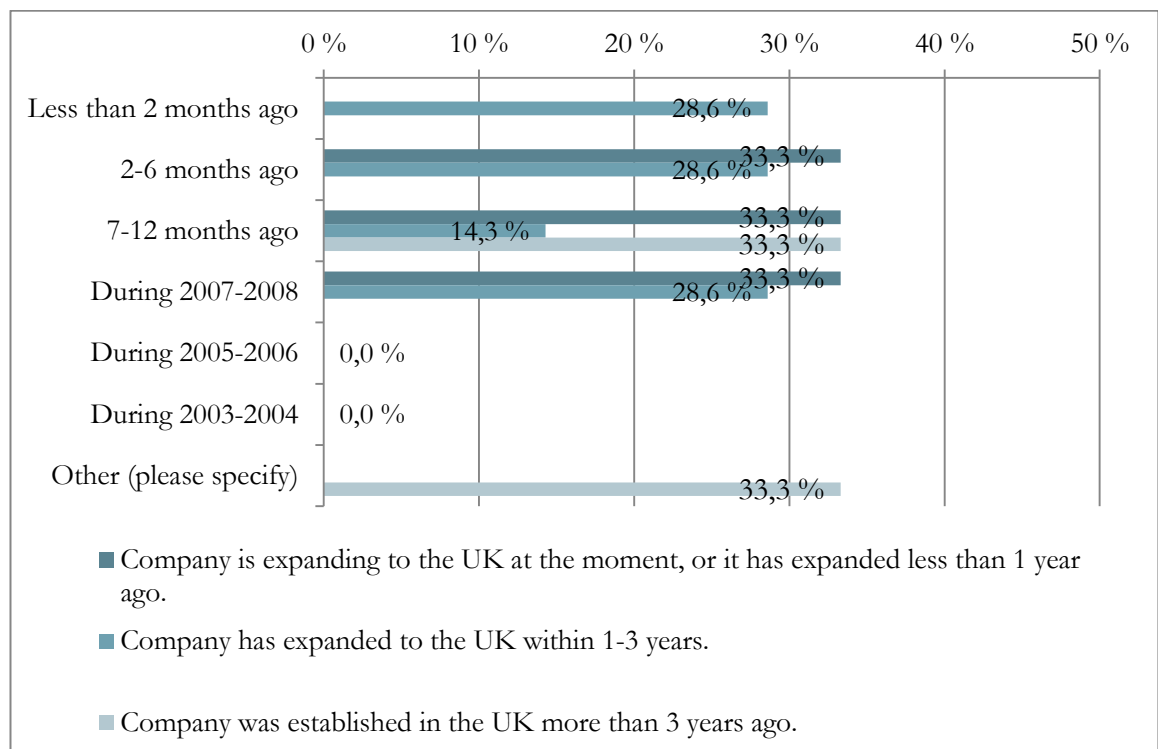

Figure 14: Last time the company was in contact with UK Trade and Investment (n=13)

The respondents included seven companies, which have expanded to the UK within 1-3 years. Two companies have been in contact with UKTI in the past 2-6 months, one in the past 7-12 months and another two during 2007-2008.

There were three respondents, whose companies expanded to the UK more than three years ago. Statistics reveal one of them was in contact with UKTI 2-6 months ago, one 7-12 months ago, and third one predictably a long time ago, as the respondent had chosen "other" and commented he could not remember when he had been last time in contact with UKTI. (See also Table 25 in Appendix 7.)

5.2   UK as a business location by the client companies

All of the factors, which were included in the survey, are perceived in positive side of the scale, above neutral (4). The total average of all of the factors is 4.84, and 10 out of 23 factors are above the total average. (See also Figure 29 and Table 4 in Appendix 7.) The respondents evaluated different factors in this question with following scale: 1=Strongly unfavourable, 2=Mostly unfavourable, 3=Partially unfavourable, 4=Neutral, 5=Partially favourable, 6=Mostly favourable, 7=Strongly favourable .

5.2.1   Political and legal factors

Foreign investors are interested in the host country's political environment especially of legal stability, and possibilities to protect intellectual property against fraud and lost. Business can be exposed to a risk of business loss due to a political instability, but as seen in Figure 15, Finnish investors do not consider there are substantially unstable issues in the UK's political environment that could have a critical effect to their companies.
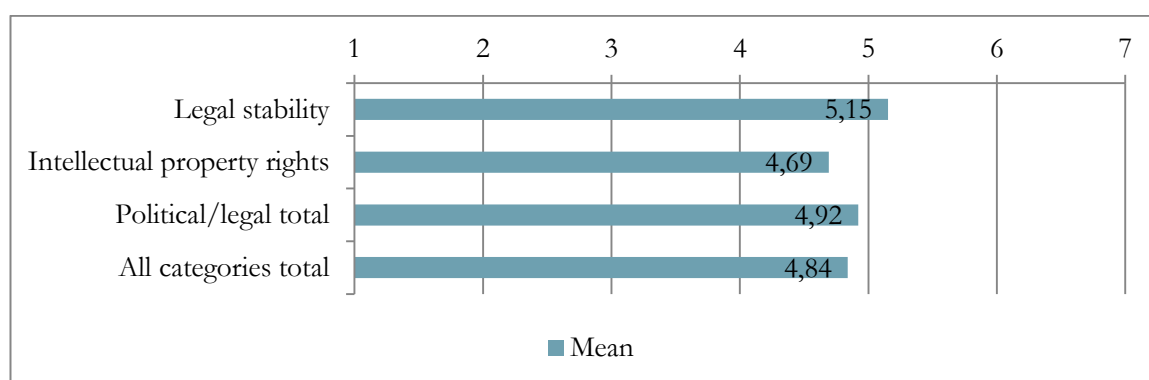

Figure 15. Favourability of political and legal factors in the UK

43

Finnish companies assess the United Kingdom as a stable legal environment above both, political/legal and all categories' average. Consistent and rather stable history has created welfare for the United Kingdom and this can be the reason that instills investors' trust on stability of the political environment.

Intellectual property rights are the main concern in wide range of industries as large investments are needed for creative and investigative work to create a product, whereas production itself can be inexpensive compared to the research and development. Intellectual property rights gain a rate 4.69, which is 0.15 lower than the total average. The managers' concerns of legal and exclusive right to use idea, knowledge, or invention often relate to that competitors can profit from innovator's IP, which means losses for the innovator, and can also damage the brand, if the innovation is counterfeited.

5.2.2 Economic factors

Figure 16 sums up the economic environment that includes largest amount of interesting factors of which investors are interested in the host country's macro environment. Four economic factors out of 12 are above all categories' total average, 4.84.

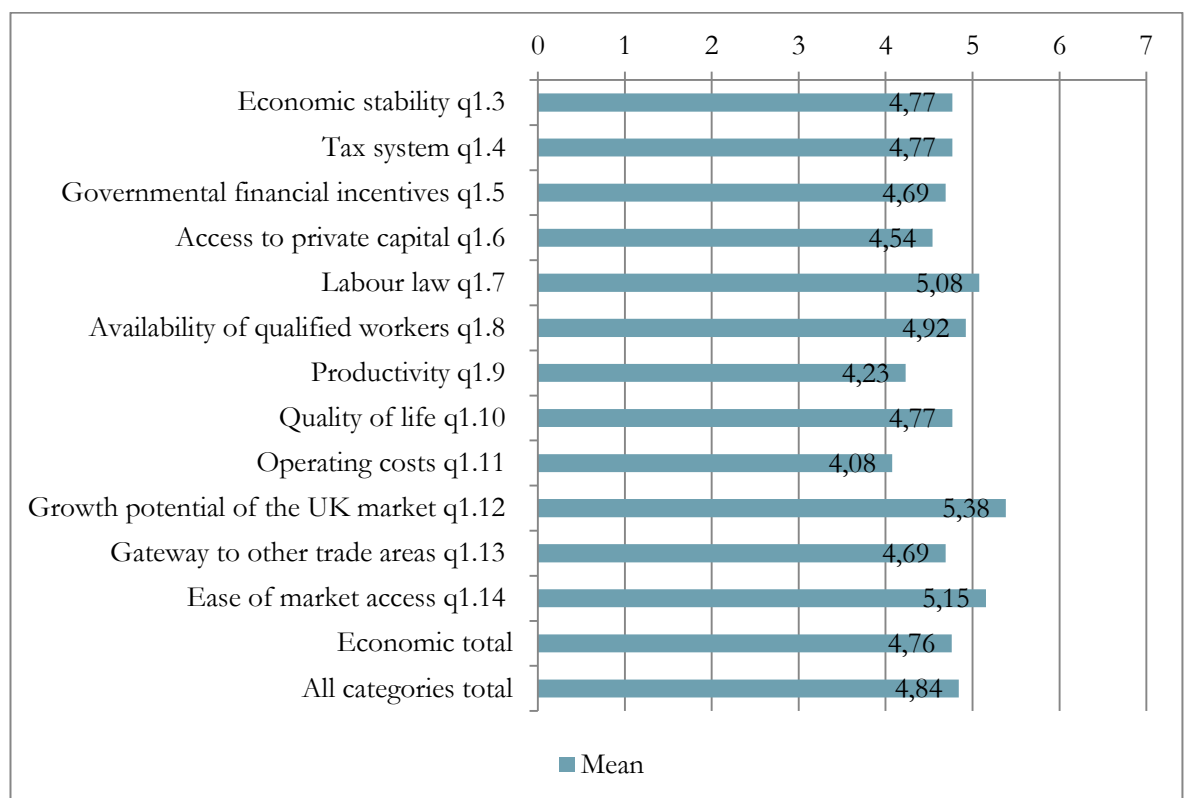| Factor	Mean
Economic stability q1.3	4,77
Tax system q1.4	4,77
Governmental financial incentives q1.5	4,69
Access to private capital q1.6	4,54
Labour law q1.7	5,08
Availability of qualified workers q1.8	4,92
Productivity q1.9	4,23
Quality of life q1.10	4,77
Operating costs q1.11	4,08
Growth potential of the UK market q1.12	5,38
Gateway to other trade areas q1.13	4,69
Ease of market access q1.14	5,15
Economic total	4,76
All categories total	4,84

Figure 16. Favourability of the economic factors

The most favourable factor in the UK's economic environment is growth potential of the UK market (q1.12). In Western countries, desired growth is described as steady real growth rates, which are higher than the main competitors' rates, and the growth is based on investment in technology and on increased exports, rather than on government spending, or current consumption. Investors' perception of high growth potential is very advantageous for the UK, as favourable growth forecast increases business confidence and often reflects in increased levels of investment.

Second, most favourable factor is ease of market access (q1.14). It can be concluded that foreign investors are seen to generate economic growth for the UK and it has been efficient in removing barriers, and the country supports companies by offering information to ease the market access.

Labour law (q1.7) is perceived more favourable than the average with rate 5.08. Companies usually prefer labour laws that are flexible, as flexibility eases company's recruitment, firing, working hours' and working conditions' systems and salary negotiations. Flexible labour law usually means also that trade unions have low power in the society.

The UK is perceived to have partially favourable amount of potential employees, as the balance between the need and supply of qualified workers (q1.8) is rated with 4.92. The qualified employees have education and experience that corresponds the needs of the work.

Economic stability (q1.3) is perceived close, but below the average with a rate 4.77. Economic stability often reflects also political stability, which the investors perceived more favourable with rate 5.15 in the survey. Economic growth, unemployment, interest and exchange rates are also highly connected to the economic stability, and due to the UK's steep downturn, these are potential reasons, why economic stability is depressed below the average.

Tax system (q1.4) is also rated below the average with the same rate as economic stability with rates 4.77. When investors assess taxes they typically evaluate income taxes and the impact of payroll taxes, sales taxes, property taxes, inventory taxes, and specialized taxes on the cost of company's operations. Businesses' opinion about the tax system could be improved if government would reduce overall taxation or increase government spending, as then people would be able to buy more from businesses. Investors also prefer tax allowances and reductions in taxes on company profits, and these procedures encourage businesses to increase spending on investments.

Quality of life reflects the welfare of the region and its residents. Economic environment impacts on social development. Quality of life (q1.10) is a third factor, which is perceived close, but below the total average with a rate 4.77. Quality of life is important for companies that try to attract trained and sophisticated employees.

Governmental financial incentives (q1.5) are perceived lower than the previously mentioned factors with a mean 4.69. Assuming that offered incentives would be more favourable for the investors they could be more interested in investing to the UK as financial incentives provide loan guarantees, wage subsidies and ease companies to acquire land and buildings.

Companies, which are eager to internationalize around the world, respect business locations, which they consider as suitable areas for international networking. Countries that act as gateways into other important trade areas have also efficient internationalization possibilities for businesses. Investors evaluate this factor (q1.13) in the UK host country with a rate 4.69.

The resource acquisition is particularly important for businesses, which doubt they have enough capital to finance the foreign investment. Access to private capital in the UK market (q1.6) is evaluated with a mean 4.54. Problematic to SMEs, which most of the UKTI's clients are, can be the fact that financial institutions prefer larger, well established firms, because small and medium sized firms perceive higher risk. This may lead SMEs to obtain capital from sources, which offer financing at high interest rate.

Productivity (q1.9) is rated 4.23, and it is the second least favourable factor in the UK market compared to all other factors, which investors may be attracted and interested in, when they are considering investing to the UK. The low rate of the productivity suggests the costs are too high in the UK compared to the volume or quality of the production and outcome. According to the survey, the investors perceive the labour law and availability of qualified workers rather favourable. This finding suggests that the main concern with productivity does not originate from labour.

The most unattractive factor in the UK market is operating costs (q1.11) with a rating 4.08. Operating costs consist mainly of quality of labour force, training assistance, wage rates, union activity, tax burden, quality of life, property and building costs, utility costs, transportation costs, start-up incentives. The list includes factors, which gained comparatively good rate from the investors in the survey, such as labour law (q1.7) and availability of qualified workers (q1.8), which affect also on training assistance, wage rates, and union activity. Quality of life

(q1.10), tax system (q1.4) and financial incentives (q1.5) were also perceived comparatively high. This suggests that property and building costs, utility costs, and transportation costs should be examined further to be able to identify if among them, there are significant reasons, which lowers the average of the operating costs and productivity. In addition, it should be noted that productivity and operating costs are also dependable on the company's own ability to create profitable and sustainable strategies, and manage them correctly.

