

APPROACHES TO ENHANCE THE INVESTMENT ATTRACTIVENESS OF MULTINATIONAL ORGANIZATIONS

ENFOQUES PARA MEJORAR EL ATRACTIVO DE INVERSIÓN DE LAS ORGANIZACIONES MULTINACIONALES

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ABSTRACT

Contemporary research on investment attraction procedures has tremendous significance. Generally, the actions of economic flow at the global rate are defined by the attractiveness of investment notion. A specific principle in absorbing and investments placement is allotted to multinational organizations, which hold the biggest effect on the global financial resources' movement. The primary objective of the study is a deep investigation and assessment of approaches dedicated to raising investment and appealing to multinational organizations. The basic analysis laws for organizations in relation to the evaluation of their attractiveness of investment are taken into account. The study analyses the features of research of private and institutional investors with the biggest transnational organizations. The study also evaluates the arenas for investments as an element of investments' appeal. Analysis of data shows a continuous fall in the relation between its indexes and the investment attractiveness of the 50 biggest organizations worldwide. It can be inferred that securities repurchase, industry examination, and diversifying organization activities may be deemed as the most efficient approach to raise the lasting attractiveness of investment in organizations.

Keywords: investment attractiveness; investment attraction procedures; organizations; financial flow; global financial resources.

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RESUMEN

La investigación contemporánea sobre los procedimientos de atracción de inversiones tiene una enorme importancia. Generalmente, las acciones del flujo económico a la tasa global están definidas por el atractivo de la noción de inversión. Se asigna un principio específico en la absorción y colocación de inversiones a las organizaciones multinacionales, que tienen el mayor efecto en el movimiento de los recursos financieros globales. El objetivo principal del estudio es una investigación profunda y una evaluación de los enfoques dedicados a aumentar la inversión y atraer a las organizaciones multinacionales. Se tienen en cuenta las leyes de análisis básicas para las organizaciones en relación con la evaluación de su atractivo de inversión. El estudio analiza las características de la investigación de inversores privados e institucionales con las mayores organizaciones transnacionales. El estudio también evalúa las arenas para las inversiones como un elemento del atractivo de las inversiones. El análisis de los datos muestra una caída continua en la relación entre sus índices y el atractivo de inversión de las 50 organizaciones más grandes del mundo. Se puede inferir que la recompra de valores, el examen de la industria y la diversificación de las actividades de la organización pueden considerarse como el enfoque más eficiente para aumentar el atractivo duradero de la inversión en las organizaciones.

Palabras clave: atracción de inversiones; procedimientos de atracción de inversiones; flujo financiero; recursos financieros globales.

INTRODUCTION

Fashions and tendencies in the growth of the contemporary global economy are getting more linked to the particulars of performing business by tremendous transnational organizations. regarding economic science, multinational organizations involve huge global organizations conducting a substantial amount of their business actions in foreign nations. The 3 biggest global organizations conventionally include Amazon, Apple, and Microsoft, with most transnationals positioned in USA. The investments appeal of organizations supplies them along with heightened earnings diversity, affordable capital-raising resources and constantly high-capitalization expansion (Shumik et al., 2019). As a result, raising the investment attractiveness of businesses is deemed an essential task in the growth of multinational organization (Dzwigol et al., 2019).

The notion of investments' appeal may be regarded as a thorough class permitting for the evaluation of companies efficiency (Sabirov et al., 2021). Nonetheless, the means to such assessment can undergo changes based on the new standards utilized by today's investors. Thus, that evaluation might not fall in line with the perspective of institutional or retail investors (Osipov & Astakhova, 2018). A couple of researchers apply the conventional means to evaluate investment appeal as the fundamental one (Ilyash et al., 2020; Koval et al., 2018).

The usage of basic examination in evaluation the investments' appeal of multinational organizations seems rational and has been deemed already as a totally proper and efficient research technique (Zavodovskaya & Protas, 2020). In the meantime, in today's circumstances it has gotten entirely vivid that several indexes will show the factual image of the businesses with a substantial delay (Nedoluzhko, 2018). A great informing instance here is Intel Corporation featured by proper basic Information.

Consequently, the research shall deem the most related methods and trends to enhance capitalization as a major standard of investments' appeal at the global level.

METHODOLOGY

The main aim of this current survey is to examine and investigate the approaches concentrated on raising the investment appeal of international organizations. To attain that aim, it seems crucial to recognize the elements affecting the investment attractiveness, and also the drawbacks and benefits of the currently present approaches to guarantee a sustainable expansion in the companies' capitalization.

It appears vital to mention the fundamental analysis (FA) as the primary study approach, permitting the business benefits and drawbacks to regard in regards to a vast set of economic and financial indexes. The class of that kind indexes may be literally vast, and both absolute and relative indexes can be utilized (Table 1).

