Economic Development Branding and Marketing in Other States

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Issue
This report provides (1) an overview of economic development branding and marketing strategies and (2) examples of such efforts from other states.

Summary
As competition among states increases, economic development organizations (EDOs) continue to develop plans and campaigns to brand and market their states as great places to live, work, visit, and do business. However, the effectiveness of such campaigns is mixed, often reflecting the authenticity of the message and the extent to which it reaches targeted audiences.

Branding refers to how a state defines its “story,” or the message it wants to communicate about its unique qualities and advantages. Effective branding efforts can drive business recruitment and development efforts and change perceptions of a state. Examples of state branding efforts include “Mastered in Tennessee” and the “Pure Michigan” tourism brand, which also serves economic development purposes.

Marketing refers to the methods states use to promote their brands. Currently, most EDOs are shifting their focus to digital strategies and away from more traditional ones, such as TV commercials and print ads. This is because digital strategies, such as websites, digital ads, and social media, allow states to gain a qualified, targeted audience in a cost-effective manner. This report provides examples of marketing efforts in several states, including Florida, Louisiana, Maryland, New York, North Dakota, Rhode Island, Vermont, and Wisconsin.
Branding

As competition for businesses and tourism increases, states, cities, and regions are focusing on establishing themselves as a brand. These efforts, generally undertaken by EDOs, are referred to as “place branding.” Although such efforts are increasingly popular, there exists a debate among academics, marketers, and economic development professionals about whether branding is worth the time and money.

The Place Branding Debate

The place branding debate is outlined in a 2008 Journal of Place Management and Development article entitled “Place Branding; Are We Wasting Our Time?” Critics of place branding argue that places are not products that can be shaped to fit a brand; they have unique characteristics that exist regardless of what brand you place on them. In some cases, marketers and developers, in an effort to “re-brand” a place for a marketing campaign, create superficial, inaccurate, or inauthentic campaigns, often because they solicited little or no input from residents or other stakeholders.

However, place branding supporters contend that poorly-executed place branding does not mean that it is not useful; it just means that marketers and economic developers need to do better. They note that all places have brands whether intentional or not, and those are often based on stereotypes, not reality. Well-executed branding efforts that highlight the existing, unique character and advantages of a place can dispel stereotypes and improve perceptions of the place.

Economic Development Branding

Atlas Advertising, a company specializing in economic development marketing, notes that branding is important not only for attracting companies, but also for attracting a workforce. Workforce attraction is essential, especially considering companies’
desire to move to where their workforce is located. However, Atlas also cautions against marketing a place under one, overarching brand. A place’s brand needs to be flexible enough to speak to different target audiences.

**Mastered in Tennessee.** Tennessee’s “Mastered in Tennessee” branding effort is cited by several industry groups as an example of effective state branding. Tennessee’s Economic and Community Development Department (TNECD) worked with Design Sensory, a Tennessee-based advertising company, to create a campaign that highlights Tennessee’s unique competitive advantages and demonstrates why it is a great place to live and work. According to Design Sensory, “Tennessee is a land of legends—in music, entertainment, food, fun, scenery, craftsmanship, history, innovation and sports.” To capture this “culture of excellence,” they developed the “Mastered in Tennessee” concept, which they say “differentiates Tennessee in the minds of those choosing a corporate site through original photography and video that captures the essence of Tennessee’s heritage, natural beauty and dedication to excellence.” The “Mastered in Tennessee” booklet highlights all the unique elements of Tennessee and includes messages targeted to different audiences. (See excerpts from the book below in Exhibit 1.)

**Tourism Branding**

Although tourism branding is designed to project a state’s unique artistic, geographic, cultural, and tourist attractions, it also shapes how business leaders perceive the state. Research has found that tourism branding and marketing not only increase visitation, but drive business development, real estate sales, purchases of second homes, and even college recruitment. Longwoods International, a tourism marketing and research organization, describes this as the “halo effect” of tourism, which is based on a psychological concept of the same name. In psychology, the halo effect states that our judgments of a person’s character can be influenced by our overall impression of them.