5.2.3 Social and cultural factors

All three factors in the social and cultural factors' category in Figure 17 have an equal rating of 5.15. Thus, social and cultural environment is appreciated as the most favourable environment in the UK market.
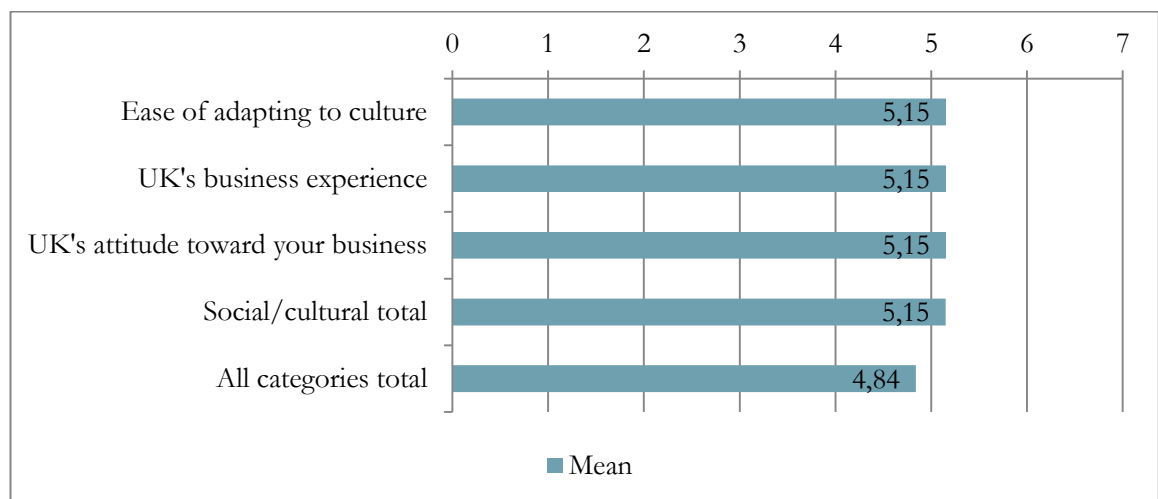

Figure 17: Favourability of the social and cultural factors in the UK

Investors' ease to adapt in the British culture can be based on patience, flexibility and tolerance for others' beliefs. The ease of adapting can be based also in a wide range of cultural similarities in verbal and nonverbal language, religion, values and attitudes, manners and customs, material elements, aesthetics, education, and social institutions.

Managers make location decisions based on hard facts, but also on their perceptions. Investors have partially favourable image of the UK as business location. The investors perceive the UK also as a friendly location for their business. The UK's attitude toward the businesses refers to positive business climate. Business climate adds up different factors related what company considers important for its business and operations.

5.2.4 Technological factors

All three factors of the technological environment are perceived below the average. Figure 18 illustrates transport infrastructure as well as communications and technology infrastructure, which are both 4.62.
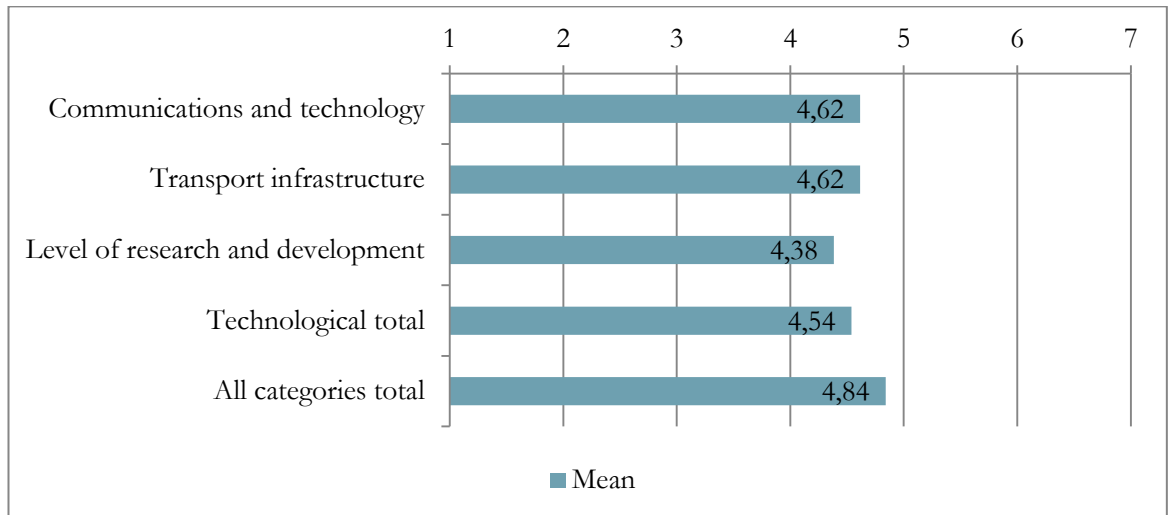

Figure 18: Favourability of the technological factors in the UK

Transport infrastructure is important for companies, which operations are dependent of physical distribution of freight or passengers. Communications and technology infrastructure contribute to the businesses' working habits and marketing systems. If communications and technology infrastructure could be improved, the businesses in the United Kingdom would have fewer difficulties to create content and deliver it efficiently through various communication tools for people involved in business. Technology tightens competition and upgrades the speed to communicate, and thus reduces also needed workforce.

The lowest factor in the technology category is the level of research and development with a mean 4.38. Research and development is also the third lowest factor in the whole environment after economical environment's productivity and operating costs. Level of research and development is especially important for businesses that conduct foreign investments with a goal to develop and improve products and processes according to company specific needs, or to generate new technology and innovations to gain competitive advantage.

5.2.5 Business related factors

Business related factors comprise the only group, which falls into company's microenvironment. Companies are able to influence better on microenvironment through its strategy and actions than on macroenvironment. Figure 19 represents situating near the customers can be considered as the main attraction factor why investors are establishing the business to the UK.
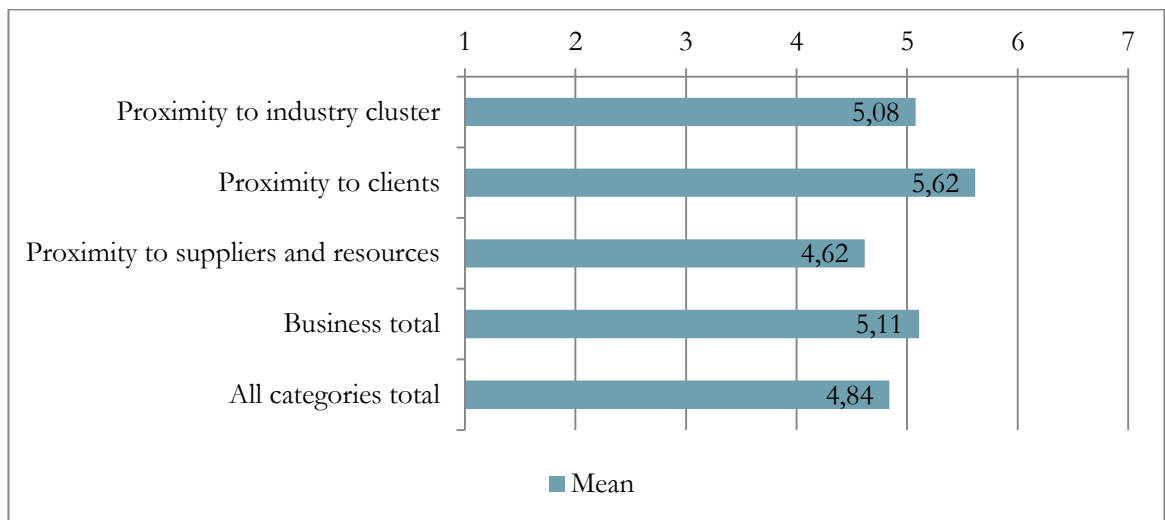

Figure 19: Favourability of the business related factors in the UK

Proximity to clients gained the most favourable rating among the UK market factors, which raises remarkably the average of the business category. Businesses, which situate near their customers, have better capabilities to perform the service or produce a product according to the wishes of the customer and to decrease the complexity of delivering it.

Proximity to suppliers and resources is lower than both of the averages. Companies, which can locate near their suppliers and resources are more flexible with orders and have fewer costs than if they would locate further.

Proximity to industry cluster receives rate 5.08, which is similar to the total average. Investors respect locating near industry clusters, as regions with clusters have greater competitive advantage. The geographic clusters are dynamic and future oriented especially in knowledge activities, which are driven by innovation and potential technology, rather than existing industry linkages.

5.2.6 Challenging factors in the UK market

Figure 20 shows that the companies, which have expanded to the UK less than one year ago (3 respondents), answered to this question most often; on average 2 responses were given per respondent. (See also Table 10 in Appendix 7.)
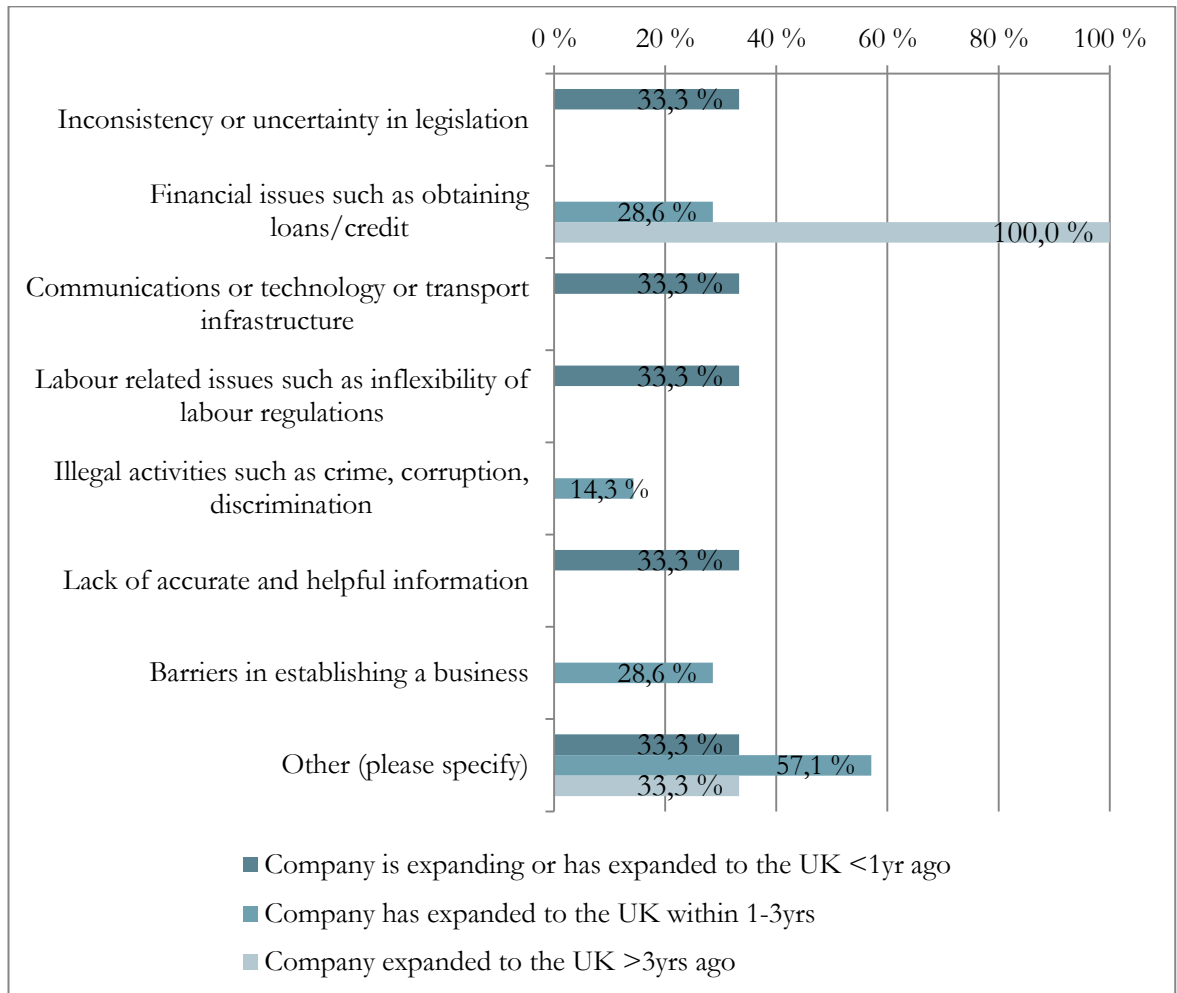
Figure 20: The most challenging factors in the UK market along companies' expansion processes (n=13)

The factors, which were included in the Question 2, were chosen especially to concentrate on the UK market factors in the macroenvironment, which companies cannot influence directly. 13 respondents were given a chance to choose 1-3 factors each. There could have been 36 responses if all eligible respondents would have named the most possible amount of challenging factors. Altogether, 18 responses were received.

There were 33% of respondents in each of the following options: Inconsistency or uncertainty in legislation, communications or technology or transport infrastructure, labour related issues, lack of accurate information and "other". Newest entrants have not faced problems with financial issues nor in crime. Barriers for establishing a business to the UK seem to have been low for the businesses that have expanded less than one year ago to the UK market.

When considering companies, which have expanded to the UK within 1-3 years, each respondent gave approximately 1.3 answers. One third of the respondents responded they find financial issues challenging. Amount of 14% had also answered illegal activities are a challenging factor for them. Crime, corruption, and disruption, are related to political stability, but they are mostly out of government control. Illegal activities can reduce the benefits the foreign investor expects to gain when company invests in a foreign country. Over half of the group, 58%, answered the option "other".

The companies, which have expanded to the UK more than three years ago seem to have overcome challenging factors and forgot most of them, assuming companies do face challenges in the foreign market especially in the start of the internationalization process, as the figures of the new entrants suggest. Respondents answered to this question averagely as many times as the companies, which have expanded to the UK within 1-3years (1.3 times). Financial issues, such as obtaining loans and credit, are seen as the most challenging factor in the UK market according to the companies (3 respondents), which have been in the UK for the longest time. Financing is a vital issue for companies, as the foreign investments are more likely to stay profitable and grow in the market with the help of sufficient financing. In addition, the respondent group had marked as other challenging factor only the option "other".