Table 1. Indicators of FA regarding Amazon over the course of 2021

Indicators	Values	Indicators	Values	Indicators	Values
P/E	61.500	EPS (ttm)	52.550	Insider Ownership	10.200%
Forwards P/E	44.830	EPS next Y	72.090	Insider transaction	-3.840%
PEG	1.600	EPS next Q	12.160	Institutional ownership	59.000%
P/S	3.810	EPS this Y	81.900%	Institutional transaction	0.110%
P/B	15.760	EPS next Y	29.290%	ROA	9.100%
P/C	21.820	EPS next 5Y	38.400%	ROE	30.500%
P/FCF	73.390	EPS past 5Y	101.800%	ROI	13.900%
Quick Ratios	0.800	Sales past 5Y	29.300%	Gross Margin	40.000%
Current Ratios	1.100	Sale Q/Q	43.800%	operating Margin	6.600%
Debt/Eq	0.670	EPS Q/Q	215.400%	Profit Margin	6.400%
LT Debt/Eq	0.660	Earning	April 29 AMC	Pay-out	0.000%

Regarding that sample, all of the classic indexes of the profitability of the corporate demonstrate somewhat big amounts. Nonetheless, contemporary research approaches tend to reveal the inadequate profitability role while selecting an organization as a target for investments (Nikiforova, 2019). In case the P/E index was formerly regarded the greatest constructive and significant investment index, today, it is progressively frowned upon by related researchers (Tsirekidze, 2019).

Nonetheless, nearly all FA indexes aren't able to supply an objective evaluation of the organization's prospective growth rates. Scholars may be assisted just through the PEG index information, showing the significant Amazon's expansion rate; they can be deemed as a tough investment appeal's benchmark (Takhumova et al., 2018).

Scientific and robust investigation may be deemed as a further approach affecting making a decision on making an investment in a specific organization. The utilization of technical analysis as a study approach is on mainly the basis of evaluating the dynamics of stock price and graphical analysis, is more temporary in its essence. Figure 1 demonstrates the alteration in the Amazon shares' values.

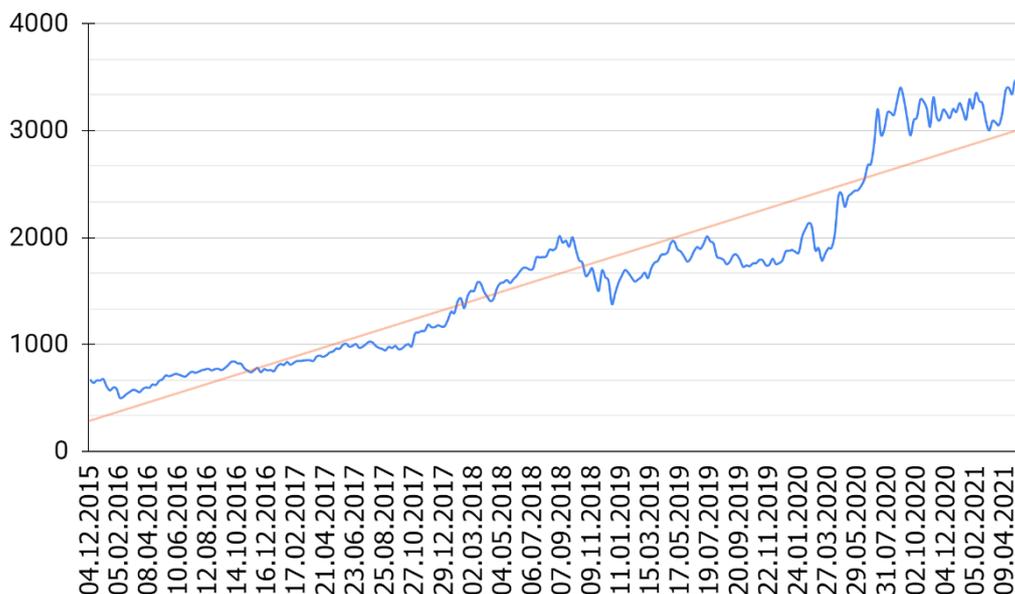


Figure 1. Performance of Amazon stock in the course of 5 years

The technical analysis's trend indicators, which in simple way may be regarded as straight lines, demonstrate the constant expansion of investment and capitalization appeal of the organization. The precision of the mentioned approaches has repeatedly been frowned upon. In the meantime, the vast majority of scholars affirm that technical analysis means have to be utilized especially in conjunction with other analysis approaches (Petruk & Vorozhbit, 2017).

The application of statistical info on the actions of international organizations is upon the basis of the indicators analysis from information resources. The research was carried out based on fifty biggest international organizations (Koren et al., 2019). Meanwhile, a dynamic series' comparative investigation of above 5 years is utilized as the primary approach of processing financial data. Additionally, it appears vital to utilize the expert assessments approach (Bubnovskaya et al., 2018) to assess the properness of the utilization of individual indexes in evaluating their effect upon the appeal of investment.

