



## AN EXTERNAL PERSPECTIVE...

Executive Perceptions of Puerto Rico's  
Business Climate

March 13, 2020

**60**  
**YEARS**  
SPECIALIZING  
IN  
**MARKETING**  
**PLACES**

**500+**  
represented  
places

**cities**  
**states**  
**regions**  
**countries**

**4 OFFICES**

NEW YORK 

LOS ANGELES 

DENVER 

TORONTO 

**65**  
**MARKETERS**  
WITH A PASSION FOR  
**PLACES**





## OBJECTIVE

To understand the current perceptions and misperceptions among key target audiences and establish a baseline for future marketing campaigns, messaging and policy development.

## RESPONDENTS

A total of 202 respondents: 149 corporate executives and 53 location advisors.

## METHODOLOGY

Two 17-question online surveys conducted in December/January 2020.

# KEY TOPICS

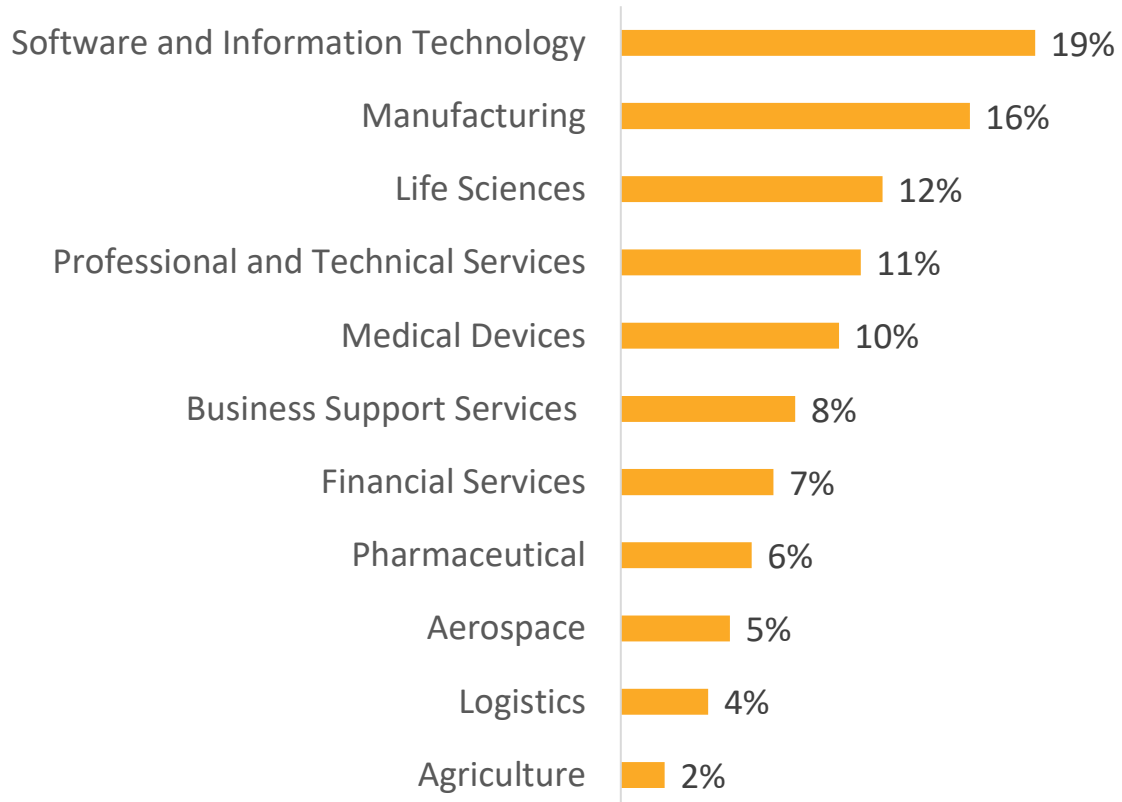
1. Perceptions of Puerto Rico
2. Project History
3. The Competition
4. Role of Invest Puerto Rico
5. Key Findings



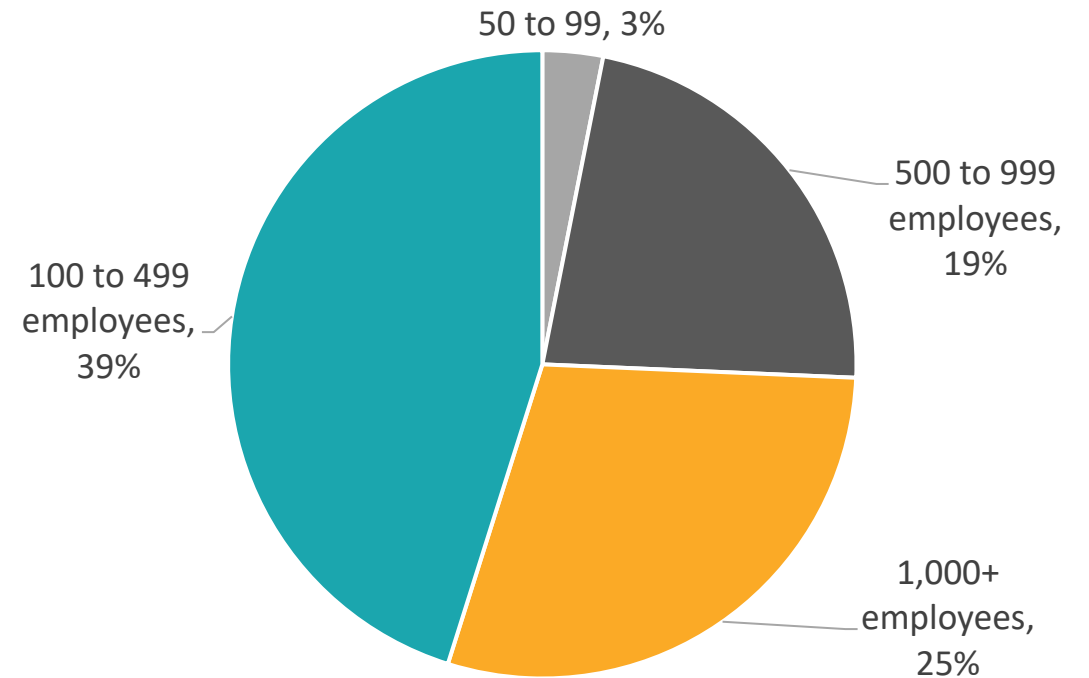
# Respondent Profile (Corporate Executives)