The "other" option received most of the answers. Half of the respondents who ticked "other", described issues, which would be possible to be solved by the effort and decisions of the company itself. As the study concerns to research the UK market instead companies own strategies to go and succeed abroad, following issues related to microenvironment are not discussed further. These were the answers related to the company's microenvironment:

– "There are no negative factors in the UK market, but we face challenges in our sales work"
– "Lack of customers"
– "Potential customers lack awareness of our product."

Comments related to macroenvironment, in which company cannot influence, were:

– "Problems in communication with HMRC regarding VAT registration"
– "Tax increase"
– "Very conservative approach to new players in the market."

Taxes were discussed in the chapter 2.2: Economic environment; and approach to new players in the market, was discussed in relation to the question about attitude toward investor's company, in chapter 2.3: Social and cultural environment.

5.3 Companies' perception of operating in the UK now and in the future

Predicting five years ahead can be considered as a long period of time especially for small and medium sized companies, particularly in economy, which has suffered high losses during the last couple of years. However, companies seem to be determined and positive about their future. The determination is reflected in consistent answers that managers gave to different suggestions what will happen to their companies as Figure 21 shows.
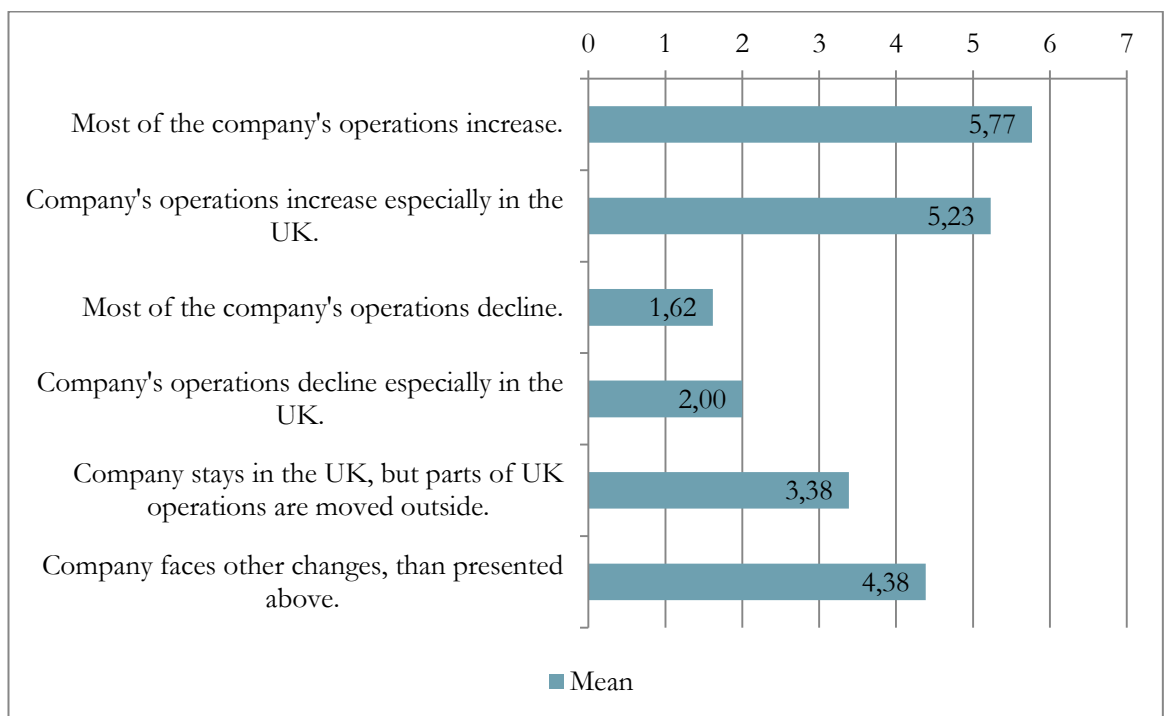

Figure 21: Companies' perception of operating in the UK market area now and during the next five years (Scale: 1=Strongly disagree, 2=Mostly disagree, 3=Partially disagree, 4=Neutral, 5=Partially agree, 6=Mostly agree, 7= Strongly agree)

The determination can also be deduced from most of the answers by noting they are far from the option neutral (4). When asked about the managers' prediction of their companies' futures, the respondents were substantially in favour of that their operations increase. This corresponds to the fact that respondents mostly disagree that most of the company's operations would decrease. Companies partially agreed that their operations increase especially in the UK. This was consistent with that managers mostly disagreed that company's operations would decline especially in the UK. It was partially disagreed that companies stay in the UK but parts of UK operations are moved outside. Respondents were rather neutral to option, which claimed company faces other changes than presented above. (See also Table 11 in Appendix 7.)

5.4   Service quality of UK Trade and Investment according to the clients

It can be noted UKTI has succeeded quite well in satisfying their clients with dimensions that are important for clients. Respondents evaluated service quality with following 7-Likert scale: Significance scale: 1=Very insignificant, 2=Mostly significant, 3=Partially insignificant, 4=Neutral, 5=Partially significant, 6=Mostly significant, 7= Strongly significant; Dimension scale: 1=Strongly disagree, 2=Mostly disagree, 3=Partially disagree, 4=Neutral, 5=Partially agree, 6=Mostly agree, 7= Strongly agree. (See also Figure 29 and Tables 12-13 in Appendix 7.)
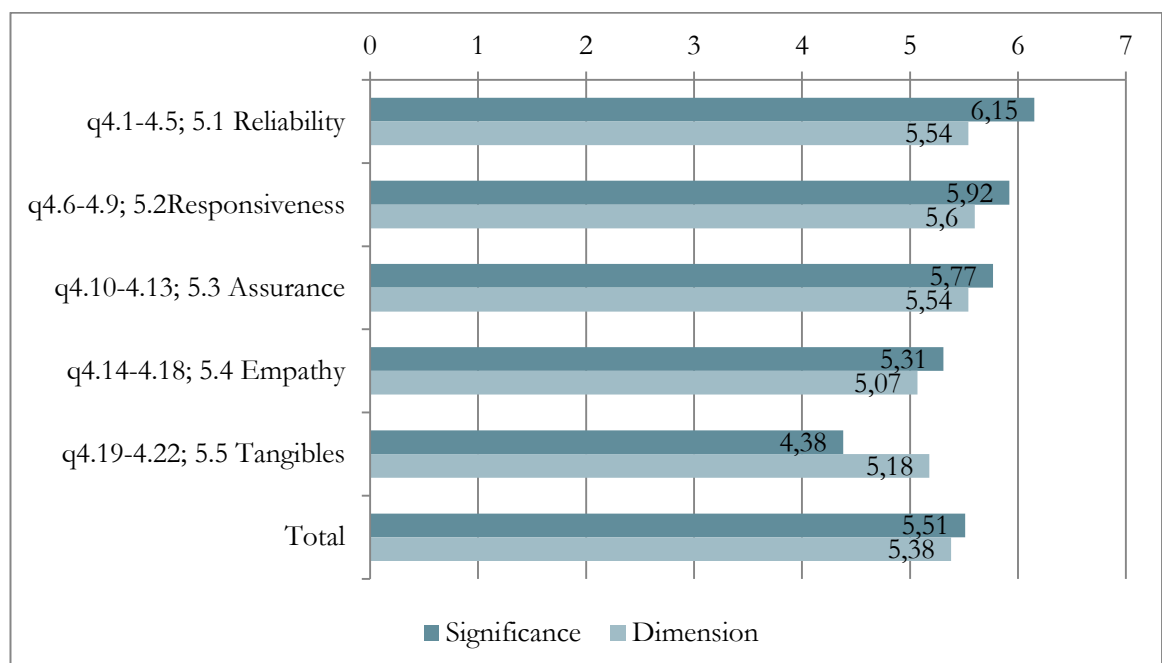

Figure 22: Dimensions of the service quality and their significance

5.4.1 Reliability

Clients observe reliability as the most important dimension in services, and thus the company has to deliver what it promises for the clients related to service provision and problem resolution. Figure 23 indicates clients appreciate UKTI's ability to perform the promised service dependably and accurately above the total average of all the dimensions.
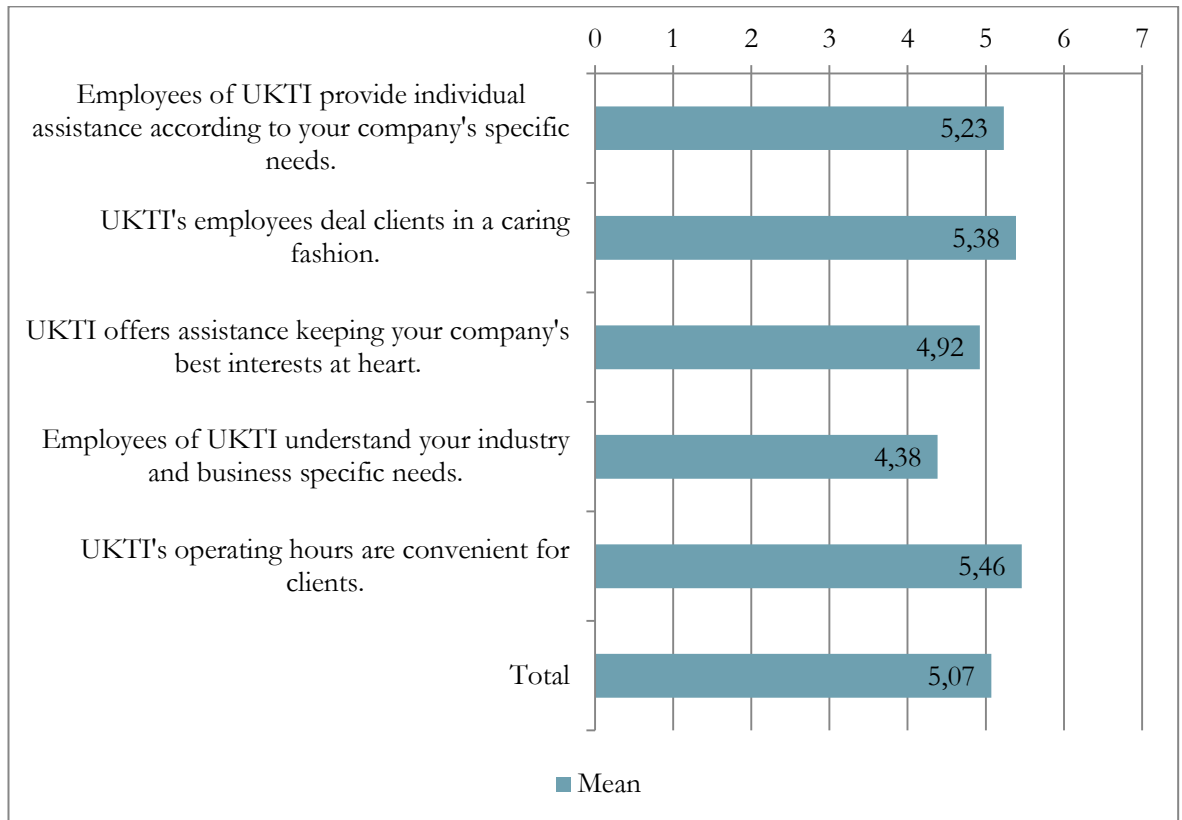
Figure 23: Reliability

The clients mostly agree, with a rate 5.69, that when UKTI promises to do something by a certain time, it does so; when client has a problem, UKTI's employees show sincere interest in solving it; and UKTI provides its services according to the promised schedule. The clients are bit more doubtful with the accuracy of received service, which lowers the average of the reliability dimension. The clients partially agree, with a rate 5.38, that UKTI provides accurate information and UKTI performs the services right and without making mistakes with a rate 5.23.

It should be assured the employees have enough time to show interest in helping the client. When the employees have time to concentrate on listen the client, the service provider can

offer correct information according to the client's requests and predictions prove accurate. By doing this, performance is perceived sincere.

5.4.2 Responsiveness

UKTI's main strength in its services is that the employees are attentive and responding. The clients appreciate that the employees are willing to help customers and provide prompt service as the second most important issue in services after reliability. Employees of UKTI are seen easy to contact in Figure 24 with a top rate 5.92. UKTI also gives prompt services for its clients according to a rate 5.85.
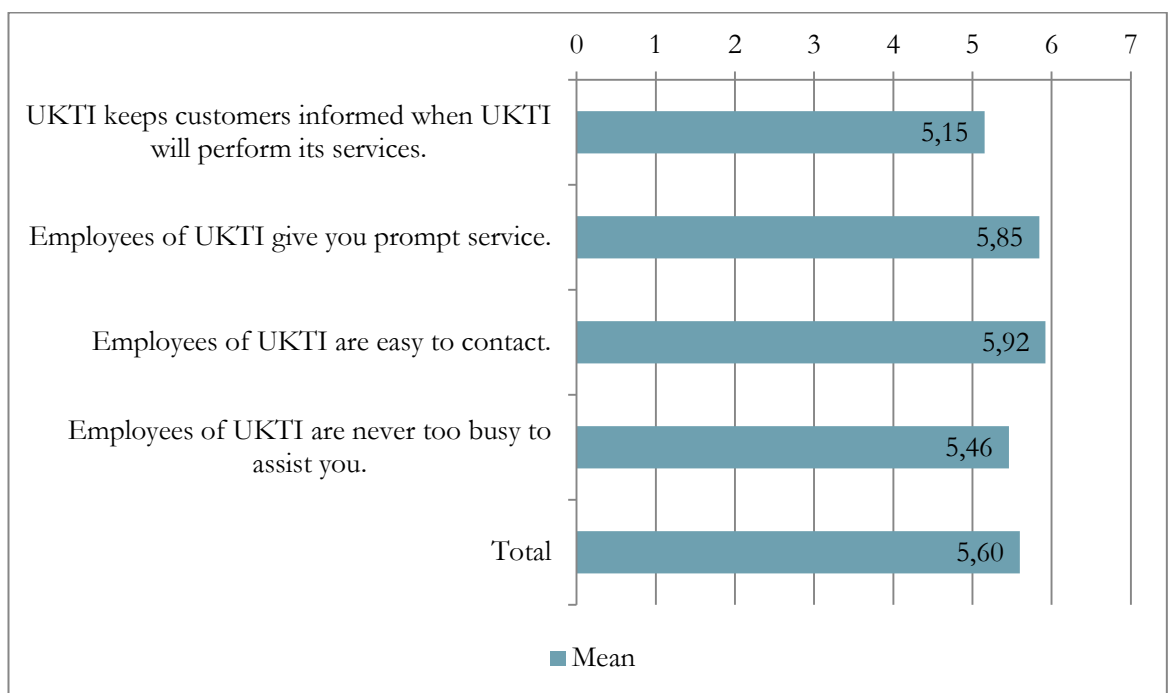
Figure 24: Responsiveness

Clients perceive that employees of UKTI can be sometimes too busy to assist the client. Even though the responsiveness is UKTI's strongest dimension, the average would be even higher if UKTI would be able to keep its customers better informed when it performs the services. To prosper in responsiveness the companies need to have well-staffed service, which has time to keep clients informed and respond to them according to the clients' standards for speed and promptness.

