

# **BEST PRACTICES IN ECONOMIC DEVELOPMENT MARKETING**

## **PACIFIC NORTHWEST ECONOMIC DEVELOPMENT COUNCIL**

**Helena, MT CA**

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# Presentation Outline

- **The “TED Commandments” of Economic Development Marketing**
- **Winning Strategies: Best Practices and Best Places (As Viewed from the Corner Office)**
- **Q&A**

# Economic Development Marketing

## THE TED COMMANDMENTS

# 1. The Play Is Not The Thing

**Marketing Is Not An End; It Is a  
Means to...**

# Strategic Goals

## Direct

- **Jobs**
  - Number
  - Type
  - Wage
- **Tax receipts**
- **New facility locations**
- **Developed sites**

## Indirect

- **Leadership**
- **Economic vitality**
  - Physical and social infrastructure
  - Quality of place
  - Talent Attraction

**On the other hand, you  
should...**

**...REGARD  
EVERYTHING YOU DO  
AS MARKETING, OR  
PREGNANT WITH  
MARKETING  
IMPLICATIONS**

## 2. Be Selective...

**Better to reach 10 of the right people -- prospects, potential prospects, influencers of prospects -- than 10 million of the wrong ones**

# 3....But Also Be Inclusive

**Remember to Include Your  
Allies and Your at-Home  
Constituency**



# 4. Be Pilferous...

**Adapt and Use the Best  
Marketing Practices of  
Other Developers**

## 5....But *Intelligently* So

**Adapt and Use the *BEST*  
Marketing Practices of  
Other Developers**

# **6. Be Flexible, Bold, Out Of The Box...**

**Try Experimental Marketing  
Tactics;**

**Seek Forgiveness Rather than  
Permission**

# 7. But Measure Everything, All The Time...

**Continuously Evaluate the Results  
of Each Marketing Tactic and Build  
Future Programs Not on Theory  
But What Actually Works**

# 8. The Three Most Important Words In Any Marketing Program:

- **FOLLOW-UP**
- **FOLLOW-UP**
- **FOLLOW-UP, OR...**

# 9. YOU WILL FOUL-UP

# 10. This Is A *Relationship Business!*

**Make Sure You Have --  
Or Hire -- The Right  
Temperament**

# **Corporate America Speaks**

**Best Places and Best Practices in  
Economic Development Marketing**





# About the Survey

- **Fourth Edition (previous studies: 1996, 1999, 2002)**
- **Survey Audience: U.S.**
  - **Corporate Executives with Site Selection Responsibilities (CEOs, Presidents, CFOs, Vice Presidents)**
  - **Location Advisors/Site Consultants**
- **207 Total Respondents**
- **Full report available at [www.aboutdci.com](http://www.aboutdci.com)**

# What's Different?

- **Addition of Midsize Companies (\$25 million-\$99 million) to Survey Audience**
- **Breakout of Large Company, Midsize Company and Site Consultant Responses**
- **New Questions:**
  - **Business climate rankings: Why?**
  - **Timing of contact with ED organizations**
  - **Facility preferences: Build or existing facility?  
Purchase or lease?**

# Five Key Topics

- **Most Effective Marketing Techniques**
- **Role of the Internet in Site Selection**
- **Business Climate Ratings (U.S. States)**
- **Perceptions of Economic Development Organizations**
- **Next Facility Decision**

# MOST EFFECTIVE ECONOMIC DEVELOPMENT MARKETING TECHNIQUES



***“What are the three leading sources of information influencing your perceptions of an area’s business climate?”***

# Leading Sources of Information

<b>Dialogue with industry peers</b>	<b>54%</b>
<b>Articles in newspapers and magazines</b>	<b>45%</b>
<b>Business Travel</b>	<b>45%</b>
<b>Meetings with economic development groups</b>	<b>33%</b>
<b>Online sources</b>	<b>22%</b>
<b>National Surveys (e.g. <i>Fortune</i>, <i>Money</i>)</b>	<b>17%</b>