## INDUSTRY SECTORS:

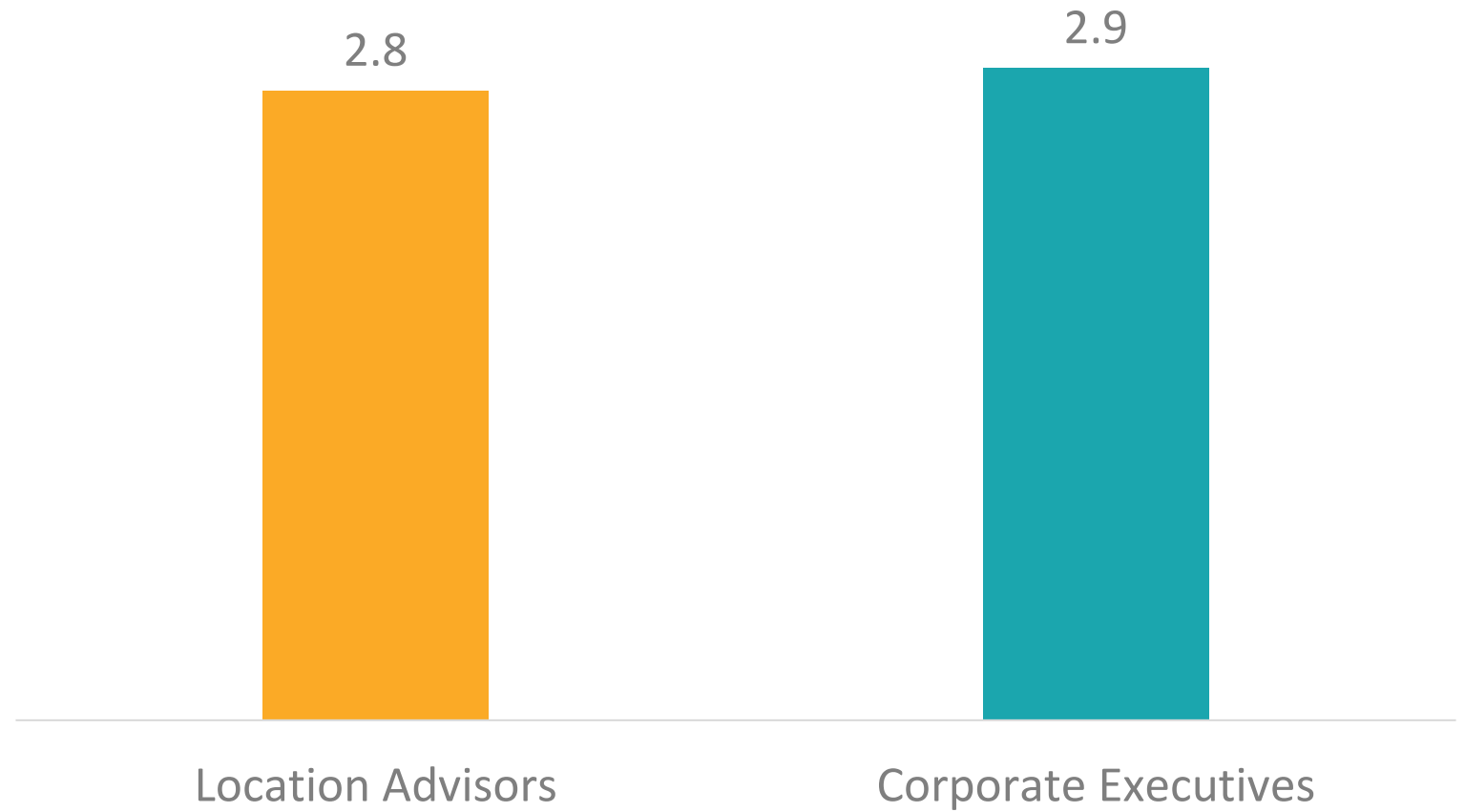


## NUMBER OF EMPLOYEES



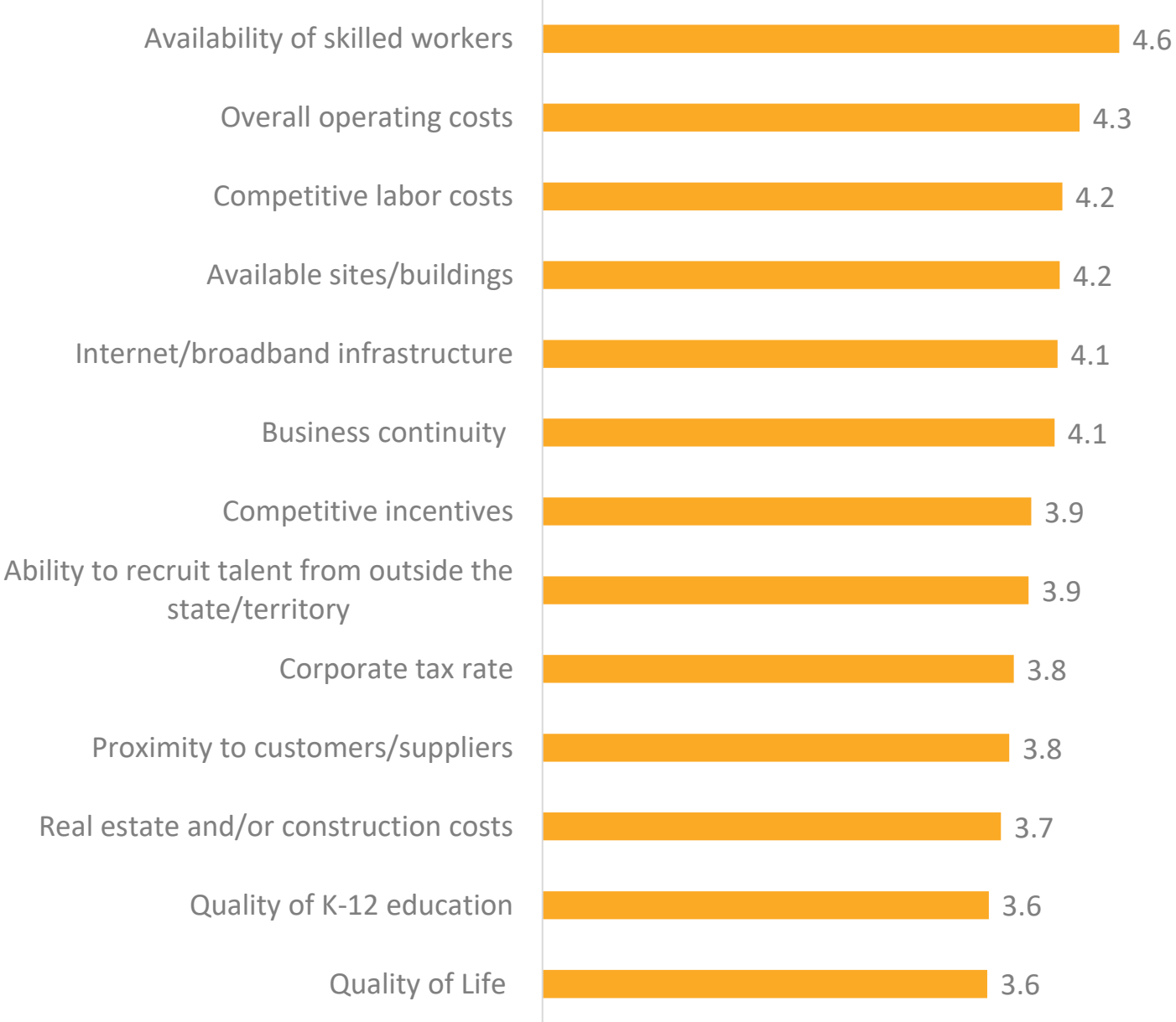
# PERCEPTIONS OF PUERTO RICO

*Q: Regardless of whether you have considered Puerto Rico for a relocation or expansion project, how would you rate the overall business climate of Puerto Rico on a scale of 1 (poor) to 5 (excellent)?*



# Location Advisors

*Q: Understanding that each project is unique, please rate the importance of each of the following factors in your client's relocation/expansion projects? (On a scale of 1 = Less Important, 5 = Extremely Important)*