5.4.3 Assurance

Assurance is particularly important in services that are perceived containing high risks. UKTI's service itself does not include a risk, but investing abroad, which UKTI is trying to encourage the companies, which have potential to do, can involve a considerable risk. According to Figure 25, UKTI's clients perceive employees' knowledge and courtesy and their ability to inspire trust and confidence as the third most important dimension out of five. The average score for statements related to assurance is 5.54, mostly agree. Employees of UKTI are seen consistently courteous with clients with 5.92. Clients also feel secure when they interact with UKTI 5.68.
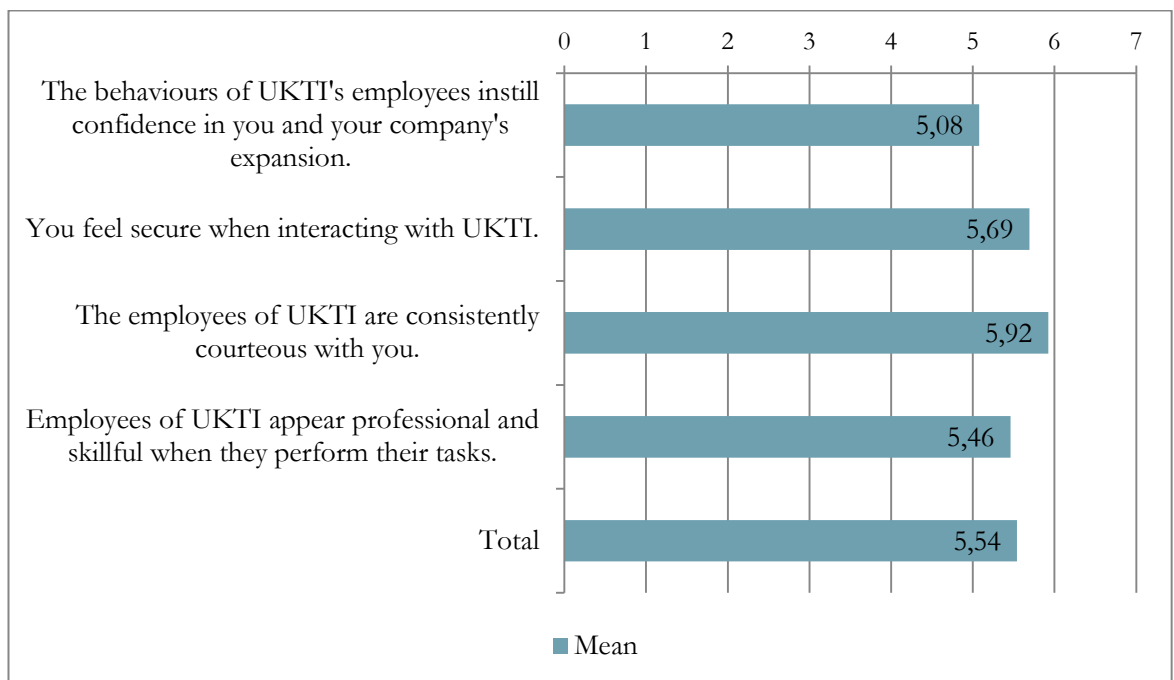
Figure 25: Assurance

The employees of UKTI are evaluated slightly below the assurance average in that they are professional and skillful when they perform their tasks with a rate 5.46. The clients perceive also that UKTI's employees could instill more confidence in clients and their companies' expansion as the rate is 5.08.

Trust and confidence can be instilled better to clients by making sure the staff obtains training regularly and the clients are aware of the qualifications of the staff. The reputation of the organization should be optimal and the brand should be aimed to be present in relevant contexts such as in certain events and publications of which the target group is interested in.

5.4.4 Empathy

Empathy means conveying through customized service and that specific needs of clients are valued. Caring, individualized attention is considered as the second least significant service dimension by the clients, and it receives the lowest average, 5.07, compared between all the dimensions.

As seen in Figure 26, the convenience of UKTI's operating hours is functional as the operating hours are assessed relatively high with rate 5.46.
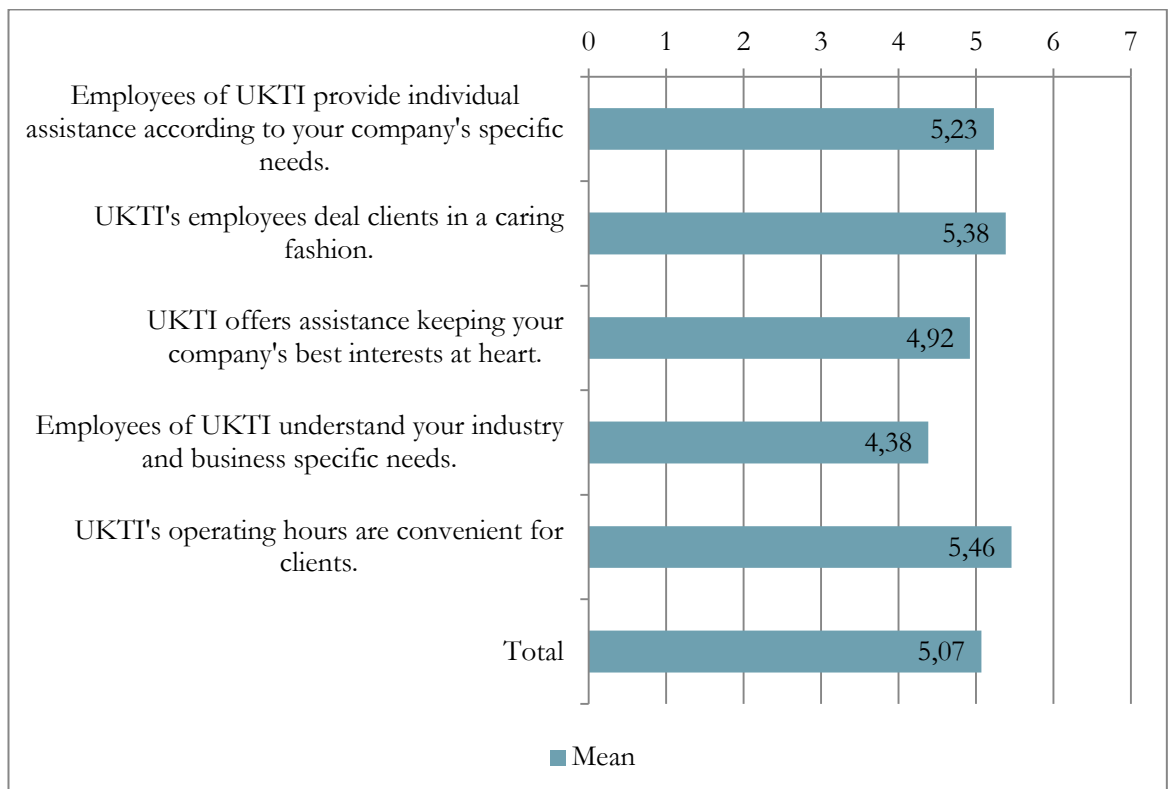
Figure 26: Empathy

The clients feel the employees care about the client companies according to a rate 5.46. Clients perceive also above the average with a rate 5.23 that UKTI provides individual assistance according to the company's specific needs.

Clients do not strongly believe UKTI offers assistance keeping the company's best interests at heart, and the clients are more neutral than confident with that UKTI's employees understand clients' industries and business specific needs. The service provider values the client's individ-

uality by acknowledging and adapting to the client's specific needs. The clients should be recognized as individuals by getting to know the client and the company's industry.

5.4.5 Tangibles

Tangibles represent the service in physical context; Tangibles can be described in elements that clients see and feel by experiencing the material the service provides for its clients. Figure 27 shows the significance of tangibles is low for the clients in UKTI's service, as UKTI's strategy does not need to emphasize the importance of tangibles as part of the offered service.
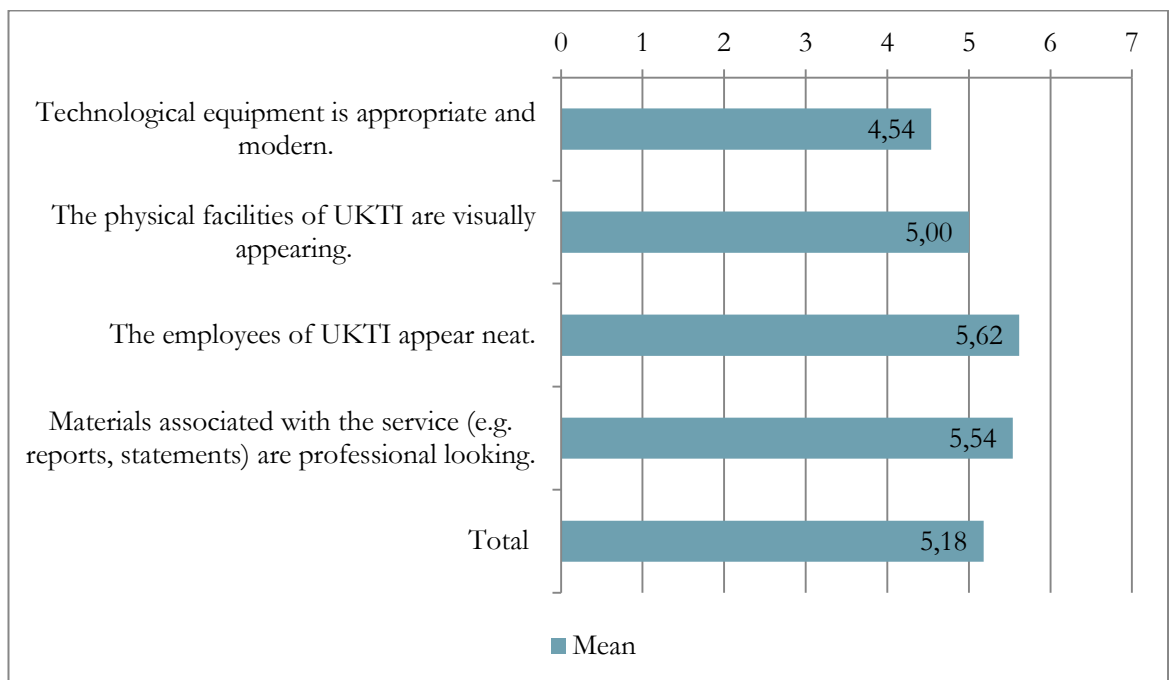
Figure 27: Tangibles

The appearance of physical facilities, equipment, personnel, and written materials is the most insignificant issue for the clients and the clients evaluate its significance in service with 4.38. The tangibles are perceived almost neutral. The tangibles are evaluated with an average of 5.18, partially agree.

The appearance of the employees is in line with the expected business etiquette with a mean 5.62, and materials associated with the service look professional as a rate 5.54 suggests. It is partially agree that the physical facilities of UKTI are visually appealing. Clients agree only partially that technological equipment is appropriate and modern, and the statement receives the second lowest rate between all the statements, 4.54. Investing some sums and time in

physical evidence of the organization offers opportunity for a service to boost the image and send consistent and strong messages about company's purpose, the intended segments and the nature of the service.