# Leading Sources of Information (continued)

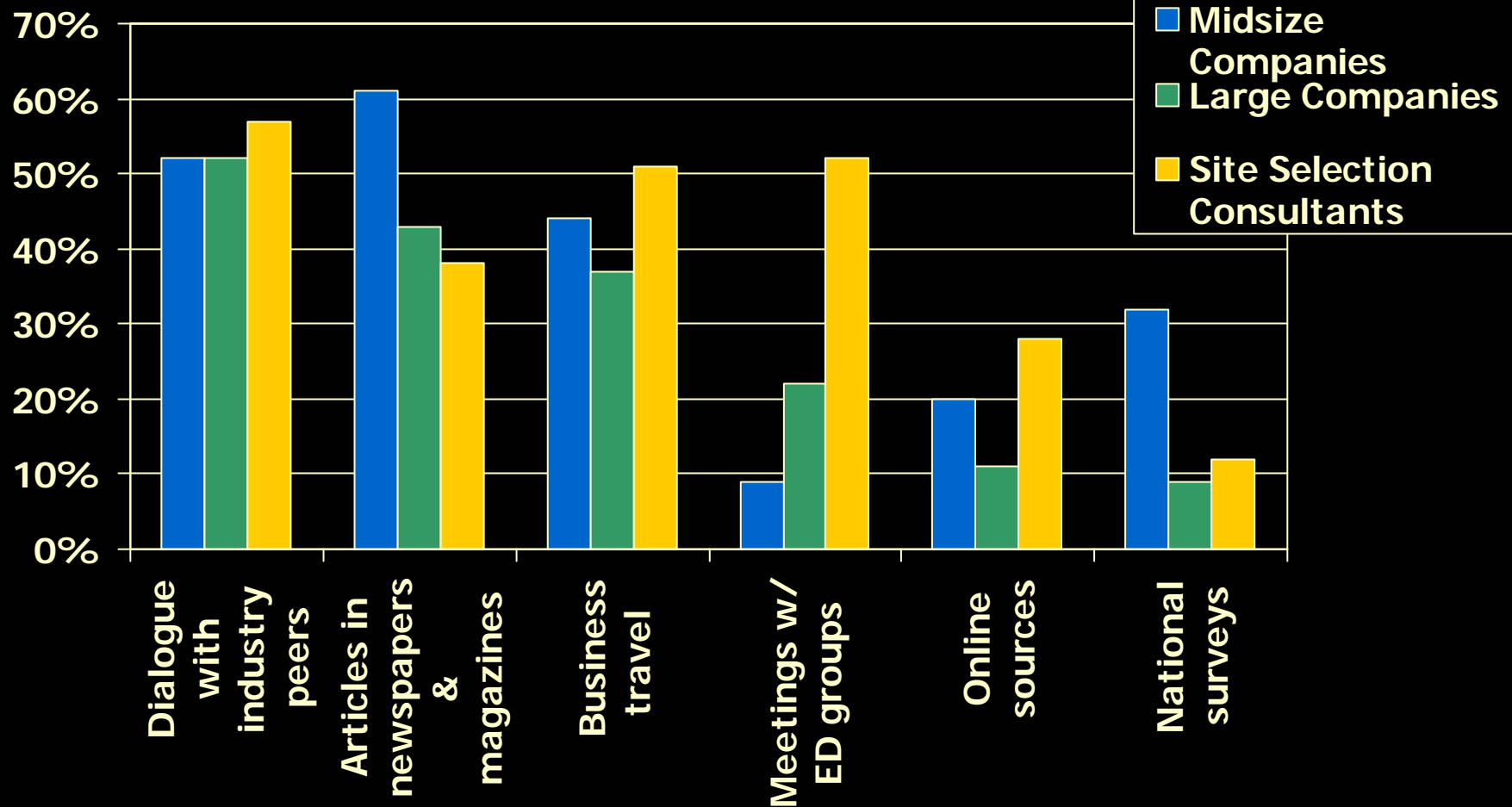
<b>Word of Mouth</b>	<b>16%</b>
<b>Other</b>	<b>14%</b>
<b>Personal Travel</b>	<b>13%</b>
<b>TV/radio newscast/shows</b>	<b>5%</b>
<b>Print Advertising</b>	<b>2%</b>
<b>Direct Mail</b>	<b>2%</b>
<b>TV and radio advertising</b>	<b>1%</b>

# Leading Sources of Information (Response over time)

<b>Sources</b>	<b>2005</b>	<b>2002</b>	<b>1999</b>	<b>1996</b>
<b>Dialogue with Industry Peers</b>	<b>54%</b>	<b>56%</b>	<b>71%</b>	<b>68%</b>
<b>Articles in Newspapers &amp; Magazines</b>	<b>45%</b>	<b>62%</b>	<b>61%</b>	<b>60%</b>
<b>Business Travel</b>	<b>45%</b>	<b>47%</b>	<b>45%</b>	<b>52%</b>
<b>Meetings with Economic Development Orgs.</b>	<b>33%</b>	<b>21%</b>	<b>27%</b>	<b>24%</b>
<b>Online sources</b>	<b>22%</b>	<b>9%</b>	<b>9%</b>	<b>---</b>
<b>National surveys</b>	<b>17%</b>	<b>23%</b>	<b>31%</b>	<b>34%</b>



# Leading Sources of Information (Response by group)



*“Rate the effectiveness of the following marketing techniques as a means of reaching corporate executives...”*

- **Advertising**
- **Direct Mail**
- **Internet/Website**
- **Public Relations/  
Publicity**
- **Hosting Special  
Events**
- **Planned Visits to  
Corporate Executives**
- **Telemarketing**
- **Trade Shows**