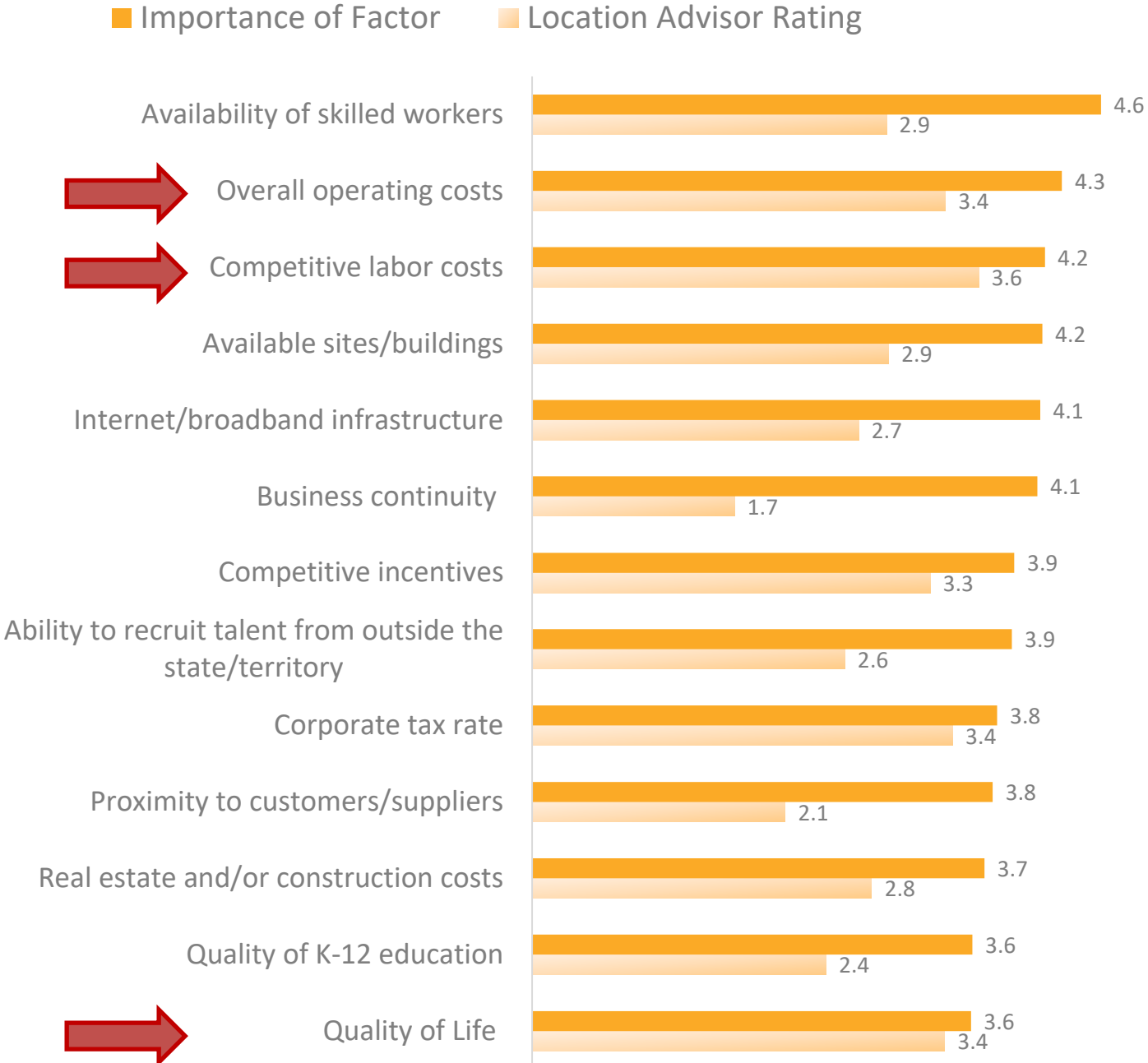




# Location Advisors

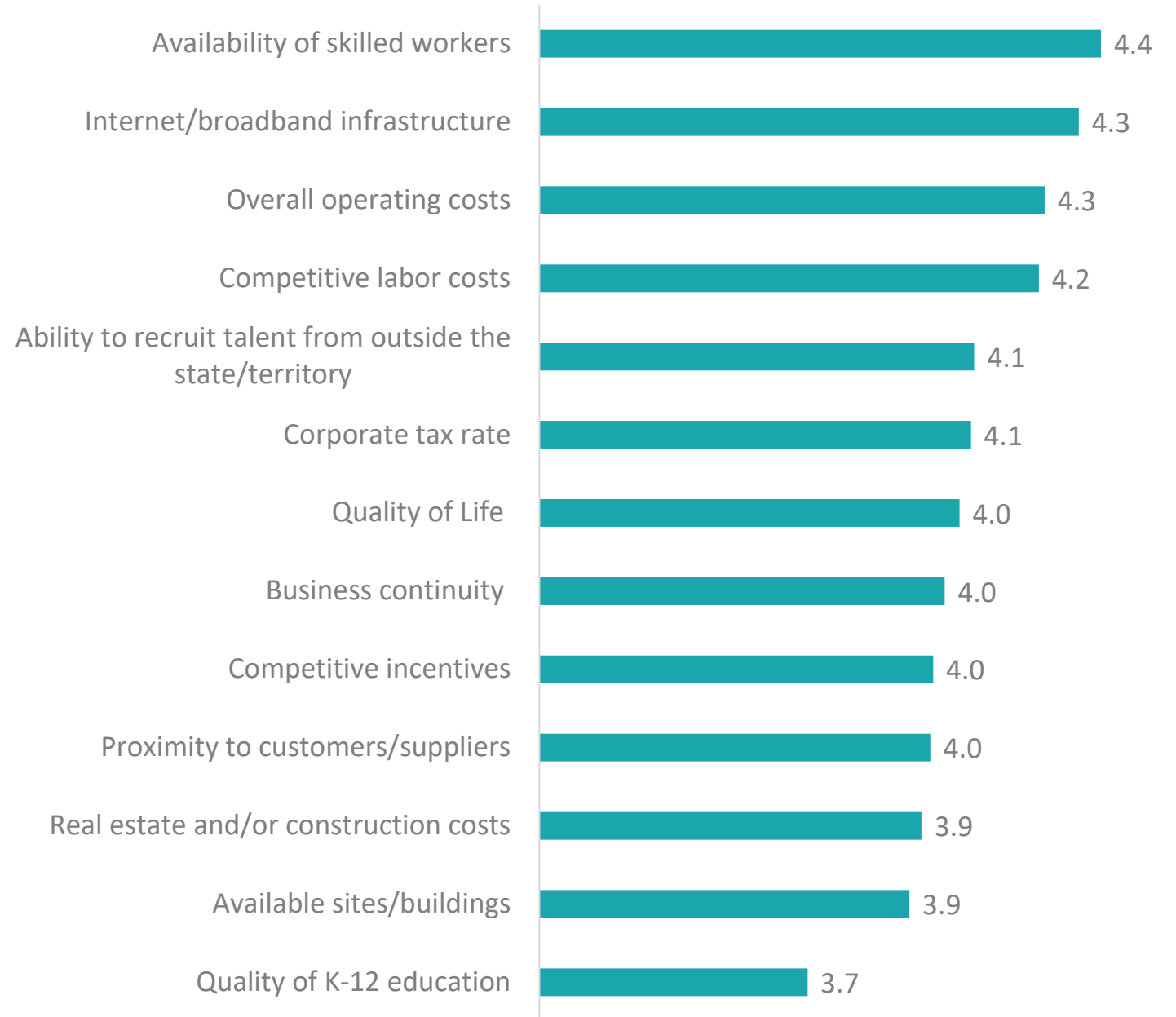
*Q: Understanding that each project is unique, please rate the importance of each of the following factors in your client's relocation/expansion projects? (On a scale of 1 = Less Important, 5 = Extremely Important)*

*Q: Based on your perceptions of Puerto Rico, please rate each of the following factors on a scale of 1 = Poor, 5 = Excellent.*