5.4.6 Attribution of service success

Clients are also mostly satisfied with the performance of UK Trade and Investment as noted in Figure 28. Customer satisfaction in service is not influenced only by the received service but also client's personal factors, such as emotions and situational factors, such as others opinions as well as post experiences, such as if company succeeded in the UK market or not, after UKTI had assisted the company to go to the UK.
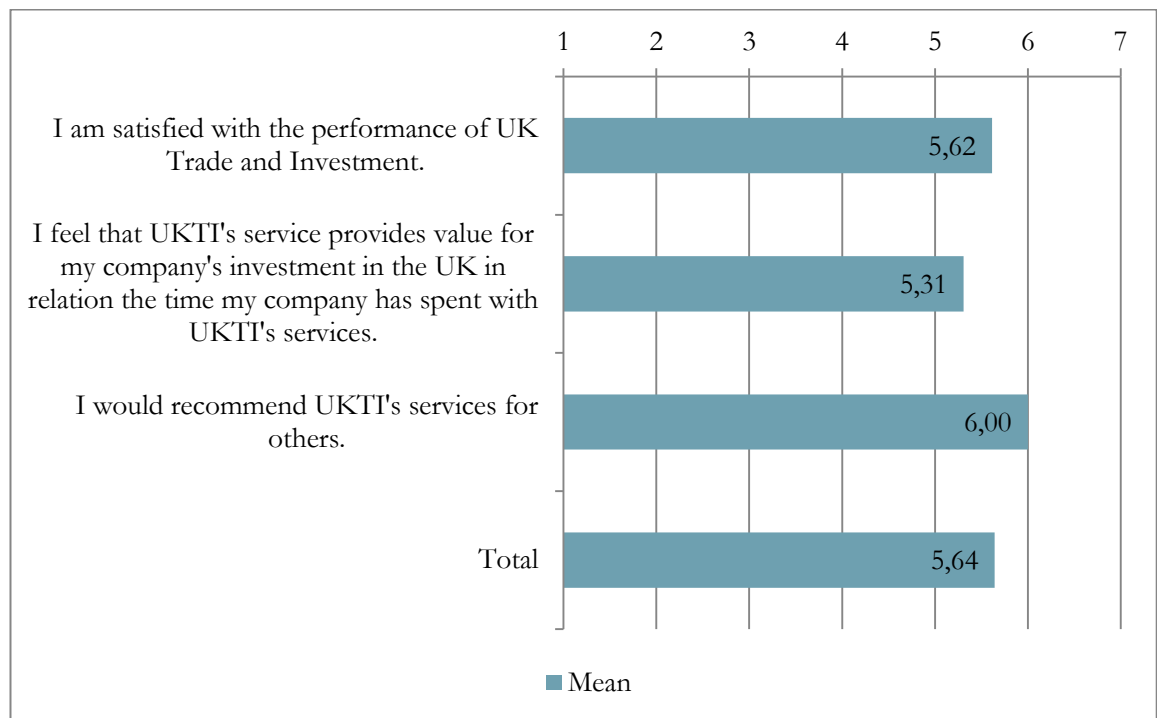
Figure 28: Overall perception of UKTI's services (Scale: 1=Strongly disagree, 2=Mostly disagree, 3=Partially disagree, 4=Neutral, 5=Partially agree, 6=Mostly agree, 7= Strongly agree)

Customer satisfaction correlates in many cases with customer loyalty and thus it is significant to understand how customer satisfaction can be improved. UKTI's clients agree partially that using UKTI's services has provided value for the company's foreign investment when it is compared to the time the company has spent with UKTI's services. Research suggests that companies, which invest in service and excel in service, gain excess profit. Thus in UKTI's

case, increasing the satisfaction of UKTI's customers may also increase the favourability to invest in the UK.

In services, much is still undefined at the point of purchasing the service even though the length of the service, relationship and the cost can be defined beforehand. Best way to understand the services experience qualities is to get information from a friend or an expert, who is familiar with the service. The clients mostly agree they would recommend UKTI's services for others. The positive attitude in recommending UKTI for others may influence on potential clients to get on to UKTI.

5.5   UK related information UKTI's clients are interested in receiving

Extensive figures can be found in Figure 30 and Table 15 in Appendix 7. Question 7 does not relate specifically to any of the research question. The question was added to the survey, as UKTI wished to gain information concerning what kind of UK related information UKTI's clients are interested in receiving according to group division, based on when the companies have expanded to the UK. The companies were asked to tick as many issues they wanted. All together 13 answers were received which means on average respondent was interested to receive information of approximately 5.23 issues. Only 15% of all businesses responded they do not need any information.

Companies that have expanded to the UK less than a year ago answered approximately 6 times per respondent. New entrants would be most interested in receiving information about establishing business in the UK (q7.1) and human resources (q7.6). They would be also interested in being introduced to important contacts (q7.10) and growing industry networks (q7.16).

Companies, which have expanded to the UK within 1-3 years answered approximately 5.86 times per investor. This group was interested in issues around how to grow the company in the UK market. The respondents specified they would be interested to be introduced to important contacts (q7.10), identifying UK firms as for potential partners (q7.8), helping with practical things (q7.13), finding new UK business opportunities (q7.14), knowing about expansion (q7.15), and growing industry networks in the UK (q7.16).

Companies, which expanded more than three years ago, are least in need of information of UKTI. They answered approximately 3 times per respondent. They were in favour to be in-

troduced to important contact (7.10), identify UK firms as for potential partners (q7.8), taxation (q7.5), market research (q7.8), finding new UK business opportunities (q7.14), and growing industry networks (q7.16).

6 Summary and conclusion

This study had two main objectives. The first objective was to provide knowledge for UK Trade and Investment about perceptions of their current and past clients, which are mainly Finnish direct investors, concerning the UK market area as a business location. Factors that relate on companies own strength to go abroad and abilities to manage the internationalization process were set aside, and the concentration was specifically in the target market. The other objective was to gather knowledge of how clients perceive the services of UKTI. UKTI promotes foreign direct investments to the UK as these investments create wealth for the host economy. Through the study, UKTI can understand better their clients' needs and wants, and target the service better for clients in different stages of the investing processes, and thus, increase Finnish investors investing to the UK market.

Methodology was quantitative. The questionnaire was sent to 77 potential respondents by email. A series of 17 questions were asked in the questionnaire. The final response rate remained in 17% even though two reminders were sent, and potential respondents were contacted by phone and requested to submit the questionnaire. The low return rate risks the reliability of generalizing the results. However, the validity of the study is high as the questionnaire was prepared carefully based on theory and pre-tested to ensure the real respondents would understand the questions correctly.

Over half of the companies are operating in information and communication technology industries, and other companies are operating in wide range of industries different from others. Microcompanies are noticeably the largest customer group of UKTI. Half of the respondents have been established between 1-5 years ago and have turnover more than EUR€ 2. Over half of the companies have expanded to the UK within 1-3 years. All of the companies have invested some amounts in the UK, but the largest group, 46%, has invested to the UK less than EUR€ 100 000. Over half of the respondents have made a foreign direct investment. South East England is the main business location of the respondents with 31% of companies, and others locate rather evenly almost all around the UK. Most of the companies have gained experience also through other internationalization processes, as 62% of businesses are located in a third country.

6.1 The UK as a business location

The investors perceive the UK as rather favourable business location. Two separate issues stand out of the other factors as most favourable for Finnish investors: Businesses situate close to their customers, and the investors believe in the UK's growth potential. UKTI should let potential investors know that social and cultural environment attracts the Finnish investors greatly. A respectable rating in the ease of access combined with the good rating in the social environment suggests that the UK's open market policies have been implemented successfully, and Finnish investors feel welcomed to do business in the UK. The labour law is also one of the main issues attracting Finnish companies to do business in the UK. When considering this from the theoretical aspect, the result refers the UK allows flexible policies for companies considering their employees in the UK.

Investors seem to consider the UK as a stable legal environment, but the investors are not confident with the economic stability. It was mentioned in the literature review, the economic conditions often correlate with political stability. As the investors consider political stability generally high, UKTI can instil trust on the UK's economy by emphasizing stable legal environment. UKTI's clients should be also encouraged to evaluate the economy in the long-term, rather than concentrating to unfavourable economic variables of the past two years, as direct investments require long-term planning. The investors' trust on the sustained long-term growth can be improved as well by emphasizing the UK's growth potential and the high business experience, the investors consider the UK has.

The main challenges for UKTI's clients are costs and their relation to effectiveness; operating costs and productivity are clearly least favourable factors among all the issues. Communications and technology, transport infrastructure, and level of research and development have been judged relatively low as well. UKTI should discuss about the technological factors in addition to the cost factor with clients to make them aware and prepared to overcome challenges related to cons of the UK market. According to the literature review large investments are needed in creative and investigative work to create the product, whereas manufacturing has typically relatively low costs. Thus, especially companies that are operating in research and development should be aware of the cost factors.

There was a separate question for challenging factors in the UK. Companies, which have expanded to the UK less than one year ago, had faced more challenges than others. Newest entrants have faced challenges equally in inconsistency or uncertainty in legislation, communica-

tions or technology or transport infrastructure, labour related issues, lack of accurate information. The result suggests insecurity in the company, which is reasonable for a business operating in the new environment. One third of the companies, which have expanded to the UK within 1-3 years, responded they find financial issues challenging. Amount of 14% had also answered illegal activities are a challenging factor for them, which can reduce the benefits the foreign investor expects to gain when company invests in a foreign country. Over half of the group, 58%, answered to option "other". The investors that have been in the UK longer than 3 years perceive financial issues, such as obtaining loans and credit, as the most challenging factor in the UK. According to the literature review, resource acquisition is important for business, which doubts if it has enough capital to finance foreign direct investment. Foreign direct investments are more likely to survive and grow in the new market with the aid of adequate capital, as the business can respond better to the needs of a new market than without external financing. The option "other" received most of the answers in total. Half of the respondents, who ticked "other", described issues, which would be possible to be solved by the effort and decisions of the company itself, but as mentioned before this study concentrated to research especially the UK's ability to function as a business location. Companies should evaluate if they have strengths to go abroad, and if so, UKTI should increase assistance in seeking financing.

Predicting five years ahead can be considered as a long period of time especially for small and medium sized companies, particularly in economy, which has suffered high losses during the last couple of years. Still, the companies seem to be highly determined and quite positive about their future in the UK market. The determination can be reasoned from most of the answers, which were far from the neutral opinion and the answers were consistent between others.

6.2   The services of UK Trade and Investment

UKTI should keep on paying attention especially to responsiveness, reliability and assurance, as according to the clients, UKTI has successfully done. Responsiveness, reliability and assurance are the most significant dimensions for clients in UKTI's services. As UKTI is evaluated well in the dimensions that clients value the most important in received service, the result is that most of the clients are well satisfied to UKTI and they would recommend UKTI's services for others. The key strengths of UKTI are that the employees are easy to contact and they offer prompt service (responsiveness), employees deliver what UKTI has promised for the clients (reliability), and the employees are consistently courteous and clients feel secure

when interacting with UKTI's organization and its employees (assurance). These statements are part of the most significant dimensions, and the customer satisfaction can be improved even further by devoting to other dimensions' statements.

There are two statements that lower the total average of the service quality. Fortunately, they belong to dimensions that clients do not prioritize as the most important issues in the service: Clients are not convinced UKTI understands their industry and their business specific needs (empathy); and clients consider technological equipment could be improved to be more appropriate and modern (tangibles). Trainings should be organized and these events should be easy to attend for the employees to gain deeper knowledge of most popular industries in which UKTI's clients are operating. According to the literature review, expenses should be cut elsewhere than from customer service if company needs to improve its financial status, in this case strengthening the UK investing. Downsizing in service can prove critical if the customers perceive their demands and needs are not fulfilled properly. The client companies are not as sure if UKTI's services provide value for the company's investment compared the time the clients have spent to UKTI's services, which is bit unexpected as UKTI offers assistance for free and the connection is not intense. When assisting the companies, it could be reminded for the clients the service provide creates the service always together with the client and the result is usually better the more intensively the client participates to the service, as the literature review suggests.

UKTI should contact their past clients and keep contact with their current clients also in the future as only 15% of the respondents consider they do not need any information from UKTI. The companies that are most interested in staying in contact with UKTI, are the clients that have expanded to the UK less than three years ago. If resources enable, UKTI should offer aftercare services for investors that have been in the UK for a longer time.

6.3 Conclusion and suggestions for further research

The goals of the study were successfully met as UK Trade and Investment received information they had wished to gain from their clients' perceptions and opinions. Old presumptions that Finnish investors are attracted to invest in the UK because of strong market potential and culture were explained further, and the closeness of the customers revealed as the most favourable factor in the UK market. The Finnish investors have trust in the UK market and their investments in the UK. Additionally, UKTI gained information about how its clients perceive their service. The clients showed readiness to recommend the service for others as

they seemed also to be well satisfied to the service, though there are always issues in the customer service and understanding clients, which can be improved. UK Trade and Investment can further use this study as the basis to understand the clients' expectations and perceptions to provide more focused service for different segments according in which stage the company is in the internationalization process, and to attract companies to make new direct investments to the UK market.

It is important to be aware of customers' needs, interests and current opinions about the service. It would be effective to conduct similar kind of study later for UK Trade and Investment or to find another way to receive feedback regularly. This would secure that UKTI would be able to maintain providing accurate information about the UK market as thus, it would be sure UKTI could be aware of changing needs of the clients continuously. The primary data collection methods should be changed as it was witnessed during this study, the clients of UKTI that are mostly top management, answer to email questionnaires rarely. The form could concentrate only on one main topic to decrease the length of the questionnaire and time needed to provide feedback. Feedback could be collected in UKTI's events, where potential target group would be present, or a feedback form could be sent to the client after being recently in contact with the company. An organized and updated database, which could contain the most important details about the clients, would improve UKTI's knowledge related to their clients, and ease UKTI contacting especially the clients that UKTI has not been in contact recently.

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Appendices

Appendix 1. Adaptation of the SERVPERF scale to UKTI related statements

Table 7. SERVPERF SCALE adapted to UKTI

Dimension	Question	Adapted items	Corresponding items from the SERVPERF scale
Reliability	Rel.1	When UKTI promises to do something by a certain time, it does so.	When the service provider promises to do something by a certain time, it does so.
Reliability	Rel.2	When you have a problem, UKTI's employees show a sincere interest in solving it.	When you have a problem, the service provider shows a sincere interest in solving it.
Reliability	Rel.3	UKTI performs the service right and without making mistakes.	The service provider performs the service right the first time.
Reliability	Rel.4	UKTI provides its services according to the schedule/opening hours etc. it has promised.	The service provider provides its services at the time it promises to do so.
Reliability	Rel.5	UKTI provides accurate information.	The service provider insists on error-free records.
Responsiveness	Resp.1	UKTI keeps customers informed when UKTI will perform its services.	The service provider keeps customers informed about when services will be performed.
Responsiveness	Resp.2	Employees of UKTI give you prompt service.	Employees of the service provider give you prompt service.
Responsiveness	Resp.3	Employees are easy to contact.	Employees of the service provider are always willing to help you.
Responsiveness	Resp.4	Employees of UKTI are never too busy to assist you.	Employees of the service provider are never too busy to respond to your request.
Assurance	A1	The behaviours of UKTI's employees instil confidence in you and your company's expansion.	The behaviour of the service provider's employees instils confidence in you.
Assurance	A2	You feel secure when interacting with UKTI.	You feel safe in your transactions with the service provider.