Longwoods studied tourism campaigns in nine states and found that respondents who had seen tourism advertisements were, on average, 79% more likely to rate a state as a good place to do business than those who had not seen the advertisements. Further, those who had both seen the advertisements and actually visited were nearly three times more likely to rate a state as a good place to do business than those who had neither seen the advertisements nor visited.
*Pure Michigan.* Michigan provides an example of how tourism branding can also serve economic development goals. In 2006, Longwoods led a re-branding effort for Michigan after finding that the state’s current “Great Lakes, Great Times” campaign was not successful. Among other things, Longwoods found that the campaign was not doing enough to differentiate Michigan from its regional competitors nor was it resonating with families, a key market segment. The new campaign, “Pure Michigan,” was designed to create an emotional brand that resonated with families and drew attention to the state’s vast, unspoiled beauty.

![Experience the lake effect.](image)

The campaign is widely regarded as successful among marketing and tourism professionals, with *Forbes* naming it the sixth-most successful tourism campaign of all time. In 2016, Longwoods estimated the campaign’s return on investment at $8 in tax revenue for every $1 spent on marketing. In 2014, Longwoods found that Pure Michigan had a measurable impact on the perception of the state for economic development purposes. Survey respondents who were aware of the brand were 81% more likely to rate Michigan as a good place to live and 50% more likely to rate it as a good place to start a business compared to those who were unaware of the brand. Respondents who actually visited Michigan were at least twice as likely to rate the state as a good place to live and start a business. However, the campaign is not without its critics. In 2016, the Mackinac Center for Public Policy (a nonpartisan Michigan policy research organization) analyzed several decades of tourism data from 48 states and found that the Pure Michigan campaign is a net negative for the state, generating $20,000 in economic activity for every $1 million spent on advertising.

**Digital Marketing**

If branding is the message, marketing is the means used to send the message. Due the rise of social media and the ubiquity of smart phones, organizations are relying on digital marketing strategies more than television, magazine, and other traditional strategies. According to “*Media 2020: the Marketer’s Guide to the Internet,*” digital advertising spending will overtake TV spending in 2017 and by 2020, 6.1 billion people will own a smart phone. According to *Atlas,* these trends
mean that EDOs should be shifting their focus to digital marketing. EDOs can be more competitive for less money through digital marketing strategies, such as (1) producing modern websites that showcase their community's best assets and generate excitement about living and working there, (2) targeting audiences through digital ads and driving traffic to the website, and (3) expanding their network and reach through social media.

**Websites**

A well-designed website is arguably the most important component of an EDO's marketing strategy. In a 2017 study of economic development marketing strategies, Development Counsellors International (DCI), an economic development marketing and research firm, found that (1) business professionals and location advisors rate websites as the most effective marketing tactic and (2) 50% of CEOs and 87% of location advisors stated that they were likely or highly likely to visit EDOs' websites in their next site search.

As EDOs shift to digital marketing, many states have revamped their EDO websites to reflect their brand, provide relevant information to business leaders and location advisors, and initiate contact with interested parties (known as “lead generation”). In the DCI study, respondents identified the following as the top five most-useful website features: (1) incentive information, (2) demographic information, (3) a searchable database of available buildings and sites, (4) workforce statistics, and (5) comparisons to competitor locations. Atlas notes that increasingly more site selectors rely on website data to screen locations and typically wait until they have narrowed the field of locations before contacting EDOs. A website that does not contain the information selectors need could cause them to bypass the state.