## Corporate Executives

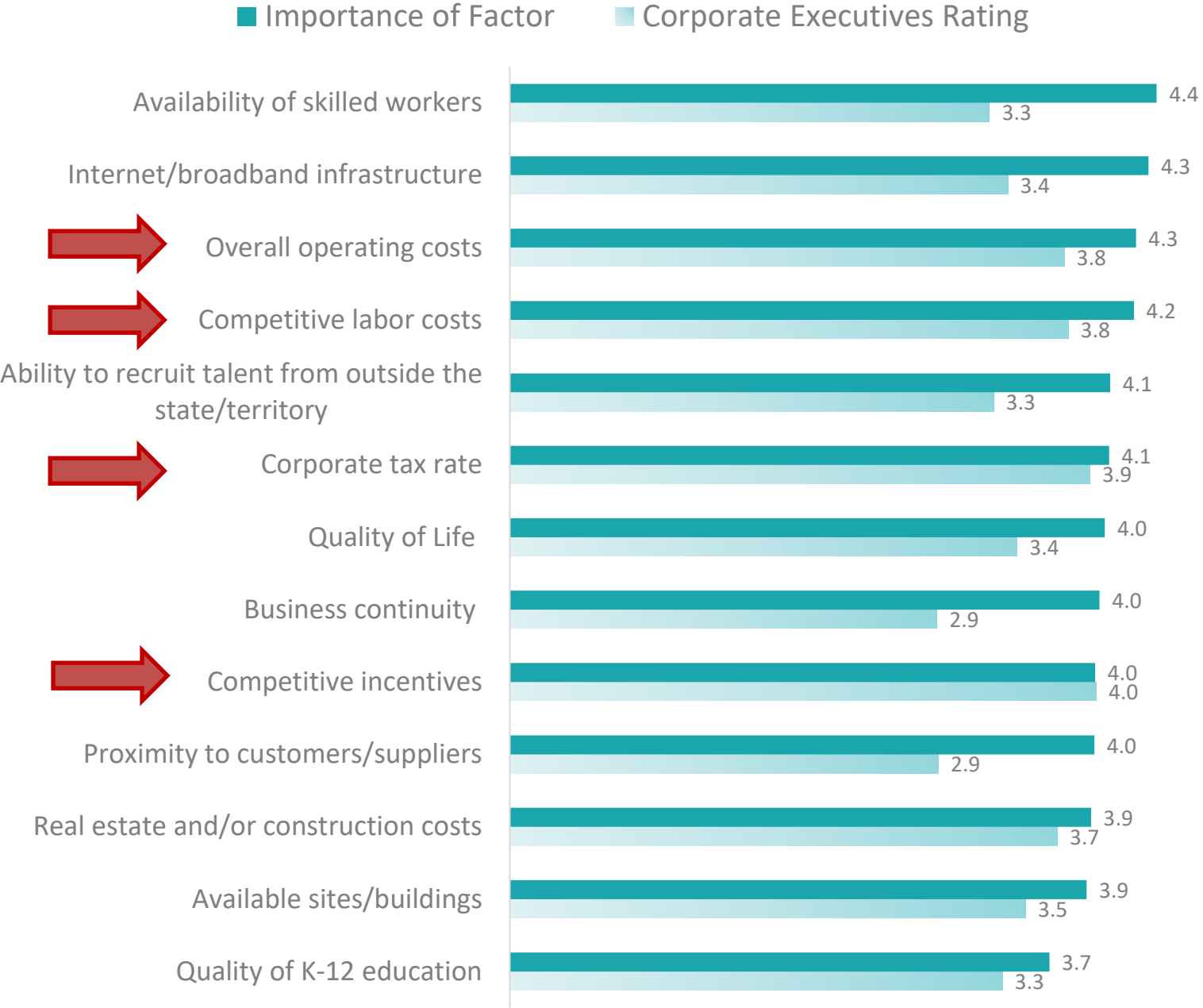
*Q: Understanding that each project is unique, please rate the importance of each of the following factors in your organization's relocation/expansion projects? (On a scale of 1 = Less Important, 5 = Extremely Important)*



# Corporate Executives

*Q: Understanding that each project is unique, please rate the importance of each of the following factors in your organization's relocation/expansion projects? (On a scale of 1 = Less Important, 5 = Extremely Important)*

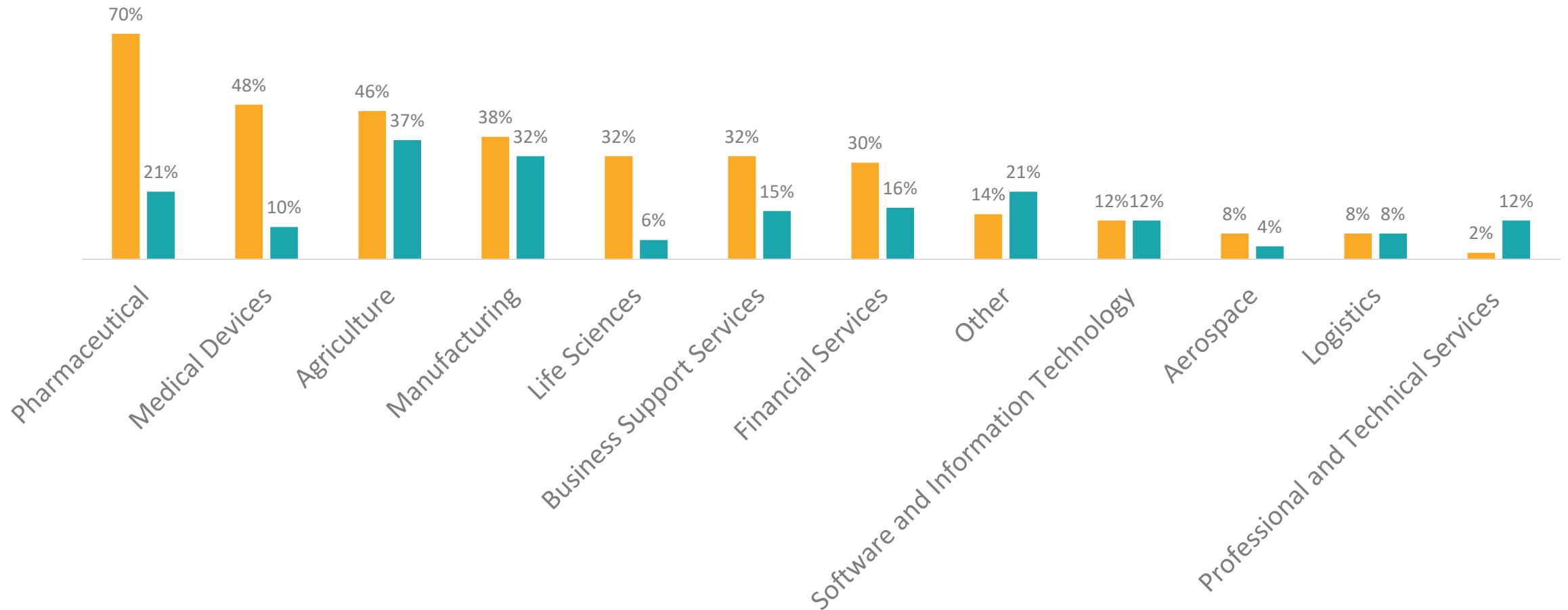
*Q: Based on your perceptions of Puerto Rico, please rate each of the following factors on a scale of 1 = Poor, 5 = Excellent.*



\* Depending on factor, between 8% and 25% could not provide a rating on Puerto Rico

# Industry Associations

Location Advisors Corporate Executives



Q: Which of the following industries/functions do you associate with Puerto Rico? (Choose all that apply)

# Top Associations



Q: What are the top three words or phrases that come to mind when you think of Puerto Rico? (Location Advisors Only)

# PROJECT HISTORY

# Q: Have You Considered Puerto Rico for a Relocation or Expansion Project?

**36%**

Location Advisors - have explored a Puerto Rico location for a client.