# Most Effective Marketing Techniques (% Rating 4 or 5 on a 5-point scale)

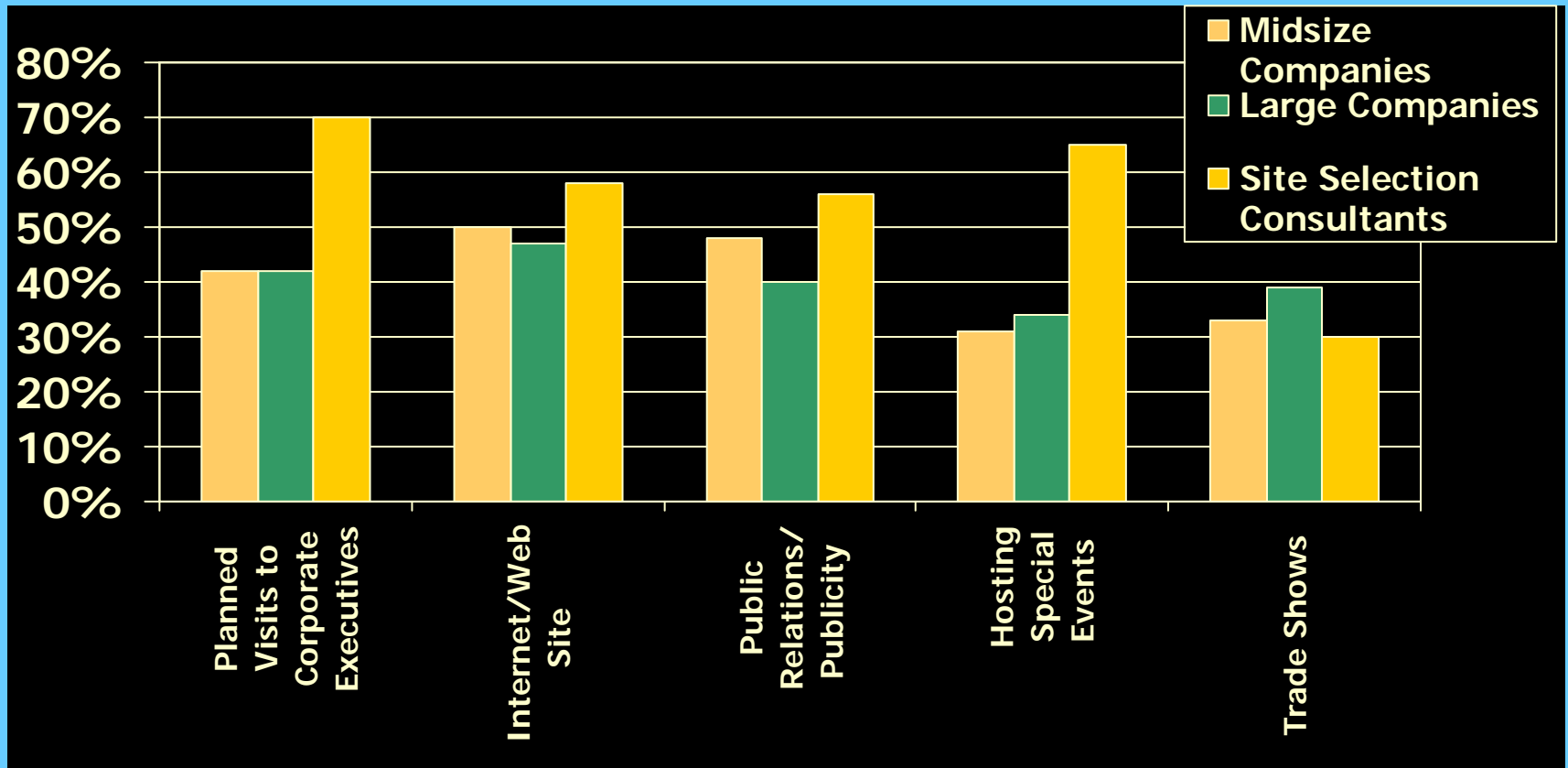
<b>Planned Visits to Corp. Executives</b>	<b>55%</b>
<b>Internet/Website</b>	<b>53%</b>
<b>Public Relations/Publicity</b>	<b>50%</b>
<b>Hosting Special Events</b>	<b>49%</b>
<b>Trade Shows</b>	<b>33%</b>
<b>Direct Mail</b>	<b>23%</b>
<b>Advertising</b>	<b>20%</b>
<b>Telemarketing</b>	<b>6%</b>

# **Most Effective Marketing Techniques**

## **(% rating 4 or 5, Response over time)**

<b>Techniques</b>	<b>2005</b>	<b>2002</b>	<b>1999</b>	<b>1996</b>
<b>Planned visits to corporate executives</b>	<b>55%</b>	<b>53%</b>	<b>46%</b>	<b>53%</b>
<b>Internet/Website</b>	<b>53%</b>	<b>34%</b>	<b>37%</b>	<b>18%</b>
<b>Public relations/Publicity</b>	<b>50%</b>	<b>40%</b>	<b>38%</b>	<b>39%</b>
<b>Hosting special events</b>	<b>49%</b>	<b>37%</b>	<b>42%</b>	<b>39%</b>
<b>Trade shows</b>	<b>33%</b>	<b>32%</b>	<b>45%</b>	<b>39%</b>
<b>Direct mail</b>	<b>23%</b>	<b>33%</b>	<b>25%</b>	<b>25%</b>
<b>Advertising</b>	<b>20%</b>	<b>21%</b>	<b>19%</b>	<b>19%</b>
<b>Telemarketing</b>	<b>6%</b>	<b>4%</b>	<b>6%</b>	<b>7%</b>