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Assurance	A3	The employees of UKTI are consistently courteous with you.	The employees of the service provider are consistently courteous with you.
Assurance	A4	Employees of UKTI appear professional and skilful when they perform their tasks.	The employees of the service provider have the knowledge to answer your questions.
Empathy	E1	Employees of UKTI provide individual assistance according to your company's specific needs.	The service provider gives you individual attention.
Empathy	E2	UKTI's employees deal clients in a caring fashion.	The service provider has employees who deal customers in a caring fashion.
Empathy	E3	UKTI offers assistance keeping your company's best interests at heart.	The service provider has your best interests at heart.
Empathy	E4	Employees of UKTI understand your industry and business specific needs.	Employees of the service provider understand your specific needs.
Empathy	E5	UKTI's operating hours are convenient.	The service provider has operating hours that are convenient to all its customers.
Tangibles	T1	Technological equipment is appropriate and modern.	The service provider has modern-looking equipment.
Tangibles	T2	The physical facilities of UKTI are visually appearing.	The physical facilities of the service provider are visually appealing.
Tangibles	T3	The employees of UKTI appear neat.	The employees of the service provider appear neat.
Tangibles	T4	Materials associated with the service (e.g. reports, statements) are professional looking.	Materials associated with the service (e.g. reports, statements) are visually appealing at the service provider.

Appendix 2. Questionnaire overlay matrix

Table 8. Overlay matrix

Question	Legal and political environment	Economic environment	Social and cultural environment	Technological environment	Business environment	Factors influencing on satisfaction	Dimensions of rervice quality
q1	----------	----------	----------	----------	----------		
q2	----------	----------	----------	----------	----------		
q3*							
q4							----------
q5							----------
q6						----------	
q7*							
q8-17*							

q1   How favourable is the UK market in relation to the following factors when considering this from your company's perspective?

q2   Which factors in the UK market have been most challenging for your company along the UK expansion process?

q3   According to your opinion, what will happen to your company's operations during the next five years? *List of possibilities if company improves its performance or not

q4   How do you consider following statements related to UK Trade and Investment (UKTI) services?

q5   How significant the following service items are to you, when you are using UKTI's services?

q6   How do you consider following statements? (Overall evaluation of UKTI's services)

q7   Which issues your company could be interested of receiving more information from UKTI along the company's UK expansion process.* List of services UKTI offers

q8-17 * Demographics and background questions

Appendix 3. Survey cover letter

Dear Respondent,

You are invited to participate in a survey targeted for companies that are already established in the UK, or regard this as an option. The survey gathers information about your opinions related to the UK as a business location and the services of UK Trade and Investment (UKTI). The research is conducted by a third party, student from HAAGA-HELIA University of Applied Sciences, for UKTI in Helsinki.

The survey has been sent to present and past customers of UKTI. Through the survey, UKTI is able to improve its service.

The answers are dealt confidentially with respect towards the respondent. The third party publishes the results in a way that they cannot be identified with you or your company. *Each response is very highly appreciated!*

UKTI hopes, you will take the time to complete this survey, and return it by Friday, 12.3.2010. The survey should take you about 10 minutes to complete. If you face technical problems or you have any concerns related to the survey, please contact the author by email: merituuli.iisalo@myy.haaga-helia.fi

UK Trade and Investment appreciates your time and would like to thank you for taking part in this survey. Link to the *UK as a Business Location and Services of UK Trade and Investment* survey can be found below.

Kind Regards,

Merituuli Iisalo

http://www.webropol.com/p.aspx?t=1&l=417212_b31953c4c0474ffd

Appendix 4. Survey reminder 1

Dear Respondent,

UK Trade and Investment has been assisting you in the UK related questions. You have been sent earlier an invitation to take part in a survey concerning the UK as a market area and the services of UK Trade and Investment (UKTI) in Helsinki.

This email reminds that as a current or past client of UKTI, receiving your opinions would be extremely important and highly valued, as your opinions are in a very significant role in the success of the whole research project. The project is the final work of student of HAAGA-HELIA University of Applied Sciences.

By expressing opinions, the services of UKTI can be enhanced. I wish you would submit the answers by this week.

I would like to thank you greatly from behalf of myself and UK Trade and Investment.

Best Regards,

Merituuli Iisalo

Please, follow the link to the survey:

http://www.webropol.com/p.aspx?t=1&l=417212_b31953c4c0474ffd

Appendix 5. Survey reminder 2

Good Morning,

UK Trade and Investment (UKTI) is conducting a survey at the moment, which gathers UKTI's current and past clients' opinions about UK as a business location and UK Trade and Investment services.

Unfortunately, we have not received a respond from You yet, but we hope that You would click the link below and submit the response as soon as possible. The target group for the survey is limited, thus Your individual opinion matters and is very highly appreciated. The survey takes ~10 minutes to complete.

Providing Your answers enables UK Trade and Investment to improve their service focusing on customer point of view.

I would like to thank You greatly from behalf of myself and UK Trade and Investment.

Best Regards,

Merituuli Iisalo,
Author of the survey

Please, follow the link to the survey:

http://www.webropol.com/p.aspx?t=1&l=417212_b31953c4c0474ffd

Appendix 6. Questionnaire

Survey page 1: Opinions about the UK as a business location

1) How favourable is the UK market in relation to the following factors when considering this from your company's perspective?

	Strongly unfavourable	Mostly unfavourable	Partially unfavourable	Neutral	Partially favourable	Mostly favourable	Strongly favourable
Legal stability	○	○	○	○	○	○	○
Intellectual property rights	○	○	○	○	○	○	○
Economical stability	○	○	○	○	○	○	○
Tax system	○	○	○	○	○	○	○
Governmental financial incentives	○	○	○	○	○	○	○
Access to private capital	○	○	○	○	○	○	○
Labour law	○	○	○	○	○	○	○
Availability of qualifies workers	○	○	○	○	○	○	○
Productivity	○	○	○	○	○	○	○
Quality of life	○	○	○	○	○	○	○
Operating costs	○	○	○	○	○	○	○
Growth potential of the UK market	○	○	○	○	○	○	○
Gateway to other trade areas	○	○	○	○	○	○	○
Ease of market access	○	○	○	○	○	○	○
Ease of adapting to culture	○	○	○	○	○	○	○
Information, communications, and technology infrastructure	○	○	○	○	○	○	○

	○	○	○	○	○	○	○
Transport infrastructure	○	○	○	○	○	○	○
Level of research and development	○	○	○	○	○	○	○
Proximity to industry cluster	○	○	○	○	○	○	○
Proximity to clients	○	○	○	○	○	○	○
Proximity to suppliers and resources	○	○	○	○	○	○	○
UK's experience and knowledge in business	○	○	○	○	○	○	○
UK's overall attitude toward your kind of business	○	○	○	○	○	○	○

2) Which factors in the UK market have been most challenging for your company along the UK expansion process? (Please, choose 1-3 factors.)

☐ Inconsistency or uncertainty in legislation

☐ Financial issues such as obtaining loans/credit, banking and liquidity system, payment for goods

☐ Inadequate information, communications and technology infrastructure or transport infrastructure

☐ Labour related issues such as lack of needed workers, inflexibility of labour regulations,

☐ Illegal activities such as crime, corruption, discrimination

☐ Lack of accurate and helpful information

☐ Barriers in establishing a business such as protectionism, complicated procedures

☐ Other (please specify) ⬚

3) According to your opinion, what will happen to your company's operations during the next five years?

	Strongly disagree	Mostly disagree	Partially disagree	Neutral	Partially agree	Mostly agree	Strongly agree
Most of the company's operations increase.	○	○	○	○	○	○	○
Company's operations increase especially in the UK.	○	○	○	○	○	○	○
Most of the company's operations decline.	○	○	○	○	○	○	○
Company's operations decline especially in the UK.	○	○	○	○	○	○	○

Company stays in the UK, but part of the UK's operations are moved outside the UK.	○	○	○	○	○	○	○
Company faces other changes, than presented above, which will affect to company's operations.	○	○	○	○	○	○	○

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Survey page 2: Opinions about UK Trade and Investment's services

4) How do you consider following statements related to UK Trade and Investment (UKTI) services?

	Strongly disagree	Mostly disagree	Partially disagree	Neutral	Partially agree	Mostly agree	Strongly agree
When UKTI promises to do something by a certain time, it does so.	○	○	○	○	○	○	○
When you have a problem, UKTI's employees show a sincere interest in solving it.	○	○	○	○	○	○	○
UKTI performs the service right and without making mistakes.	○	○	○	○	○	○	○
UKTI provides its services according to the schedule/opening hours it has promised.	○	○	○	○	○	○	○
UKTI provides accurate information.	○	○	○	○	○	○	○
UKTI keeps customers informed when UKTI will perform its services.	○	○	○	○	○	○	○
Employees of UKTI give prompt service.	○	○	○	○	○	○	○
Employees of UKTI are easy to contact.	○	○	○	○	○	○	○
Employees of UKTI are never too busy to assist you.	○	○	○	○	○	○	○
The behaviours of UKTI's employees instill confidence in you and your company's expansion.	○	○	○	○	○	○	○
You feel secure when interacting with UKTI.	○	○	○	○	○	○	○

The employees of UKTI are consistently courteous with you.	○	○	○	○	○	○	○
Employees of UKTI appear professional and skillful when they perform their tasks.	○	○	○	○	○	○	○
Employees of UKTI provide individual assistance according to your company's specific needs.	○	○	○	○	○	○	○
UKTI's employees deal clients in a caring fashion.	○	○	○	○	○	○	○
UKTI offers assistance keeping your company's best interests at heart.	○	○	○	○	○	○	○
Employees of UKTI understand your industry and business specific needs.	○	○	○	○	○	○	○
UKTI's operating hours are convenient for clients.	○	○	○	○	○	○	○
Technological equipment is appropriate and modern.	○	○	○	○	○	○	○
The physical facilities of UKTI are visually appearing.	○	○	○	○	○	○	○
The employees of UKTI appear neat.	○	○	○	○	○	○	○
Materials associated with the service (e.g. reports, statements) are professional looking.	○	○	○	○	○	○	○

5) How significant the following service items are to you, when you are using UKTI's services?

	Very insignificant	Mostly insignificant	Partially insignificant	Neutral	Partially significant	Mostly significant	Very significant
Ability to perform the promised service dependably and accurately	○	○	○	○	○	○	○
Willingness to help customers and provide prompt service	○	○	○	○	○	○	○

Employees'
knowledge and
courtesy and their
ability to inspire
trust and confi-
dence

  ○   ○   ○   ○   ○   ○   ○

Caring, individual-
ized attention
given to clients

  ○   ○   ○   ○   ○   ○   ○

Appearance of
physical facilities,
equipment, per-
sonnel, and writ-
ten materials

  ○   ○   ○   ○   ○   ○   ○

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Survey page 3

6) How do you consider following statements?

	Strongly disagree	Mostly disagree	Partially disagree	Neutral	Partially agree	Mostly agree	Strongly agree
I am satisfied with the performance of UK Trade and Investment.	○	○	○	○	○	○	○
I feel that UKTI's service provides value for my company's investment in the UK in relation the time my company has spent with UKTI's services.	○	○	○	○	○	○	○
I would recommend UKTI's services for others.	○	○	○	○	○	○	○

7) Which issues your company could be interested of receiving more information from UKTI along the company's UK expansion process. (You can choose several options.)

☐ Where and how business can be set up

☐ Funding

☐ Market entry data

☐ Research and development

☐ Taxation

☐ Human resources

☐ Administrative regulations, including legal and financial matters

☐ Market research

☐ Tackling cultural and language related issues to ease communication

☐ Introducing important contacts for networking possibilities

☐ Access to the UK Advisory Network list of professional service organizations (such as lawyers and accountants)

☐ Identifying UK firms as for potential strategic business partners

☐ Helping with practical things (such as selecting suitable trade fairs, making visits to important locations, assistance in accessing the financial incentives)

☐ Finding new UK business opportunities, when the company is already established in the UK

☐ Knowing about expanding in/from the UK or choosing a new location in the UK, when the company is already established in the UK

☐ Growing industry networks in the UK, when the company is already established in the UK

☐ Knowing how to have a say in the UK government, when the company is already established in the UK

☐ Knowing about trading overseas to/from the UK, when the company is already established in the UK

☐ Setting up headquarters to the UK, when the company is already established in the UK

☐ No information is needed.

☐ Other (please specify) [   ]

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Survey page 4: Background information of your company is needed for statistical analyses only.

8) Which one best describes the main industry your company is currently operating?

○ Information and Communication Technology (includes telecommunications, software, creative and media)

○ Environmental (includes environmental technologies, renewable energies, energy, efficient technologies)

○ Healthcare (includes medical technologies, life sciences)

○ Other (please specify) [   ]

9) What is the number of your company's employees?

○ Micro (1-9)

○ Small (10-50)

○ Medium (51-250)

○ Large (251-1000)

○ Macro (1001 or over)

10) What is the turnover of your company?

○ Less than EUR€ 2 million

○ EUR€ 2-10 million

○ EUR€ 11-20 million

○ EUR€ 21-30 millio

○ EUR€ 31-40 million

○ EUR€ 41-50 million

○ EUR€ 51 or more

11) How long has your company been in business approximately?

○ Less than 1 year

○ 1-5 years

○ 6-10 years

○ 11-15 years

○ 16 years or more

12) Which position best describes your position in the company?

○ Top management

○ Middle management

○ Employee

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Survey page 5

13) Which of the following best describes the situation of your company?

○ Company is expanding to the UK at the moment, or it has expanded less than 1 year ago.

○ Company has expanded to the UK within 1-3 years.

○ Company was established in the UK more than 3 years ago.

○ Other (please specify) [   ]

14) How much money your company has approximately invested in the UK during your company's life cycle?

○ EUR€ 0

○ EUR€ 1-100 000

○ EUR€ 100 001-200 000

○ EUR€ 200 001- 300 000

○ EUR€ 300 001-400 000

○ EUR€ 400 001- 500 000

○ EUR€ 500 001- 600 000

○ EUR€ 600 001 or more

15) Which of the following business structure best describes your company's investment in the UK at the moment/Which of the following business structure it is most likely to take when investing to the UK at the first time?

○ Partnership

○ Joint venture

○ Wholly-owned subsidiary

○ Other (please specify) [   ]

16) In which location is your company established in at the moment? (You can choose several)

☐ Finland

☐ East of England

☐ East Midlands

☐ London

☐ Northern Ireland

☐ North East England

☐ North West England

☐ Scotland

☐ South East England

☐ South West England

☐ Wales

☐ West Midlands

☐ Yorkshire and the Humber

☐ Other country than the UK or Finland (please specify) [   ]

17) When was the last time your company was in contact with UK Trade and Investment or used its service?