**31%**

Corporate Executives - have considered Puerto Rico for a relocation or expansion project.

# Projects NOT Ultimately Locating in Puerto Rico

**78%**

Location Advisors -  
reporting that project did  
not locate in Puerto Rico.

**63%**

Corporate Executives -  
reporting that project did  
not locate in Puerto Rico.



# Puerto Rico Would Have Been a More Competitive Location if...

...we could find professional assistance with real estate, licensing, etc. We move considered PR, however, we found had a terribly hard time finding realtors, getting business insights and just general disorganization. No one could answer basic questions about incentives and if they answered they were dead wrong.

Corporate Executive,  
Information Technology, Florida

They were more experienced about telling their story. The "why Puerto Rico" focusing on their competitive advantages (particularly talent pool).

Location Advisor, New York

...more detailed talent information was available to us and better real estate options were identified. And if they had more productive information on the website.

Location Advisor, Illinois

...there were fewer weather related disasters and better infrastructure.

Corporate Executive,  
Business Support Services, Massachusetts

It is a poor location for business, with unreliable electric power and a severely limping, bankrupt economy.

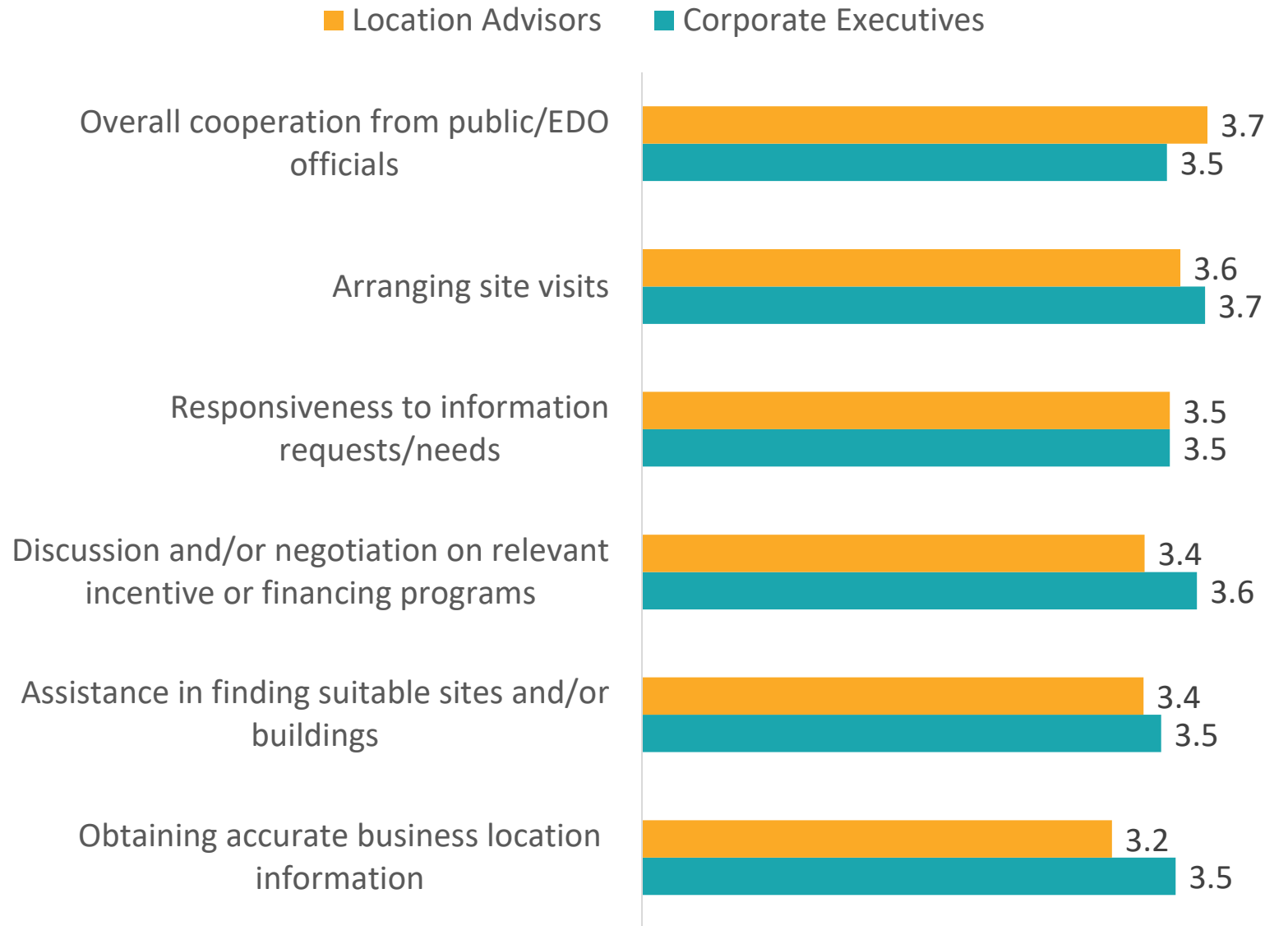
Corporate Executive,  
Financial Services, Virginia

*22% of location advisors and 37% of corporate executives reported that Puerto Rico was ultimately chosen for the project.*

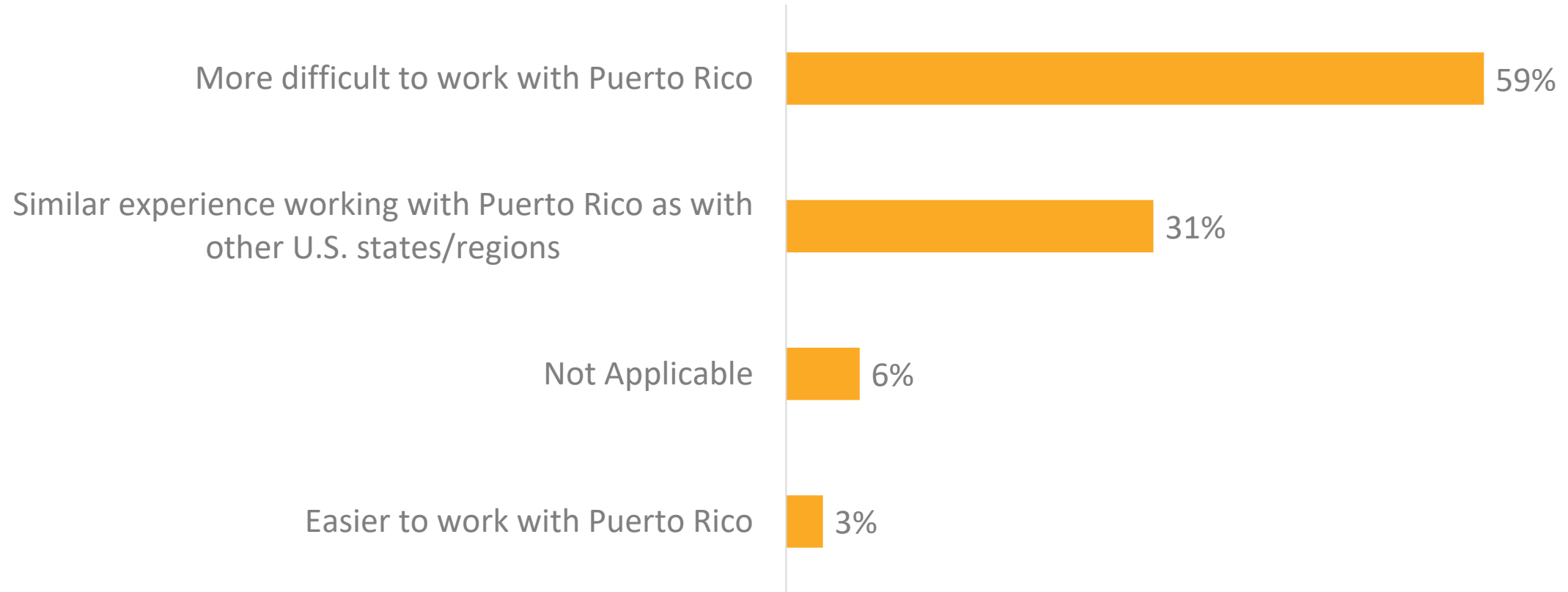
## Top Reasons for Selection / Value Proposition