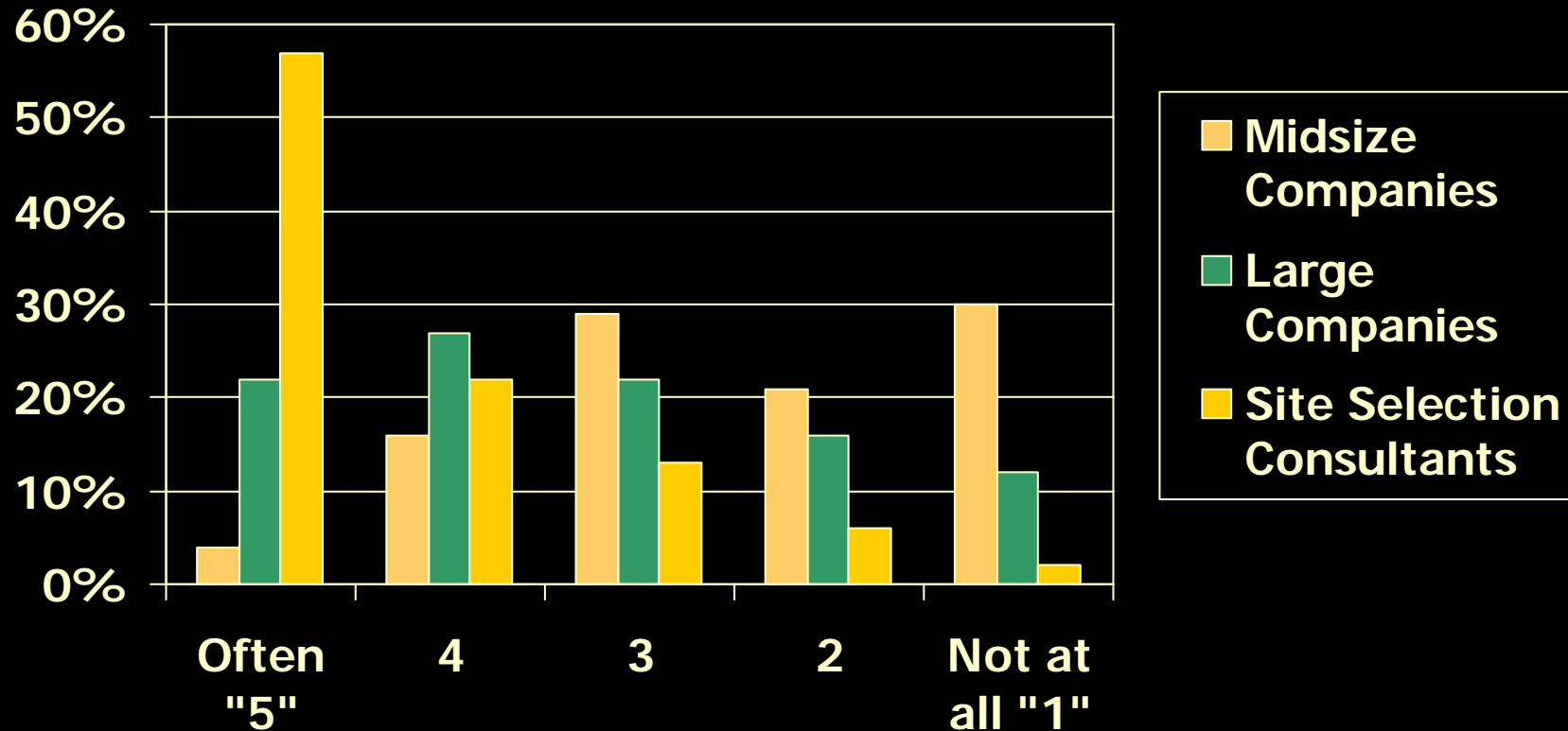
# Most Effective Marketing Techniques (% rating 4 or 5, Response by group)



