

## MARKETING RESEARCH PROPOSAL

### Background

The movement of people, goods and animals from one point to another entails the transport system. There are several means applied that include air, water and land. Others are cable, space and pipeline. On land, people use animals, vehicles and trains. People use boats, ships and even ferries on water while they use airplanes in the air. There are many reasons why people or goods are transferred from place to place. Some of these reasons are trade, pleasure and means to reach workplace or school. This transport sector involves several participants ranging from passengers, operators, investors, government and international bodies. This sector changes every single day with new ideas being encompassed. All these parties involved seek to satisfy their needs. Passengers need to reach their destination, operators need income, investors will require profits and the government will require tax. Therefore, it all comes down to passengers choosing the mode of transport which they use on the basis of cost, speed, route and capability.

The transport system in the United Kingdom is really diversified. There are a number of transport means used depending on advantages and disadvantages they portray. Trains are fast but expensive; coaches are cheaper but slower and are preferred for long distance trips. Cabs are used for shorter distances and lastly, canals mainly transport goods. The inland waterway systems in the United Kingdom utilise canals and rivers in the provision of transport means. The UK canals perform several functions and produce different outputs. The original idea behind setting up the inland waterways in the eighteenth century was to benefit from the returns derived from transportation of goods between towns or commercial centers (Adamowicz et al, 1995). However, the financial gains from this sector declined from the mid-nineteenth century onwards.

This was until 1945 when the situation got better due to growth in revenue from recreational activities on waterways (Adamowicz et al, 1995).

There are several outputs from canals classified into various groups. Financial revenues come from freight traffic, water sales and recreational services. Externality profits come from drainage functions, open access recreation along canals and amenity profits on properties next to waterways. Furthermore, there are passive usage values that include heritage, cultural, wildlife and ecological benefits of canals. All the activities of financial and economic status taking place within or around the waterways are recorded in the British Waterways annual accounts. This helps to keep records and know whether a change in policies impacts the revenue collection from the waterways negatively or positively. Therefore, the changes that come with allowing American investors to indulge in this sector will be noticed.

American investors, on the other hand, will want to gain profits from their investments. At the same time, they will want to get involved in an economically and ecologically sustainable system. The stakeholders in the UK waterway transport business need to increase the number of advertisements and awareness campaigns to attract more investors.

European Union laws will influence the arrival and investment of the latter in the UK. If the laws are not favourable, then the number of foreign investors will be low. Every signatory of European Union laws is obliged to abide by the laws and implement them. Therefore, the UK needs favourable laws in order to attract and accommodate American investors.

### Problem Statement

This research proposal seeks to identify how British people can make the transport investment in inland waterways attractive for potential American investors. This will entail limiting the number of conflicts of interest in the waterways, giving favourable business

environment and charging reasonable taxes. There exist recreational conflicts in the United Kingdom between anglers and boaters. Anglers are the legal rights holders while boaters are moral rights claimants. Complex land and property rights seek to resolve these conflicts. Otherwise if these conflicts are unresolved, it will be difficult to attract foreign investors who will be scared off (Church et al, 2007).

Improving the foreign investment environment also involves charging reasonable taxes. Foreign Americans are afraid of corruption in host countries, but not necessarily more so than average OECD investors. This is in spite of the U.S. Foreign Corrupt Practices Act of 1997 (Wei, 2000). This aversion by American investors causes them to back off from investing in potentially profitable markets.

American investors have been duped out of their money in the past. This is a situation whereby some of them were looking for an easy way out in terms of investment and even early retirement. However, this did not end well as they were duped out by insiders (Lerach, 2002). Will the UK government ensure security of the foreign investors' money or let fraudsters dupe them out? This is a critical question that needs attention if the UK government wants to attract American investors.

The second issue to be addressed is how European Union laws and regulations affect foreign investors. This is a political and economic organisation of 27 countries that are mainly located within the geographical location of Europe. The United Kingdom is one of these states. To become a member, a country needs to meet the Copenhagen criteria of 1993. The country is not only required to have a stable democracy and a functioning economy that can compete within the Union, but it also has to accept membership obligations. Membership requires accepting the EU laws.