- Operating costs / Cost savings and advantages associated with being a U.S. territory.
- Tax climate / Tax law advantages
- Available workforce

**Q:** *On a scale where 1 = Poor and 5 = Excellent, please rate your experience in Puerto Rico during your most recent expansion or relocation project in the following areas:*



# Experience Working with Puerto Rico Versus Other Locations



Q: Thinking about previous expansion or relocation projects, how was your experience working with Puerto Rico versus working with other U.S. states/regions? (Location Advisors Only)

# THE COMPETITION

***50% of Corporate Executives Report They Will Make A Location Decision in the Next 24 Months***

## **Top Domestic Locations Being Considered**

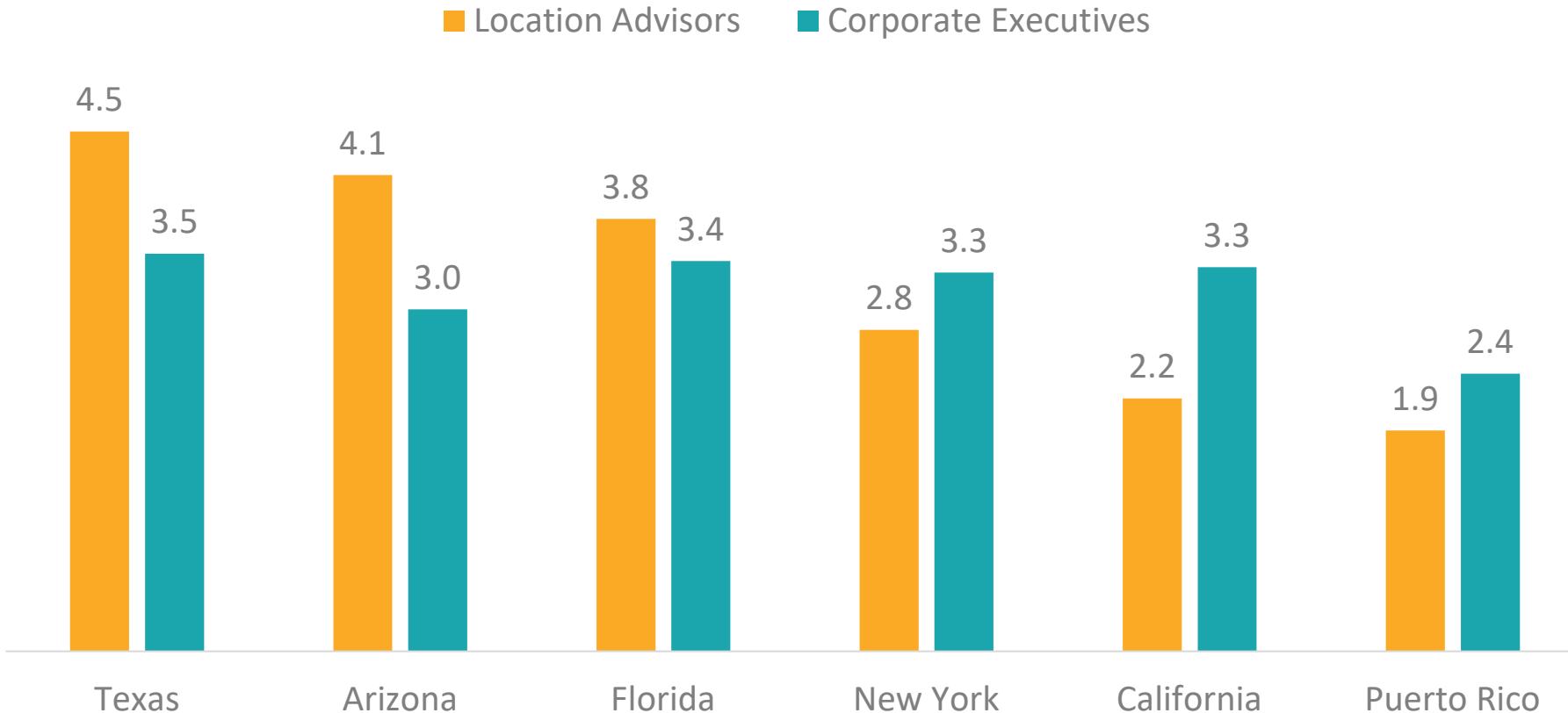
1. Texas
2. New York
3. Florida
4. Unknown

## **Top International Locations Being Considered\***

1. Canada
2. Unknown
3. United Kingdom
4. France/Mexico/India (tied)

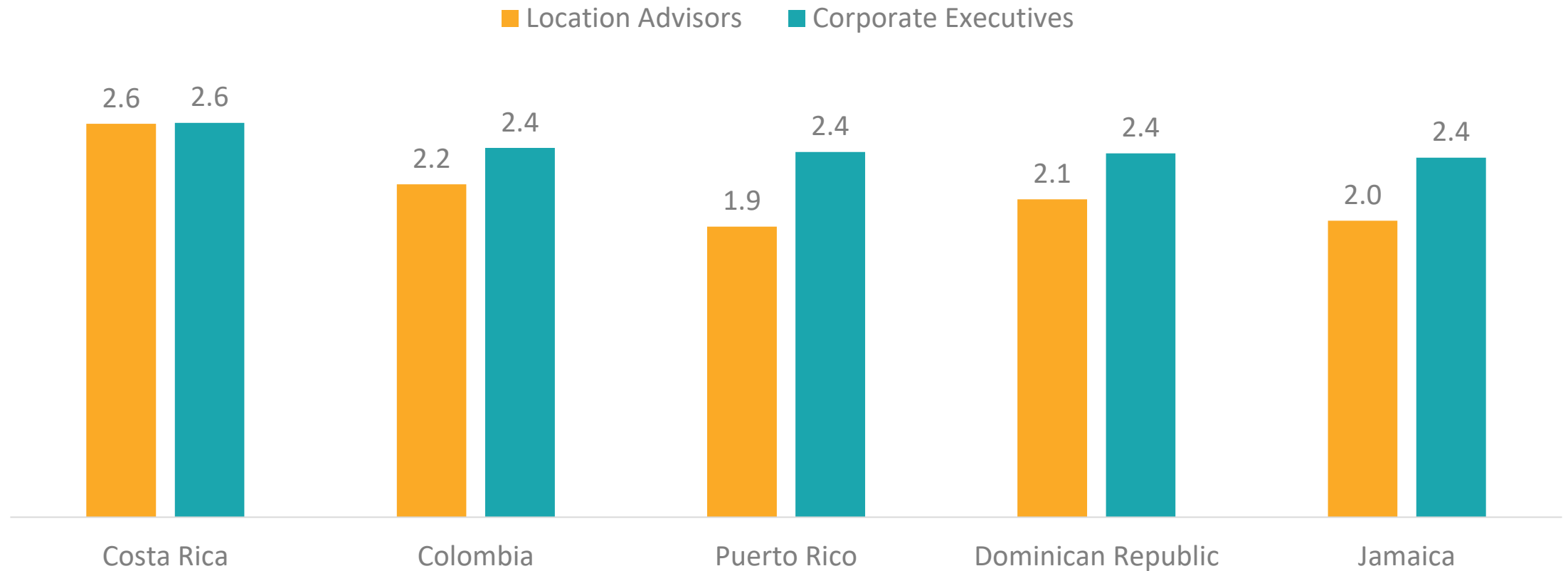
*\*59% of respondents report they are not currently considering an international location*

# Likelihood of Considering Domestic States / Territories



Q: What is the likelihood (you) will consider the following states/territories for a new corporate location or expansion in the next 24 months (1 = not at all likely, 5 = extremely likely)?