**ROLE OF  
THE  
INTERNET  
IN SITE  
SELECTION**



# Use Of The Internet During Site Location Searches (Response by group)

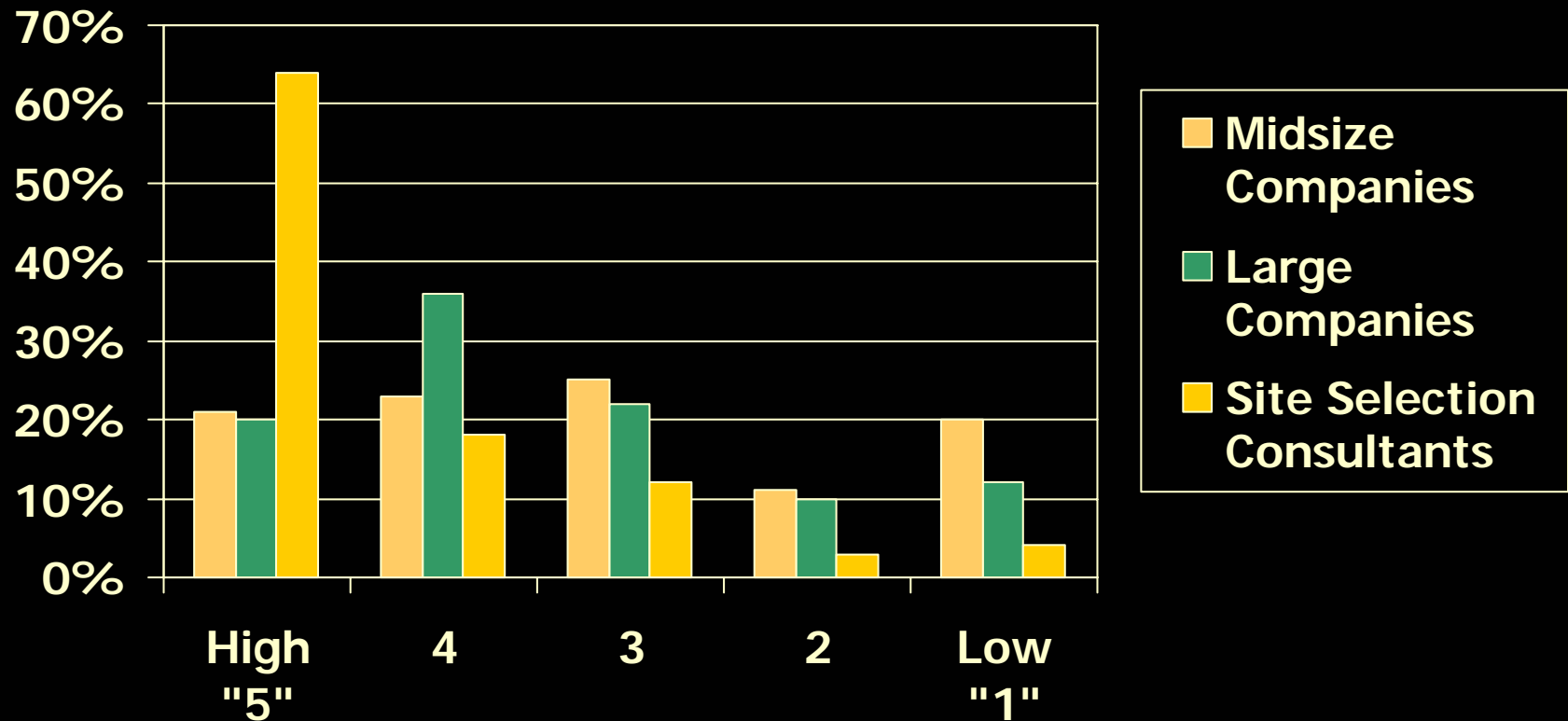


***“In your most recent location search, how often did you use the Internet as a source for information?”***  
***(5= “often” 1=“not at all”)***



***“What is the likelihood you will visit an economic development organization’s website during your next site location search?”  
(1=“low,” 5=“high”)***

# Likelihood of visiting an ED organization's website (response by group)



***“Which of the following features do you consider most important to the usefulness of an economic development organization’s website?”***

# Most Useful Features of an Economic Development Organization's Website

<b>Information on available incentives</b>	<b>72%</b>
<b>Demographic information</b>	<b>67%</b>
<b>Directory of available sites &amp; buildings</b>	<b>64%</b>
<b>List of leading local employers</b>	<b>47%</b>
<b>Current comparisons to competitors</b>	<b>39%</b>
<b>Information on target industries</b>	<b>39%</b>
<b>Information on local schools</b>	<b>26%</b>

# Most Useful Features of an Economic Development Organization's Website

<b>Photos/maps of the community</b>	<b>25%</b>
<b>News section that describes current developments</b>	<b>25%</b>
<b>Information on quality of life</b>	<b>21%</b>
<b>Website sitemap</b>	<b>15%</b>
<b>Testimonials from local companies</b>	<b>10%</b>

# **Business Climate Ratings**



*“Select the three states whose business climate you perceive as **MOST FAVORABLE**, and then briefly indicate why.”*

# TOP 3 STATES

**TEXAS**

**33%**



# TOP 3 STATES

**TEXAS**

**33%**

**NORTH CAROLINA 26%**

# TOP 3 STATES

**TEXAS**

**33%**

**NORTH CAROLINA 26%**

**SOUTH CAROLINA 20%**

# Top 10 “Most Favorable” Business Climates

1. **Texas (33%)**
2. **North Carolina (26%)**
3. **South Carolina (20%)**
4. **Georgia (18%)**
5. **Nevada (16%)**
6. **Tennessee (15%)**
7. **Alabama & Florida (14%, tie)**
9. **Virginia (10%)**
10. **Kentucky (8%)**