As a member country, the United Kingdom respects and accepts any law that is passed by other member countries. If any law restricts foreign investors in any member country, then the UK is bound to the same rules. Therefore, it is imminent that the EU laws give room for as many foreign investors as possible in their member states.

The UK government needs also to check whether the inland waterway transport system is economically and ecologically sustainable in the long run. If the use of inland waterway will in anyway interfere with the environment (air, water and land), in a matter that is catastrophic, then the government should limit investment in this sector. This is the reason why Commission for Integrated Transport was established. This Commission is independent and it advises the government on integrated transport policy (McKinnon, 2007). The Commission checks integrated transport on its interference with wider government policies on environment protection, economic prosperity, and protection of citizens' health.

Climate change will definitely have an impact on the use and management of water resources in the UK (Arnell, 1998). It is, therefore, necessary to regulate the activities both within the water bodies and their surroundings for a chance to continue using the waterways. Micro and macro organisms of harmful effect can easily invade the water bodies as a result of activities in the area. Identification of potential biological invaders would prove valuable in the allocation of resources used to detect and control invasion threats. However, freshwater scientists have put less effort in predicting viable invaders, apparently because such attempts are thought to be expensive and futile (Ricciardi, 1998). This is an issue that unresolved results in pollution of the water sources may lead to loss of flora and fauna in the affected water bodies.

## Research Objectives

The first objective of the proposal is to identify how British people can make inland waterways transport attractive for American investors. The only way to achieve this is to try and eliminate some of the challenges that foreign investors might experience. These problems range from legal to financial and social inconveniences. These issues greatly affect investors as they would not like to risk investing in an environment where they are not assured of either their security or that of their money.

The government must ensure that any kind of conflict involving the inland waterway transport system is quickly resolved. Clear government policies should be put in place to address any conflict that might arise especially with business operators and recreational users of inland waterways. Any conflict that involves an investor and a local person or government should be dealt with dignity and diligently resolved.

The government also needs to address taxation issues. Imposing huge taxes on foreign investors will discourage their continued contributions to the country's economy or won't attract other investors. Since a suitable business environment will encourage continued participation of investors, others will also come seeking to benefit as well.

The second aim is to show how European Union laws and regulations affect investors outside the EU. The EU took a key step in providing legal confidence to foreign investors sometimes in 2012. It took a massive step in offering foreign investors' protection thereby ensuring that Europe is still has an attractive and safe place for foreign investment. The proposal passed on that day sought to establish a financial and legal framework for settlement of dispute between investors and states. That decision ensured that the EU has the right system

management of international investment rules, which is effective in case a dispute emerges between the EU or its member states and foreign investors.

The EU's emergence as a strong and valid regional entity has had enormous impact on countries' policies and investor strategies in Europe (Oxelheim, 2004).

Thirdly, the research seeks to outline the potential future growth in inland waterways. This sector is one of the oldest means of transport in the UK. It grows every single day especially with construction of smaller, energy efficient but very effective vessels. Since the waterways started with an aim of transporting freight, it only changed from a loss making adventure when recreational activities came into place.

In addition, this proposal will explain whether using inland waterways as a mode of transport will be an economically and ecologically sustainable transport solution. Reports show that inland waterway is a means of transport not only in the UK but also in twenty other members of the European Union. It therefore plays a vital role in transportation of goods in Europe making it economically sustainable. This kind of means of transport is reliable, has low environmental impact and has a major capability for increased exploitation unlike other modes of transport that are usually faced with capacity and congestion problems.

Since it is environmentally friendly in terms of energy usage, noise and gas emission, inland waterway system offers a competitive option when compared to road and rail transport.

#### Proposed Data Collection Methods

Some of the proposed data collection methods include administration of questionnaires, performing interviews, taking of photos and research in various sources like libraries. Other sources that will be involved in the research are the Internet sources which include TCPA, European Commission (Mobility and Transport), Atkins Global and Gov.UK (Inland waterways

and Categorization of water). I will involve the local media as well by watching television, listening to radio and reading the newspapers. These will not only give the overall picture of inland waterway transport system in the UK but it will also give information regarding the current nature of political and economic systems in the UK especially in relation to foreign investment.