# Likelihood of Considering International Locations

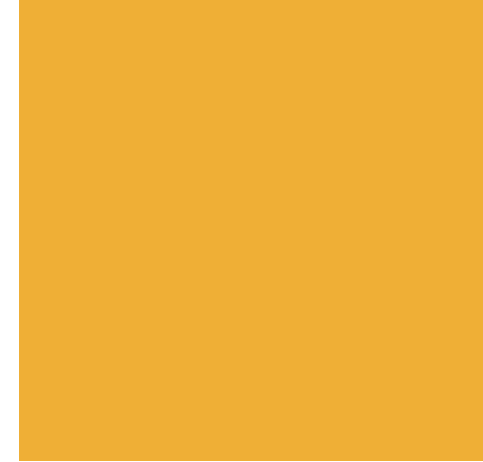
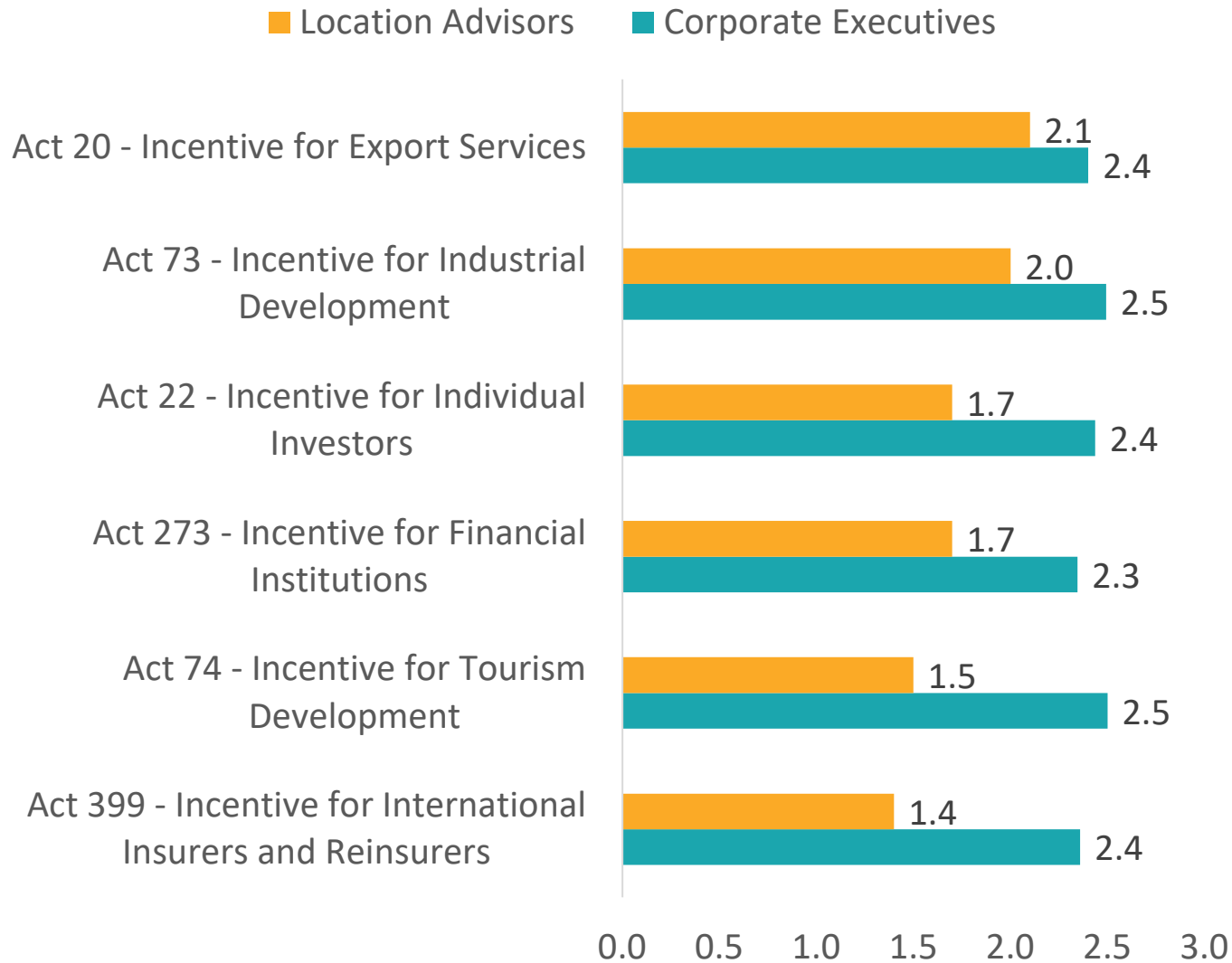


Q: What is the likelihood your clients will consider the following international locations for a new corporate location or expansion in the next 24 months (1 = not at all likely, 5 = extremely likely)?

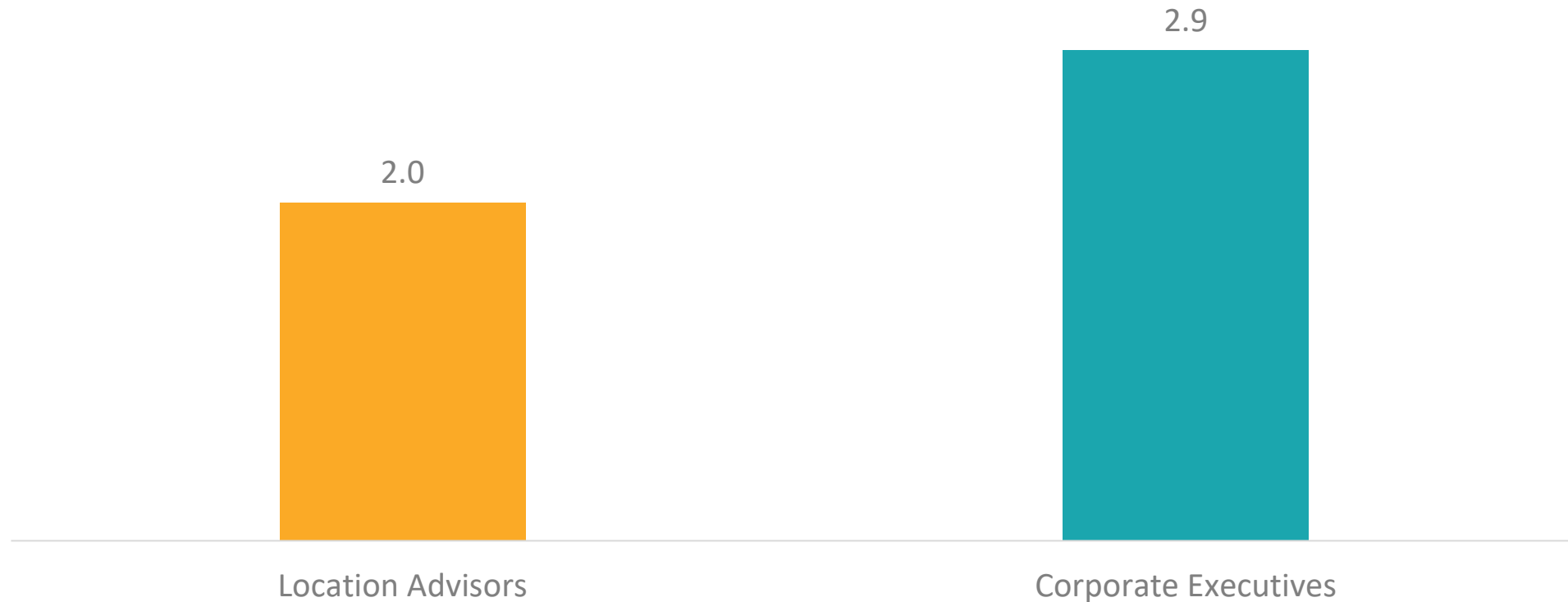


# ROLE OF INVEST PUERTO RICO

# Familiarity with Incentives



# Puerto Rico's Marketing Efforts



*Q: On a scale from 1(not well) to 5 (very well), how well do you feel Puerto Rico is promoting/marketing itself to the business and site selection community?*