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10. **Kentucky (8%)**

# Most Favorable Business Climate (Response over time)

<b>2005</b>	<b>2002</b>	<b>1999</b>	<b>1996</b>
<b>Texas (33%)</b>	<b>Texas (25%)</b>	<b>Texas (30%)</b>	<b>North Carolina (33%)</b>
<b>North Carolina (26%)</b>	<b>North Carolina (20%)</b>	<b>California (22%)</b>	<b>Texas (28%)</b>
<b>South Carolina (20%)</b>	<b>South Carolina (18%)</b>	<b>North Carolina (20%)</b>	<b>Georgia (27%)</b>
<b>Georgia (18%)</b>	<b>Florida (18%)</b>	<b>Georgia (17%)</b>	<b>South Carolina (21%)</b>
<b>Nevada (16%)</b>	<b>Georgia (15%)</b>	<b>Florida (14%)</b>	<b>Tennessee (20%)</b>

# Most Favorable Business Climate (Response by group)

## Midsize Companies

Texas (26%)

North Carolina (20%)

Nevada (19%)

Georgia (15%)

South Carolina (13%)

## Large Companies

Texas (38%)

Georgia (29%)

North Carolina (24%)

Tennessee (17%)

California (14%)

## Site Selection Consultants

North Carolina (30%)

South Carolina (28%)

Texas (24%)

Alabama (18%)

Florida (18%)



# Reasons for “Most Favorable” Rating

## Texas

- Tax climate (34%)
- Business-friendly attitude (27%)
- Low costs overall (16%)

## North Carolina

- Labor, including cost, availability and the attitudes of workers (37%)
- Tax climate (19%)
- Incentive offerings (14%)

## South Carolina

- Labor, including cost, availability, and skill level (41%)
- Incentive offerings (25%)
- Low costs overall (22%)

*“Select the three states whose business climate you perceive as **LEAST FAVORABLE**, and then briefly indicate why.”*



# Least Favorable Business Climate

<b>CALIFORNIA</b>	<b>66%</b>
<b>NEW YORK</b>	<b>34%</b>
<b>MASSACHUSETTS</b>	<b>22%</b>
<b>NEW JERSEY</b>	<b>21%</b>

\* No other states had a “least favorable” rating above 20%.

# Least Favorable Business Climate (Response over time)

2005	2002	1999	1996
California (66%)	California (57%)	New York (29%)	New York (55%)
New York (34%)	New York (36%)	California (25%)	California (47%)
Massachusetts (22%)	Massachusetts (18%)	Massachusetts (19%)	New Jersey (20%)
New Jersey (21%)	New Jersey (15%)	New Jersey (14%)	Massachusetts (19%)
		Connecticut (10%)	Connecticut (9%)

# Least Favorable Business Climate (Response by group)

## Midsize companies

California (59%)

New York (46%)

Massachusetts (22%)

Michigan (15%)

## Large Companies

California (68%)

New York (38%)

Massachusetts (20%)

New Jersey (15%)

Ohio (10%)

## Site Selection Consultants

California (70%)

New Jersey (31%)

New York (26%)

Massachusetts (23%)

Illinois (16%)



# Reasons for “Least Favorable” Rating

## California

- High costs overall (38%)
- Government, regulations/law (36%)
- Tax climate (29%)

## New York

- Tax climate (53%)
- High costs overall (35%)
- Labor, including cost, unionization, and poor worker attitudes (27%)

## Massachusetts

- Tax climate (53%)
- High costs overall (35%)
- **Government, specifically regulations, politics or permitting (35%)**