It is worth noting that industry investigation is getting highly significant and shall be deemed a trustworthy approaches for evaluating investment appeal (Mutalimov et al., 2021). For instance, the issue of semiconductors lack in the world market results in an automated rise in profits, profitability, and revenues of organizations involved in that activity area. For instance, Applied Materials and Lam Research organizations involved in the equipment goods for the semiconductors supply generation themselves with ensured expansion of profits and revenues in a mediocre term.

While evaluating appeal of investment, it seems vital to consider macroeconomic elements. The growth of the inflationary scenarios seen at the global level will result in the investments expansion in the industries of raw productions with an outflow of capital from the hugest technological organizations. It is worth noting that the concurrent utilization of macroeconomic and industry analysis can be efficiently utilized by organizations aiming to create new kinds of action for them. For instance, the good outlook of storage technologies and big data cloud have resulted in a big investments' influx

from the most immense technology organizations.

As a result, the activities' diversification on the basis of the growth of good markets can be deemed as the most efficient approach to raise investment appeal in the long run (Alam et al., 2019). In the prevailing era, transnational organizations deem the business actions' diversification as a means to guarantee both stability and security of the growth of financial flows.

An instance of that method is observed in the arenas of entrepreneurial action of Amazon. Firstly, the organization was linked specifically with Online sales to end consumers. Toward the start of the year 2021, Amazon Web Services, an Amazon subsidiary, arrived at 32 percent of the cloud market. That is more than its nearest rivals Google Cloud Platform (7%) and Microsoft Azure (19%). In the meantime, the Amazon AWS area already brings 12 percent of the organization's income. The organization is swiftly evolving into the pharmaceutical market.

RESULTS

The present research's results affirm the notion that there exists not any global means to the selection of efficient approaches to enhance the investment appeal. A comparative analysis of approaches depending on environmental elements and that are associated with the actions of organizations shall be carried out one-by-one.

The desirable macroeconomic climate and the analysis of industry on its basis permit to straight funding the greatest marginal actions as a main preference. In that regard, corporate management's managerial decisions won't hold a great effect on investment appeal. However, there stand several instances when organizations of the similar industry demonstrated opposite outcomes. For instance, Intel Corporation could not utilize the tactical benefits of the industry related to the expansion in need of semiconductors. In contrast, AMD or Taiwan Semiconductor Manufacturing organizations have succeeded in increasing their profits and sales a couple of times over (Alexandrov and Skvortsova, 2021).

In this present survey, we could manage to make a conclusion that among the primary characteristics of transnational organizations is the free cash flow and huge profits created, since even over the course of the Covid-19, most leading transnational organizations held a desirable financial outcome. According to the carried out study, it has been found that the trajectories of profit application can substantially affect the level of the attractiveness of investment in the organizations.

The profit gained may be transferred to the purchase of dividends, own shares, or acquisition of other sorts of businesses, such as smaller organizations (Petryk et al., 2020). Proof from the last five years demonstrates a continuous rise regarding the corporate buyback schemes.

DISCUSSION

Conventional means to define investment appeal via the dynamics and value of net earnings are today remarkably frowned upon. growth of brand-new lines of businesses and getting into new markets get decisive and influential elements. Industry analysis and macroeconomic permits timely discovering the most desirable activity areas, and providing forecasts on the their development's dynamics (Melnik et al., 2018).

Moreover, the management of most organizations constantly attempts to utilize conventional approaches to raise their investment appeal. Hence, organizations at the phase of their maturity utilize dividends as a means to enhance the general capitalization. Having said that, those approaches are steadily losing their importance. From the perspective of contemporary FA, high split yield is getting a demonstration of inadequate perspective and anticipation for the growth and expansion of business.

CONCLUSION

Considering the approaches to raise the appeal of investment of multinational organizations' business holds a significant viable value. The utilization of legitimate and feasible means to resolve the issue of investment funding can substantially raise the margins and capitalization of businesses. The approaches of macroeconomic, technical, fundamental, and industry examinations are employed over the course of his study. The need for utilizing the entire totality of the suggested approaches in resolving the issue of seeking the most efficient means of business growth of multinational organizations are discovered.

The action of organizations' management proceeds to give an informative role to play in selecting the elements of dividend policy. Consequential financial sources gathered in the corporations' balances along with the affordable expense of brand-new borrowings permits contemplating securities buyback schemes as a global approaches to raise investment attractiveness. The vast prevalence of utilizing buyback schemes when making an investment in the growth of desirable business arenas can be observed as a new criterion supplying an investment inflow and capitalization growth.

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