○ Less than 2 months ago

○ 2-6 months ago

○ 7-12 months ago

○ During 2007-2008

○ During 2005-2006

○ During 2003-2004

○ Other (please specify) [   ]

Submit

Thank you; Your participation was important!

Appendix 7. Results of the questionnaire

Factor	Mean
q1.1 Legal stability	5,15
q1.2 Intellectual property rights	4,69
q1.3 Economical stability	4,77
q1.4 Tax system	4,77
q1.5 Governmental financial incentives	4,69
q1.6 Access to private capital	4,54
q1.7 Labour law	5,08
q1.8 Availability of qualified workers	4,92
q1.9 Productivity	4,23
q1.10 Quality of life	4,77
q1.11 Operating costs	4,08
q1.12 Growth potential of the UK market	5,38
q1.13 Gateway to other trade areas	4,69
q1.14 Ease of market access	5,15
q1.15 Ease of adapting to culture	5,15
q1.16 Communications&technology	4,62
q1.17 Transport infrastructure	4,62
q1.18 Level of research and development	4,38
q1.19 Proximity to industry cluster	5,08
q1.20 Proximity to clients	5,62
q1.21 Proximity to suppliers and resources	4,62
q1.22 UK's business experience	5,15
q1.23 UK's attitude toward your business	5,15
Total	4,84

■ Mean

Figure 29. Question 1: How favourable is the UK market in relation to the following factors when considering this from your company's perspective?

Table 9. Question 1

q1. How favourable is the UK market in relation to the following factors when considering this from your company's perspective?	Mean	Median	Valid (N)	Missing (N)
q1.1 Legal stability	5,15	5,00	13	0
q1.2 Intellectual property rights	4,69	5,00	13	0
q1.3 Economic stability	4,77	5,00	13	0
q1.4 Tax system	4,77	5,00	13	0
q1.5 Governmental financial incentives	4,69	5,00	13	0
q1.6 Access to private capital	4,54	4,00	13	0
q1.7 Labour law	5,08	5,00	13	0
q1.8 Availability of qualified workers	4,92	5,00	13	0
q1.9 Productivity	4,23	4,00	13	0
q1.10 Quality of life	4,77	5,00	13	0
q1.11 Operating costs	4,08	4,00	13	0
q1.12 Growth potential of the UK market	5,38	5,00	13	0
q1.13 Gateway to other trade areas	4,69	5,00	13	0
q1.14 Ease of market access	5,15	6,00	13	0
q1.15 Ease of adapting to culture	5,15	5,00	13	0
q1.16 Information, communications and technology infrastructure	4,62	5,00	13	0
q1.17 Transport infrastructure	4,62	5,00	13	0
q1.18 Level of research and development	4,38	4,00	13	0
q1.19 Proximity to industry cluster	5,08	5,00	13	0
q1.20 Proximity to clients	5,62	6,00	13	0
q1.21 Proximity to suppliers and resources	4,62	4,00	13	0
q1.22 UK's business experience	5,15	5,00	13	0
q1.23 UK's attitude toward your business	5,15	5,00	13	0
Total	4,84	4,84	13	0

Table 10: Questions 2 & 13

q2. Which factors in the UK market have been most challenging for your company along the UK expansion process? (Choose 1-3 factors)		q13. Which of the following best describes the situation of your company?			
		q13.1 Company is expanding to the UK at the moment, or it has expanded less than 1 year ago.	q13.2 Company has expanded to the UK within 1-3 years	q13.3 Company was established in the UK more than 3 years ago	Total
q2.1 Inconsistency or uncertainty in the legislation	Count	1	0	0	1
	% of Total	33,3%	0,0 %	0,0 %	7,7%
q2.2 Financial issues such as obtaining loans/credit, banking and liquidity system, payment for goods	Count	0	2	3	5
	% of Total	0,0 %	28,6%	100,0 %	38,5 %
q2.3 Inadequate information, communications and technology infrastructure or transport infrastructure	Count	1	0	0	1
	% of Total	33,3 %	0,0 %	0,0 %	7,7%
q2.4 Labour related issues such as lack of needed workers, inflexibility of labour regulations	Count	1	0	0	1
	% of Total	33,3 %	0,0 %	0,0 %	7,7 %
q2.5 Illegal activities such as crime, corruption, discrimination	Count	0	1	0	1
	% of Total	0,0 %	14,3%	0,0 %	7,7 %
q2.6 Lack of accurate and helpful information	Count	1	0	0	1
	% of Total	33,3 %	0,0 %	0,0 %	7,7 %
q2.7 Barriers in establishing a business such as protectionism, complicated procedures	Count	0	2	0	2
	% of Total	0,0 %	28,6%	0,0 %	15,4%
q2.8 Other* (please specify)	Count	1	4	1	6
	% of Total	33,3%	57,1%	33,3%	46,2%
Total	Count	5	9	4	18
	Answers per respondent	1,67	1,29	1,33	1,39

* q2.9 Respondents' comments:

  – There are no negative factors in the UK market, but we face challenges in our sales
    work.
  – Communication with HMRC regarding VAT registration
  – Lack of customers
  – Potential customers lack awareness about our product
  – Tax increase
  – Very conservative approach to new players in the market

Table 11. Question 3

q3. According to your opinion, what will happen to your company's operations during the next five years?	Mean	Median	Valid (N)	Missing (N)
q3.1 Most of the company's operations increase.	5,77	6,00	13	0
q3.2 Company's operations increase especially in the UK.	5,23	6,00	13	0
q3.3 Most of the company's operations decline.	1,62	1,00	13	0
q3.4 Company's operations decline especially in the UK.	2,00	1,00	13	0
q3.5 Company stays in the UK, but part of UK operations are moved outside.	3,38	4,00	13	0
q3.6 Company faces other changes, than presented above.	4,38	4,00	13	0
Total	3,73	3,67	13	0

Table 12. Question 4

q4. How do you consider following statements related to UK Trade and Investment (UKTI) services?	Mean	Median	Valid (N)	Missing (N)
q4.1 When UKTI promises to do something by a certain time, it does so.	5,69	6,00	13	0
q4.2 When you have a problem, UKTI's employees show a sincere interest in solving it.	5,69	6,00	13	0
q4.3 UKTI performs the service right and without making mistakes.	5,23	6,00	13	0

q4.4 UKTI provides its services according to the schedule/opening hours it has promised.	5,69	6,00	13	0
q4.5 UKTI provides accurate information.	5,38	6,00	13	0
q4.6 UKTI keeps customers informed when UKTI will perform its services.	5,15	6,00	13	0
q4.7 Employees of UKTI give prompt service.	5,85	7,00	13	0
q4.8 Employees of UKTI are easy to contact.	5,92	6,00	13	0
q4.9 Employees of UKTI are never too busy to assist you.	5,46	6,00	13	0
q4.10 The behaviours of UKTI's employees instil confidence in you and your company's expansion.	5,08	5,00	13	0
q4.11 You feel secure when interacting with UKTI.	5,69	6,00	13	0
q4.12 The employees of UKTI are consistently courteous with you.	5,92	6,00	13	0
q4.13 Employees of UKTI appear professional and skilful when they perform their tasks.	5,46	6,00	13	0
q4.14 Employees of UKTI provide individual assistance according to your company's specific needs.	5,23	5,00	13	0
q4.15 UKTI's employees deal clients in a caring fashion.	5,38	6,00	13	0
q4.16 UKTI offers assistance keeping your company's best interests at heart.	4,92	5,00	13	0
q4.17 Employees of UKTI understand your industry and business specific needs.	4,38	4,00	13	0
q4.18 UKTI's operating hours are convenient for clients.	5,46	6,00	13	0
q4.19 Technological equipment is appropriate and modern.	4,54	4,00	13	0
q4.20 The physical facilities of UKTI are visually appearing.	5,00	5,00	13	0
q4.21 The employees of UKTI appear neat.	5,62	6,00	13	0
q4.22 Materials associated with the service (e.g. reports, statements) are professional looking.	5,54	6,00	13	0
Total	5,38	5,68	13	0
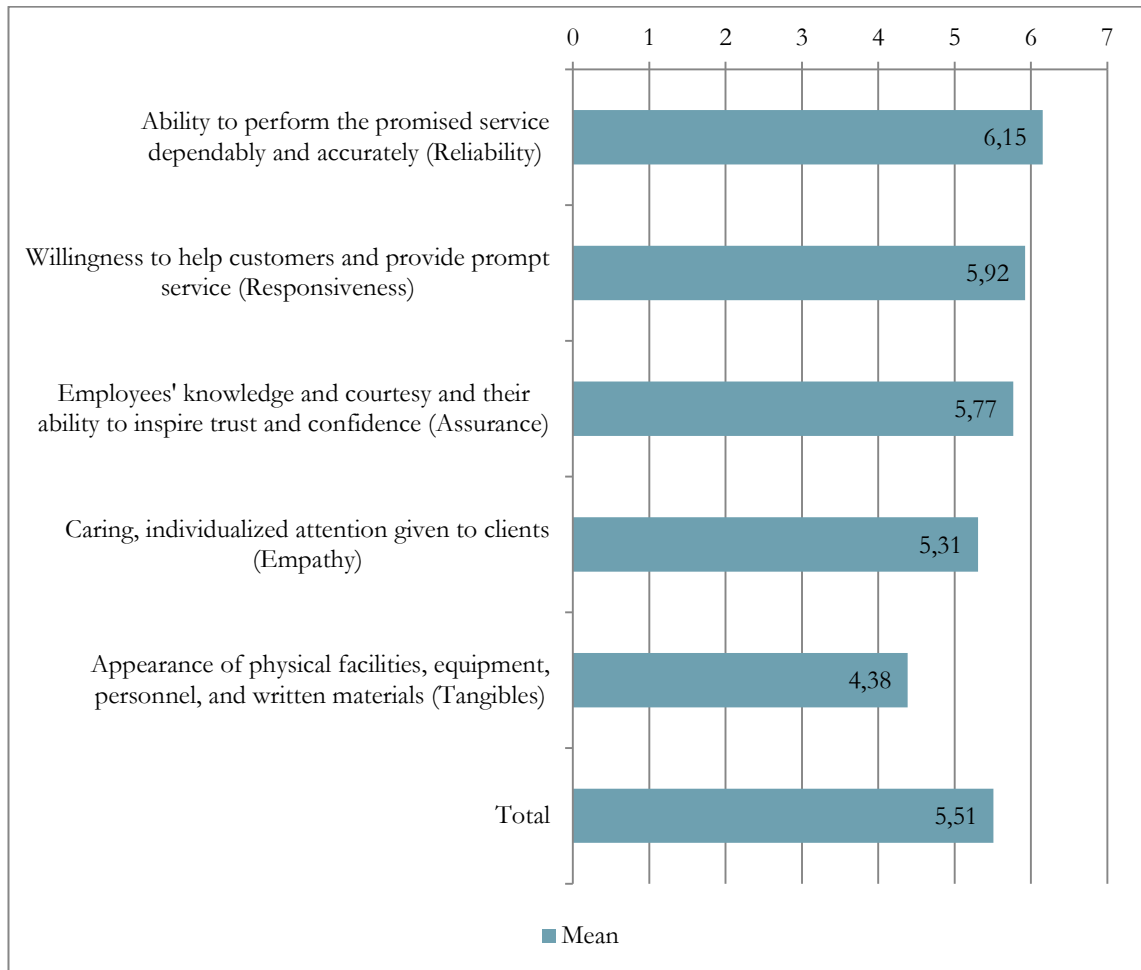
Figure 29. Question 5: Significance of the service items when using UKTI's services

Table 13. Question 5

q5. How significant the following service items are to you, when you are using UKTI's services?	Mean	Median	Valid (N)	Missing (N)
q5.1 Ability to perform the promised service dependably and accurately	6,15	6,00	13	0
q5.2 Willingness to help customers and provide prompt service	5,92	6,00	13	0
q5.3 Employees' knowledge and courtesy and their ability to inspire trust and confidence	5,77	6,00	13	0
q5.4 Caring, individualized attention given to clients	5,31	5,00	13	0
q5.5 Appearance of physical facilities, equipment, personnel, and written materials	4,38	5,00	13	0
Total	5,51	5,60	13	0

Table 14. Question 6

q6. How do you consider UK Trade and Investment services over all?	Mean	Median	Valid (N)	Missing (N)
q6.1 I am satisfied with the performance of UK Trade and Investment.	5,62	6,00	13	0
q6.2 I feel that UKTI's service provides value for my company's investment in the UK in relation the time my company has spent with UKTI's services.	5,31	5,00	13	0
q6.3 I would recommend UKTI's services for others.	6,00	6,00	13	0
Total	5,64	5,67	13	0

	0 %	20 %	40 %	60 %	80 %	100 %

q7.1 Where and how business can be set up — 28,6 %, 66,7 %

q7.2 Funding — 33,3 %, 57,1 %

q7.3 Market entry data — 33,3 %, 57,1 %

q7.4 Research and development — 0,0 %

q7.5 Taxation — 14,3 %, 33,3 %, 33,3 %

q7.6 Human resources — 66,7 %

q7.7 Administrative regulations, including legal and financial matters — 33,3 %

q7.8 Market research — 33,3 %, 33,3 %, 57,1 %

q7.9 Tackling cultural and language related issues to ease communication — 14,3 %

q7.10 Introducing important contacts for networking possibilities — 57,1 %, 66,7 %, 66,7 %

q7.11 Access to the UK Advisory Network list of professional service organizations — 14,3 %

q7.12 Identifying UK firms as for potential strategic business partners — 33,3 %, 57,1 %, 66,7 %

q7.13 Helping with practical things — 33,3 %, 42,9 %

q7.14 Finding new UK business opportunities* — 33,3 %, 42,9 %

q7.15 Knowing about expanding in/from the UK or choosing a new UK location* — 33,3 %, 42,9 %

q7.16 Growing industry networks in the UK* — 33,3 %, 42,9 %, 66,7 %

q7.17 Knowing how to have a say in the UK government* — 14,3 %

q7.18 Knowing about trading overseas to/from the UK* — 14,3 %, 33,3 %

q7.19 Setting up headquarters to the UK* — 14,3 %, 33,3 %

q7.20 No information is needed. — 14,3 %, 33,3 %

q7.21 Other (please specify) — 0,0 %

■ q13.1 Company is expanding to the UK at the moment, or it has expanded less than 1 year ago.
■ q13.2 Company has expanded to the UK within 1-3 years.
■ q13.3 Company was established in the UK more than 3 years ago.