I will administer questionnaires and interview all the stake holders involved in inland waterway transport system in the UK. Questions to potential American investors will include: what they intend to gain from investing in UK inland waterway transport, what are some of their previous business adventures, whether they will adapt to different market systems offered in the UK. These questions will vary. Some of the questions will require yes or no answers while others will need descriptive answers (open-ended questions). The questions will serve to expose some of the expectations, fears and hopes of potential American investors. These will help the UK government to know which key areas to emphasise in order to make the country attractive for American foreign investors.

Some of the questions administered to government officials will involve taxation rates on foreign investors and provision of security. I will ask what they would do to protect the investors and their money. I will also set a task for them to explain how they would deal with investor-local or investor-government conflicts. This will be the key in ensuring that any conflict that might involve foreign investors is dealt with in the best way possible to maintain their interest in the UK. The competition for foreign investors in Europe is on the rise and since several EU members also have inland waterway transport systems, investors might be tempted to invest in more business friendly areas (Church et al, 2007). This would mean loss of business opportunities for the stakeholders in the UK.

I will gather public opinion concerning inland waterway transport, as they are the ones who use transport facilities on daily basis. I would ask people whether they would prefer road, train or water transport. Their views on this matter are of great weight. It would be meaningless to invest in an area which is not expected to yield the desired profits. I will also seek their views on the influx of foreign investors. Knowledge on how public views foreign investment is crucial in the business relationship that will result from arrival of American investors.

I will interview already existing American or any other foreign investors. I would seek their views on the proposed involvement of more American investors. I would also ask their opinions regarding the current working environment. If they approve the current status of affairs then it would be easier to attract more Americans. If they disapprove the current system then I would seek their advice on the methods to make the working environment better.

In addition, I would also take photos of waterways, vessels using this system and the areas surrounding canals and rivers. This is important in analysing the effects vessels have on waterways and surrounding areas. The research suggests that the noise and gas emissions from vessels that use waterway means are modest in comparison to road or rail users. Moreover, this kind of transport system ensures an increased degree of safety especially in the transportation of dangerous goods. These are best expressed in pictures showing the vessels in action.

#### Proposed Sampling Plan

The sampling will be done in such a way that all the stakeholders involved in the inland waterways transport system will be covered. I will randomly pick potential American investors, already existing foreign investors, government officials, passengers and transport operators. I will interview experts in foreign investment and in matters of the European Union as well.



Although it will be a randomised mode of choosing interviewees, I would try as much as possible to cover people from most parts of the country.

When choosing foreign investors, I will try to check investors with different qualities. This will help in taking care of diversity that exists among investors or potential investors. I will try to get both experienced and inexperienced businessmen.

#### Planned Data Analysis Methods

I will check, refine and present the data obtained from various sources mentioned above and present it in way that highlights useful information and precise conclusions. I will analyse the data in both qualitative and quantitative methods. I will use tables, charts and even short notes to analyse and try to predict the potential outcome of the question at hand.

I will categorise the findings from different groups into separate tables. I will then put the advantages and disadvantages of promoting foreign investors against each other. This will give a clear picture whether the government is justified to look for more foreign investors.

I will use a simple bar graph to present the revenue income from this sector over the last few years. This will help see whether the foreign investors have an impact on the revenue obtained from inland waterway transport system.

#### Potential Uses of Findings

I will try to present the findings to every potential investor and to the UK government. I will also try to make the findings available to the public through the Internet, media and journals. These findings will be very effective if taken into practice and the views presented by the stakeholders taken seriously. The views of foreign investors and potential investors can help the government find out what to do in order to attract more investors. Since the main aim of the

research is to identify how transport investment in inland waterways can be made attractive to potential American investors, there will be no better means to reach that aim than by asking investors what they are interested in. Therefore, the government can use these findings to meet their main objective.

These findings can also be used by potential business investors, especially foreigners, to be acknowledged with the actual situation in the UK. This will help them make shrewd decisions on whether to invest in the area under question or not. They will also make right decisions based on facts rather than on hearsay. Misleading information is dangerous and many Americans have fallen for such pranks before and hence they are really careful now when investing their money.