# Business Climate Perceptions of Western Europe

## Most Favorable

- **Ireland (70%)**
- **United Kingdom (50%)**
- **Spain (29%)**

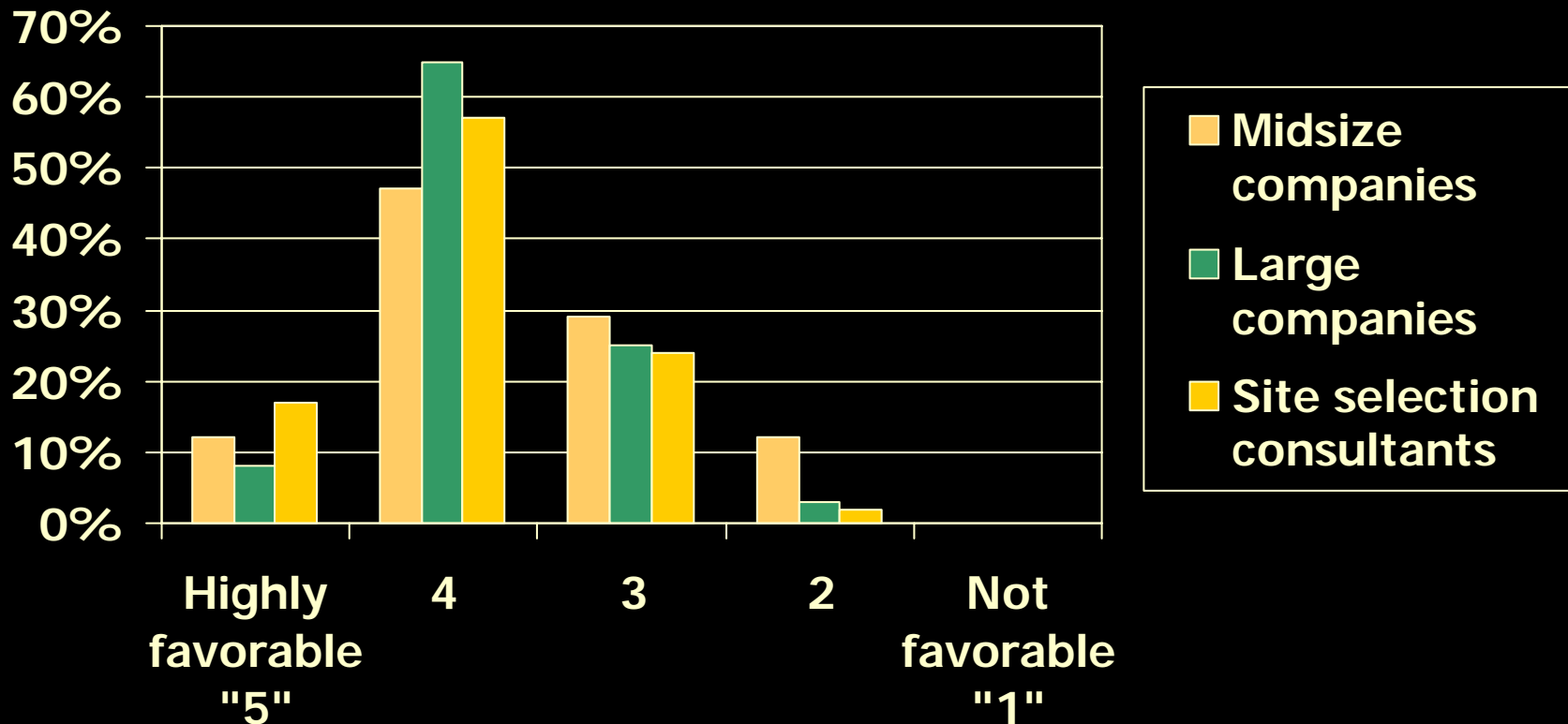
## Least Favorable

- **France (76%)**
- **Germany (54%)**
- **Greece (26%)**

# **Perceptions of Economic Development Organizations**

***“Rate your overall impression of the economic development organizations with whom you have worked:”  
(5= “highly favorable; 1=“not favorable”)***

# Overall Impressions Of ED Organizations (Response by group)





*“Generally, at what stage in a site selection search would you first contact economic development organizations?”*

# Timing of Contact with Economic Development Organizations

During the initial screening of all possible locations, to request preliminary data.	27%
After we have developed a shortlist of potential communities, to request specific data or arrange site visits.	48%
After the field has been narrowed to a few finalists, to negotiate incentive offers.	15%
After a location has already been selected, for assistance in identifying a suitable building/lot.	2%
We would not contact an economic development organization at any stage in a site location search.	8%

# Timing of Contact with ED Group (Response by group)

	Midsize Companies	Large Companies	Site Consultants
During initial screening	15%	24%	35%
After we have a shortlist	35%	42%	59%
After a few finalists are identified	26%	22%	5%
After a location has already been selected	4%	4%	0%
Would not contact ED organization	20%	8%	1%

# NEXT FACILITY DECISION

***“The next time that your company will move, expand, consolidate or add a facility, which of the following would be the most likely candidate for such a change?”***