Figure 30. Questions 7 & 13: Issues, companies could be interested in receiving more information from UKTI (Choose several) *When the company is already established in the UK

Table 15. Questions 7 & 13

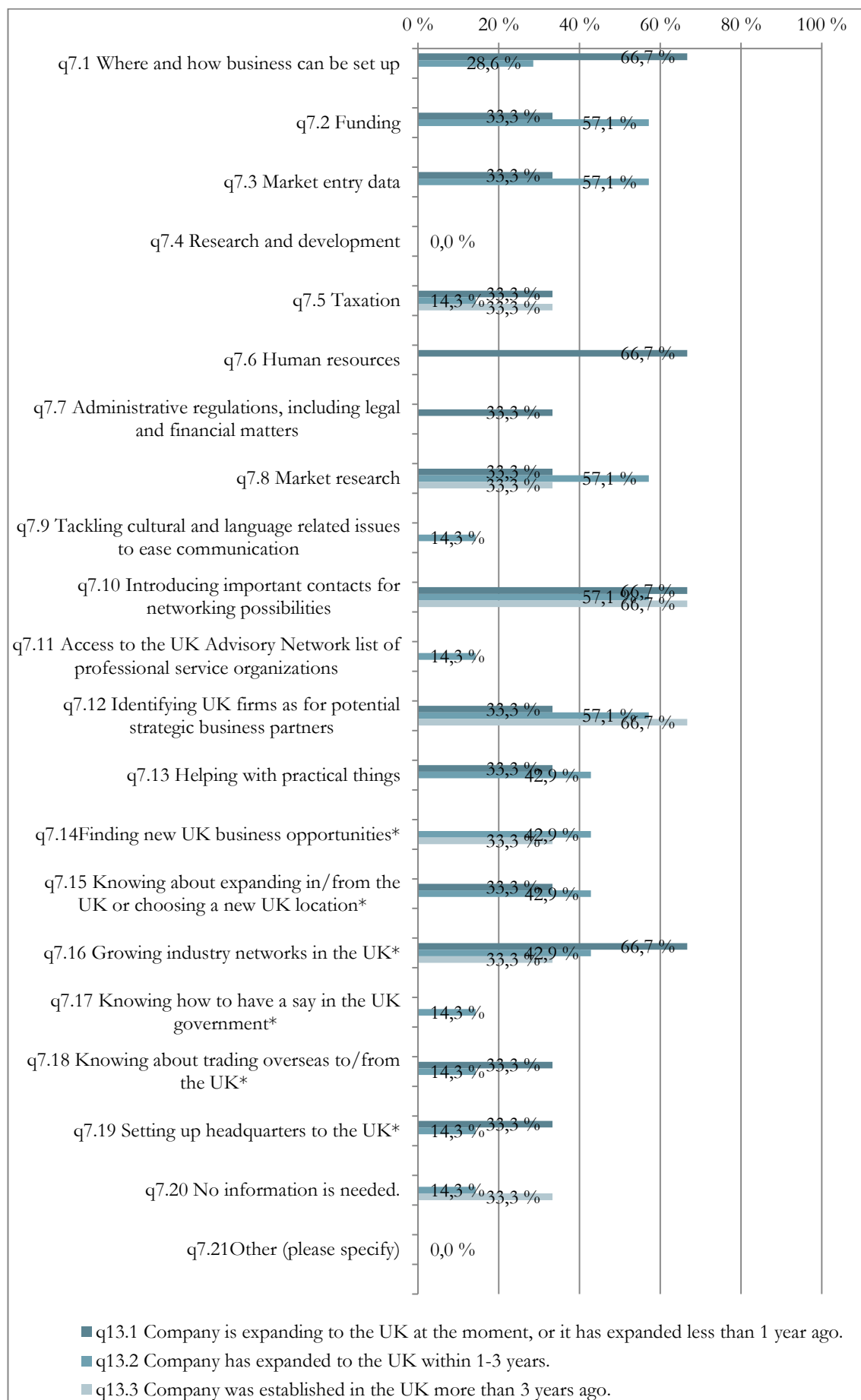|		q13. Which of the following best describes the situation of your company?			
q7. Which issues your company could be interested in receiving more information from UKTI along the company's UK expansion process. (You can choose several options.)		q13.1 Company is expanding to the UK at the moment, or it has expanded less than 1 year ago.	q13.2 Company has expanded to the UK within 1-3 years.	q13.3 Company was established in the UK more than 3 years ago.	Total
q7.1 Where and how business can be set up	Count	2	2	0	4
	% of Total	66,7%	28,6 %	0,0 %	30,8 %
q7.2 Funding	Count	1	4	0	5
	% of Total	33,3 %	57,1 %	0,0 %	38,5 %
q7.3 Market entry data	Count	1	4	0	5
	% of Total	33,3 %	57,1 %	0,0 %	38,5 %
q7.4 Research and development	Count	0	0	0	0
	% of Total	0,0 %	0,0 %	0,0 %	0,0 %
q7.5 Taxation	Count	1	1	1	3
	% of Total	33,3 %	14,3 %	33,3 %	23,1 %
q7.6 Human resources	Count	2	0	0	2
	% of Total	66,7 %	0,0 %	0,0 %	15,4 %
q7.7 Administrative regulations, including legal and financial matters	Count	1	0	0	1
	% of Total	33,3 %	0,0 %	0,0 %	7,7 %
q7.8 Market research	Count	1	4	1	6
	% of Total	33,3 %	57,1 %	33,3 %	46,2 %
q7.9 Tackling cultural and language related issues to ease communication	Count	0	1	0	1
	% of Total	0,0 %	14,3 %	0,0 %	7,7 %
q7.10 Introducing important contacts for networking possibilities	Count	2	4	2	8
	% of Total	66,7 %	57,1 %	66,7 %	61,5 %
q7.11 Access to the UK Advisory Network list of professional service organizations (such as lawyers and accountants)	Count	0	1	0	1
	% of Total	0,0 %	14,3 %	0,0 %	7,7 %

q7.12 Identifying UK firms as for potential strategic business partners	Count	1	4	2	7
	% of Total	33,3 %	57,1 %	66,7 %	53,9 %
q7.13 Helping with practical things (selecting trade fairs, assistance in visiting important locations, accessing incentives)	Count	1	3	0	4
	% of Total	33,3 %	42,9 %	0,0 %	30,8 %
q7.14 Finding new UK business opportunities, when the company is already established in the UK	Count	0	3	1	4
	% of Total	0,0 %	42,9 %	33,3 %	30,8 %
q7.15 Knowing about expanding in/from the UK or choosing a new location in the UK, when already established in the UK	Count	1	3	0	4
	% of Total	33,3 %	42,9 %	0,0 %	30,8 %
q7.16 Growing industry networks in the UK, when the company is already established in the UK	Count	2	3	1	6
	% of Total	66,7 %	42,9 %	33,3 %	46,2 %
q7.17 Knowing how to have a say in the UK government, when the company is already established in the UK	Count	0	1	0	1
	% of Total	0,0 %	14,3 %	0,0 %	7,7 %
q7.18 Knowing about trading overseas to/from the UK, when the company is already established in the UK	Count	1	1	0	2
	% of Total	33,3 %	14,3 %	0,0 %	15,4 %
q7.19 Setting up headquarters to the UK, when the company is already established in the UK	Count	1	1	0	2
	% of Total	33,3 %	14,3 %	0,0 %	15,4 %
q7.20 No information is needed.	Count	0	1	1	2
	% of Total	0,0 %	14,3 %	33,3 %	15,4 %
q7.21 Other* (please specify)	Count	0	0	0	0
	% of Total	0,0 %	0,0 %	0,0 %	0,0 %
Total	Count	18	41	9	68
	Answers per respondent	6	5,86	3	5,23

* q8.4 Respondents' comments:

– Automation

– Construction materials

– Financial and IT services

– Wooden structures

Table 16. Question 8

q8 Which one best describes the main industry your company is currently operating?	% of Total	Count
q8.1 Information and Communication Technology (includes telecommunications, software, creative and media)	53,8 %	7
q8.2 Environmental (includes environmental technologies, renewable energies, energy, efficient technologies)	7,7 %	1
q8.3 Healthcare (includes medical technologies, life sciences)	7,7 %	1
q8.4 Other* (please specify)	30,8 %	4
Total	100 %	13

Table 17. Question 9

q9 What is the number of your company's employees?	% of Total	Count
q9.1 Micro (1-9)	46,20 %	6
q9.2 Small (10-50)	15,40 %	2
q9.3 Medium (51-250)	15,40 %	2
q9.4 Large (251-1000)	15,40 %	2
q9.5 Macro (1001 or over)	7,70 %	1
Total	100 %	13

Table 18. Question 10

q10 What is the turnover of your company?	% of Total	Count
q10.1 Less than EUR€ 2 million	46,2 %	6
q10.2 EUR€ 2-10 million	7,7 %	1
q10.3 EUR€ 11-20 million	7,7 %	1
q10.4 EUR€ 21-30 million	23,1 %	3
q10.5 EUR€ 31-40 million (0%)	0,0 %	0
q10.6 EUR€ 41-50 million (0%)	0,0 %	0
q10.7 EUR€ 51 million or more	15,4 %	2
Total	100 %	13

Table 19. Question 11

q11 How long has your company been in business approximately?	% of Total	Count
q11.1 Less than 1 year (0%)	0,0 %	0
q11.2 1-5 years	53,8 %	7
q11.3 6-10 years	7,7 %	1
q11.4 11-15 years	7,7 %	1
q11.5 16 years or more	30,8 %	4
Total	100 %	13

Table 20. Question 12

q12 Which position best describes your position in the company?	% of Total	Count
q12.1 Top management	92,3 %	12
q12.2 Middle management	7,7 %	1
q12.3 Employee (0%)	0,0 %	0
Total	100 %	13

Table 21. Question 13

q13 Which of the following best describes the situation of your company?	% of Total	Count
q13.1 Company is expanding to the UK at the moment, or it has expanded <1yr ago	23,10 %	3
q13.2 Company has expanded to the UK within 1-3 yrs	53,80 %	7
q13.3 Company expanded to the UK >3yrs ago	23,10 %	3
Total	100 %	13

Table 22. Question 14

q14 How much money your company has approximately invested in the UK during your company's life cycle?	% of Total	Count
q14.1 EUR€ 0	0,0 %	0
q14.2 EUR€ 1-100 000	46,2 %	6
q14.3 EUR€ 100 001-200 000	15,4 %	2
q14.4 EUR€ 200 001-300 000	7,7 %	1
q14.5 EUR€ 300 001-400 000	7,7 %	1
q14.6 EUR€ 400 001-500 000	7,7 %	1
q14.7 EUR€ 500 001-600 000 (0%)	0,0 %	0
q14.8 EUR€ 600 001 or more	15,4 %	2
Total	100 %	13

Table 23. Question 15

q15 Which of the following business structures best describes your company's investment in the UK at the moment, or which business structure it is most likely to take when investing to the UK at the first time?	% of Total	Count
q15.1 Partnership	15,4 %	2
q15.2 Joint venture	7,7 %	1
q15.3 Wholly-owned subsidiary	53,8 %	7
q15.4 Other* (please specify)	23,1 %	3
Total	100 %	13

* q15.4 Respondents' comments:

– Branch office

– UK Ltd stand alone

– We started business in the UK in 2006, but we are still only importing

Table 24. Question 16

q16 In which location is your company established at the moment? (You can choose several)	% of Total	Count
q16.1 Finland	15,4 %	12
q16.2 East of England	7,7 %	0
q16.3 East Midlands	53,8 %	0
q16.4 London	23,1 %	1
q16.5 Northern Ireland	0,0 %	0
q16.6 North East England	15,4 %	2
q16.7 North West England	7,7 %	1
q16.8 Scotland	7,7 %	1
q16.9 South East England	30,8 %	4
q16.10 South West England	7,7 %	1
q16.11 Wales	7,7 %	1
q16.12 West Midlands	7,7 %	1
q16.13 Yorkshire and Humber	0,0 %	0
q16.14 Other* than the UK or FIN (please specify)	61,5 %	8
Total	100 %	13

* Respondents' comments:

– 26 other countries

– 8 other countries

– Italy, USA, Germany, Spain, Japan

– 20 other countries

– Sweden, India

– Sweden, Singapore

– USA, Netherlands, Sweden

– USA

Table 25. Questions 17 & 13

q17. When was the last time your company was in contact with UK Trade and Investment or used its service?		q13. Which of the following best describes the situation of your company?			
		q13.1 Company is expanding to the UK at the moment, or it has expanded less than 1 year ago.	q13.2 Company has expanded to the UK within 1-3 years.	q13.3 Company was established in the UK more than 3 years ago.	Total
q17.1 Less than 2 months ago	Count	0	2	0	2
	% of Total	0,0 %	28,6 %	0,0 %	15,4 %
q17.2 2-6 months ago	Count	1	2	1	4
	% of Total	33,3 %	28,6 %	33,3 %	30,8 %
q17.3 7-12 months ago	Count	1	1	1	3
	% of Total	33,3 %	14,3 %	33,3 %	23,1 %
q17.4 During 2007-2008	Count	1	2	0	3
	% of Total	33,3 %	28,6 %	0,0 %	23,1 %
q17.5 During 2005-2006	Count	0	0	0	0
	% of Total	0,0 %	0,0 %	0,0 %	0,0 %
q17.6 During 2003-2004	Count	0	0	0	0
	% of Total	0,0 %	0,0 %	0,0 %	0,0 %
q17.7 Other (please specify)	Count	0	0	1	1
	% of Total	0,0 %	0,0 %	33,3 %	7,7 %

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