# How Can we Better Promote / Market Puerto Rico? (Corporate Executives)

Show that they have overcome the disasters which have plagued the country...it is my perception they haven't and are nowhere close to doing at this point in time.

Puerto Rico needs an economic road map with true investments in the infrastructure. Marketing / Promotion will not help until political change creates a stable economy.

I have never seen an advertisement promoting Puerto Rico, so anything would be a start. I would start with stressing available quality work force and prevailing wage.

Much of what I know about PR is from the media, which isn't positive at the moment (i.e. natural disasters and government corruption)

Email and marketing campaign to push the pluses of the quality of life of basing a business in the Caribbean.

# How Can we Better Promote / Market Puerto Rico? (Location Advisors)

Telling specific success stories - (1) who has moved to or expanded in Puerto Rico and how are they doing; (2) how have companies weathered natural disasters - earthquake, hurricane, etc.


Publicize the cost advantages and breadth/depth of talent pool. Have a data rich website. Generate public relations in social media and general media. Highlight business success stories. Sponsorships at site selection and trade industry shows. Marketing trips to visit site consultants and companies.

More pro-active outreach digitally, visits to major markets and attendance at site selector events

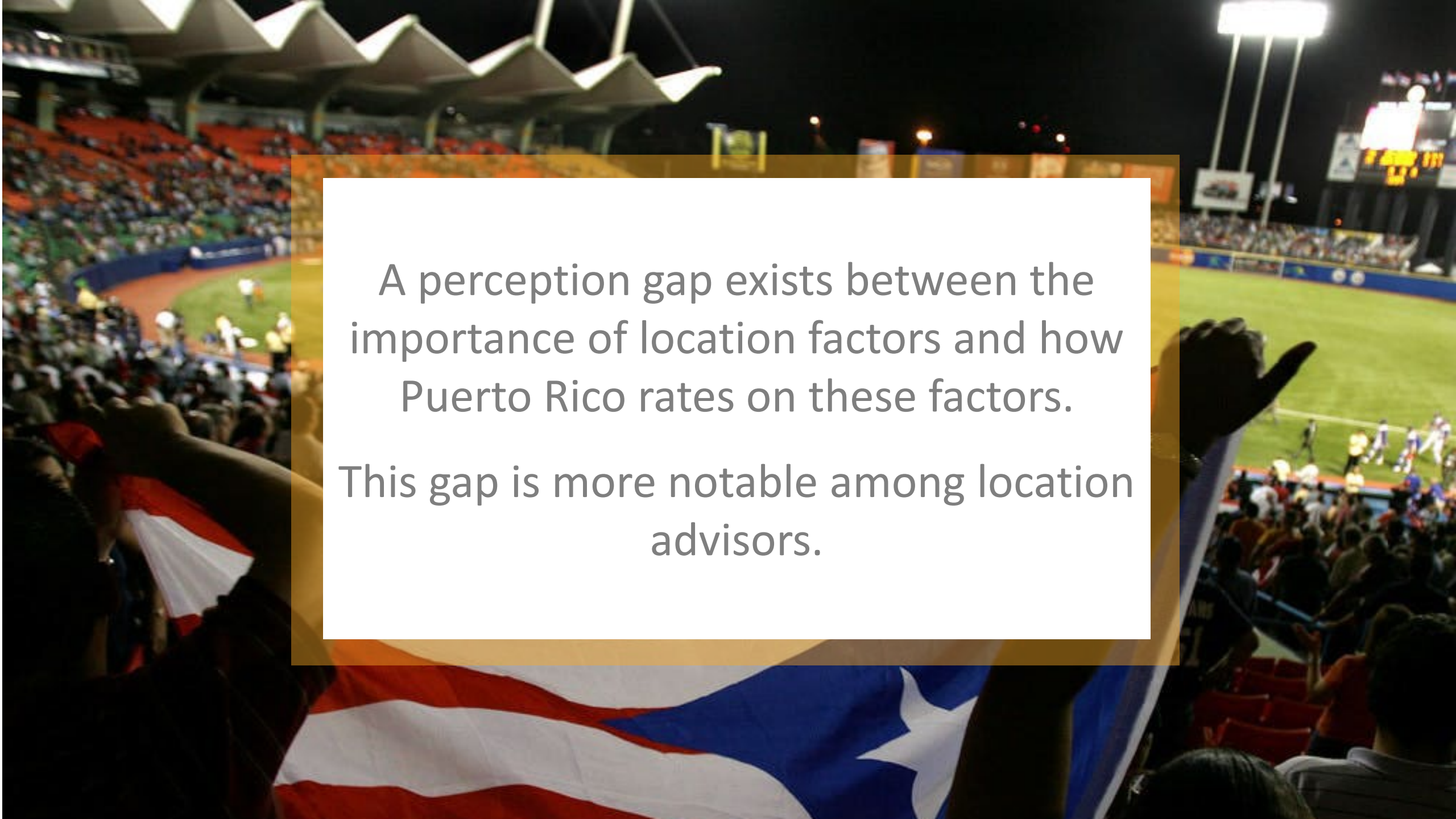
There used to be much more direct outreach to companies and consultants. My first trip to PR was an inbound marketing trip arranged by the economic development team. I feel that has really fallen off in recent years.

Direct outreach to decision makers in target industries. direct outreach to site selectors that focus on your target industries. relationship building and work toward dissipating negative perceptions of the island

# KEY FINDINGS


An aerial photograph of a modern architectural complex at dusk. The scene features a large, curved building with a glass facade on the left, illuminated from within. In the foreground, there are several buildings with flat roofs, some with rooftop gardens. A large, curved pool or water feature is visible on the right, surrounded by palm trees and walkways. The sky is filled with dramatic, dark clouds, and the overall atmosphere is serene and contemporary.

Puerto Rico's business climate is perceived to be below average and it is considered less frequently than other domestic locations.




A perception gap exists between the importance of location factors and how Puerto Rico rates on these factors. This gap is more notable among location advisors.



An aerial photograph of Puerto Rico, showing a dense urban landscape with numerous high-rise buildings and residential areas. The city is situated along a coastline with a clear blue ocean. A large white rectangular box is overlaid in the center of the image, containing text. The text is in a dark gray, sans-serif font. The background image is a composite of two aerial views: the left side shows a more developed area with modern buildings and a large green park area, while the right side shows a more densely packed residential area with many smaller buildings.

Puerto Rico's top advantages are related to operating and labor costs according to both audiences.

An aerial photograph of a city, likely San Juan, Puerto Rico, showing a mix of colorful buildings and a large body of water in the background under a blue sky with scattered white clouds. A large white rectangular box with a gold border is centered over the image, containing text.

Corporate executives and location advisors agree on the challenges of Puerto Rico as a business location.



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