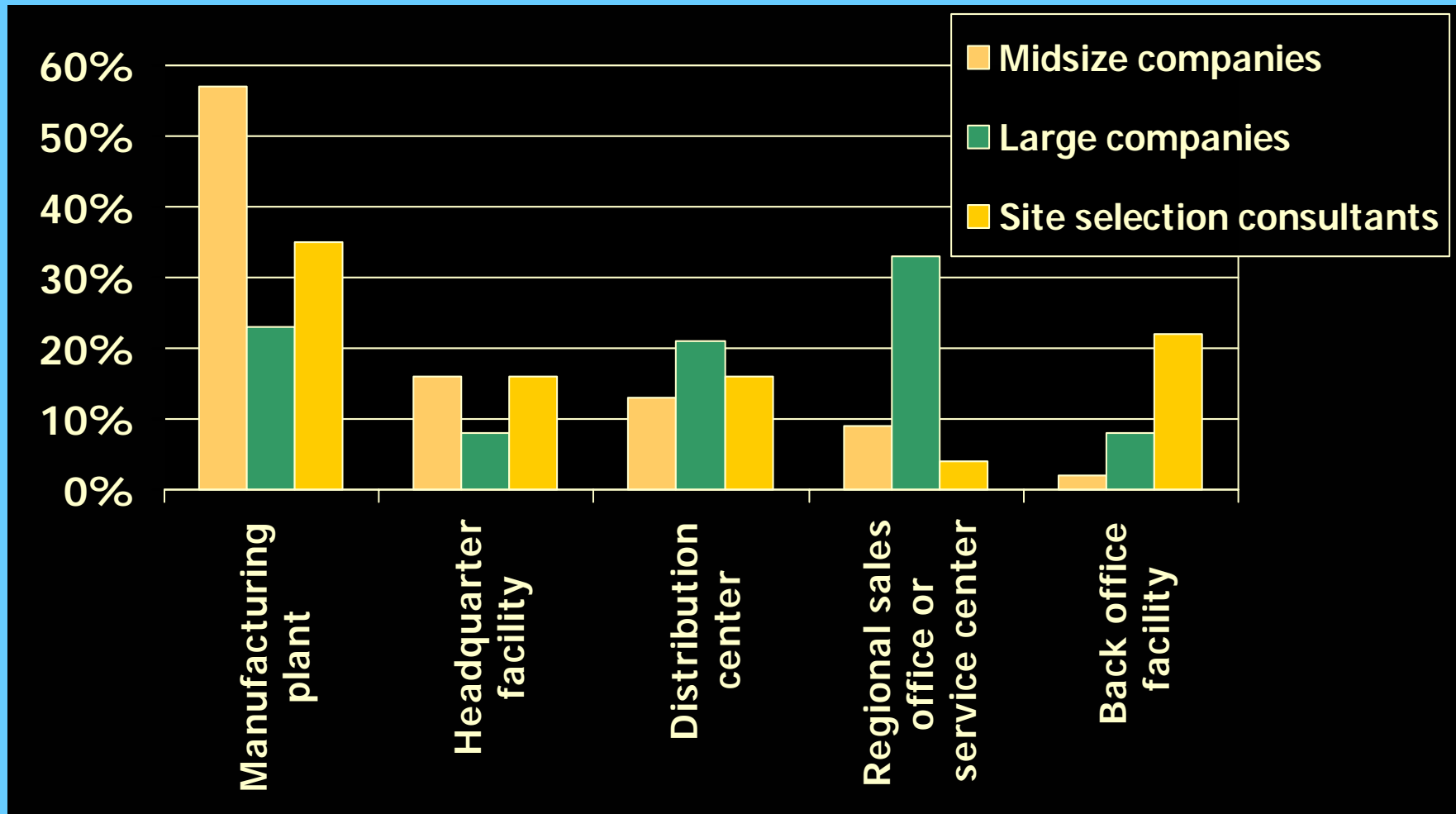
# Next Choice for Facility Change

<b>Manufacturing/production plant</b>	<b>38%</b>
<b>Distribution center</b>	<b>16%</b>
<b>Corporate, division or regional headquarters</b>	<b>14%</b>
<b>Regional sales office or service center</b>	<b>13%</b>
<b>Back office facility</b>	<b>13%</b>
<b>Other</b>	<b>6%</b>

## **Next Choice for Facility Change (Response over time)**

	<b>2005</b>	<b>2002</b>	<b>1999</b>	<b>1996</b>
<b>Manufacturing/ production plant</b>	<b>38%</b>	<b>44%</b>	<b>20%</b>	<b>37%</b>
<b>Distribution center</b>	<b>16%</b>	<b>15%</b>	<b>10%</b>	<b>8%</b>
<b>Corporate, division or regional headquarters</b>	<b>14%</b>	<b>19%</b>	<b>21%</b>	<b>22%</b>
<b>Regional sales office or service center</b>	<b>13%</b>	<b>14%</b>	<b>28%</b>	<b>17%</b>
<b>Back office facility</b>	<b>13%</b>	<b>8%</b>	<b>14%</b>	<b>13%</b>
<b>Other</b>	<b>6%</b>	<b>7%</b>	<b>8%</b>	<b>3%</b>

# Next Choice for Facility Change (Response by group)





*“The next time your company adds a facility, is it most likely you will...”*

- **Purchase an existing building**
- **Lease an existing building**
- **Purchase land and build your own facility**
- **Lease a facility built to your specifications**

# Next Choice for Facility Addition

**Lease an existing building 46%**

**Purchase land and build your own facility 31%**

**Purchase an existing building 12%**

**Lease a facility built to your specifications 12%**



# Next Choice for Facility Addition (Response by group)



# Summing It Up: Three Conclusions

- 1. Opinions are being formed from a broader mix of media**

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1. **Opinions are being formed from a broader mix of media**

## Takeaway:

*Build a balanced program; Don't put all your marketing eggs into one basket.*

# Conclusion #2

**2. Companies and site location consultants are two distinct audiences**

# Conclusion #2

## 2. Companies and site location consultants are two distinct audiences

### Takeaway:

*Tailor your marketing approaches to each accordingly.*

# Conclusion #3

- 3. The new game focuses on “making the short list” (often when you don’t know you’re even competing).**



# Conclusion #3

3. **The new game focuses on “making the short list” (often when you don’t know you’re even competing).**

**Takeaway:**

***Be proactive; don’t wait for the phone to ring.***