These findings can be useful to the public as well. They will be in a position to understand some of the decisions made by the government. Instead of taking major events for granted, they will be in a position to understand what is going on. This will give them a chance to get involved in the business opportunities that will arise with the influx of American investors.

These findings can be used by the European Union. Since this political and economical organisation is strong enough to influence foreign policies of its member countries. It can use some of the recommendations in the research to make laws which promote foreign investors within their domain. This will allow for the growth of individual states as well the Union as a whole.

#### Time Schedule

The research will take about three months. Below is an outline of the timing:

Weeks 1 – 2: Doing area reconnaissance study. The areas will be those which I have planned to visit in the search of data. This will help in the familiarisation and hence I will be at ease and more composed when conducting the actual research. A prior visit will also prove

useful in helping potential correspondents to be friendly and at ease during the actual interview. They will also tend to be at ease and answer the questions as best as they can. The visit will also help in identification of potential difficulties that might arise from the data collection techniques. It will help in identifying whether the data collecting tools would be effective or not. If they will come short of my expectations then their replacement with more effective ones would be inevitable. I will also get a chance to assess potential interviewees if they are appropriate for my research.

Weeks 3 – 10: Doing the actual research. This will involve going to areas that I identified and where the reconnaissance study has been performed. I will visit all the places one by one as I conduct various studies. I will interview foreign investors first. Using the well prepared set of questions, I will ask them each and every question seeking clarification as often as possible in order to avoid vague or incomprehensible answers. I will then visit government offices in the departments of transportation, foreign affairs and finance. I will try to find out the current state of the inland waterway transport system in the country from the representatives of the department of transportation. I will ask them questions regarding the measures taken in order to improve the transport sector and to make it even more attractive for foreign investors. I will ask them to assure that the desire to attract more foreign investors will not result in lowering the safety measures and protocols that have characterised this sector so far. I will try to find out how local people can benefit from the expected rise in the number of foreign investors. This will take me about two weeks.

From the Department of Foreign Affairs I will try to find out the technicality of potential foreign investments. I will try to find out if American investors would work from their parent country, come to the UK or would either depend on another individual. I will try to find out the

requirements and specifications that investors need to get a chance to invest in the UK. I will also ask them questions concerning their rights and privileges. It is necessary for Americans as they will be drawn towards a welcoming and friendly business environment. This exercise will need about one week.

From the Department of Finance, I will try to find the relevant information regarding taxation. I will try to find out information about tax foreign investors will be charged. It will take about one week moving from one office to another looking for answers. The issue of taxation is crucial and I will take extra care to find out every detail as it is a huge factor in attracting American investors to the UK.

It will then take approximately two weeks to visit and interview the public. Their contributions are of great essence and hence their views should also be taken into consideration when attracting American investors.

I will spend one week walking around some of the waterways used for this inland transportation. I will observe canals and rivers to see whether transportation vessels interfere with the natural ecosystem. I will also visit some of the ports used as terminals. I will spend plenty of time there to see whether these ports influence the economic growth of the surrounding areas. I will also take photos.

Weeks 11 – 14: I will spend this time organising the data collected and presenting it in a presentable manner. It will take about two weeks to complete this task. The final presentation will be made during the remaining week.

### Cost Estimates

The amount of money that I will use will be about 10,000 pounds. Money will be used basically for travelling, accommodation and other miscellaneous expenses during the research. I will use about two thousand pounds for transportation. About six thousand pounds will be required for accommodation and food when travelling long distances. Otherwise while researching I will travel to and from the place which is much more economical. I will use the remaining two thousand pounds for additional expenses that may arise while conducting the research. These additional expenses might include credit, toiletries and purchase of other small items. This should be a reasonable budget to help in the research but should not remain fixed due to the current volatile markets where prices might easily fluctuate when the actual research takes place much later than it was originally expected.

In summary;

2, 000 pounds – Transportation

5, 000 pounds – Accommodation and food

2, 000 pounds - Miscellaneous