**Greater Rhode Island.** Greater Rhode Island Economic Development Partnership recently partnered with Atlas to market Rhode Island as a hub of entrepreneurship and challenge negative perceptions of the state. The new website provides all the information that DCI found to be most useful to business leaders and site selectors, including information on incentives and a custom GIS mapping system that allows users to search for available properties and plot them on a map with other relevant data. According to Atlas, Greater Rhode Island saw a 122% increase in web traffic, 68% increase in engagement on the website, and a 288% increase in the time users spend on the site. See Exhibit 2 below for examples from the website.

**Digital Ads**

Banner ads are primarily designed to drive traffic to an EDO's website, but can also increase awareness of a state's brand. EDOs can place banner ads on websites that location advisors or business leaders frequent, such as Linked In or various online business publications. Examples of
digital ads include (1) Greater Rhode Island’s banner ads and (2) banner ads developed as part of the “Louisiana Works for You” campaign, which was recognized by the International Economic Development Council in 2016. See these ads below in Exhibit 3.

**Social Media**

Social media serves many functions for an EDO, including promoting a state’s brand, engaging with stakeholders, and driving traffic to websites. According to a DCI report on state EDO social media use, 49 state economic development organizations use Twitter, 48 use Facebook, 44 use YouTube, and 13 use Instagram. According to DCI, effective social media marketing incorporates, among other things, (1) useful, informative, and engaging content communicated in an informal tone; (2) visual elements, such as photos, videos, and infographics; and (3) elements that encourage engagement, such as calls-to-action (e.g., “visit our website”), trending or relevant hashtags, and “tagging” relevant users in posts. Exhibit 4 shows examples of posts from states DCI names as most effective on social media.

**Think Vermont Ambassadors.** Vermont uses social media to drive word-of-mouth marketing and peer recommendations, which, according to DCI, high-level executives find to be the most influential form of marketing. In recent years, EDOs have applied “word-of-mouth” marketing to the digital space through digital ambassador campaigns, which make it easy for people who are passionate about an area to help promote it. Through such campaigns, EDOs send to “ambassadors” (i.e., local professionals and other influential people who sign up to participate) weekly content that promotes business and quality of life in the area. Ambassadors then share the content on their social media pages.

Vermont recently launched a [digital ambassador campaign](https://www.state.vt.us/vermont-economic-development/) as part of its [three-year marketing plan](https://www.state.vt.us/vermont-economic-development/) launched in 2016. According to the plan, the campaign uses business and community leaders, entrepreneurs, and other Vermont-loving influencers to share business announcements, national media placements, and other information that reflects well on Vermont as a great place to live, work, start and grow a business, and raise a family. The plan notes that the campaign amplifies messages to hundreds or thousands of others and, because it is coming from a friend or connection, the content has more credibility than if it came directly from the state.


Traditional Marketing

Although EDOs are generally shifting to digital strategies, many still incorporate more traditional marketing tactics, such as TV commercials and print ads, into their marketing plans. Such strategies are particularly useful for campaigns seeking to reach a broader audience, such as tourism campaigns. However, most industry experts agree that it is more important for EDOs to gain a qualified target audience than a broad one, and digital strategies are more effective, and generally less expensive, than traditional ones in achieving this goal.

TV Commercials

Although many states use TV commercials to promote tourism, few states rely heavily on TV commercials for economic development marketing. According to Atlas, TV commercials are much less effective in reaching an EDOs targeted market. Site selectors find commercials to be ineffective in drawing their interest, since they usually provide broad, generic content that does not address their specific information needs. However, Atlas notes that TV commercials could be a useful tactic if an EDO wants to reach a broad audience to change general perceptions of the state’s business environment.

Start Up NY. Many in Connecticut are familiar with New York’s “Start Up NY” campaign, which aired many commercials in Connecticut markets. The campaign marketed a host of economic development incentives available to businesses that relocate to or expand in New York. Between 2011 and 2014, Empire State Development (ESD) had committed $161 million of $230 million in available advertising dollars to business development advertising. It is difficult to determine exactly how much was spent in total on Start Up NY advertising because ESD lumps production costs for all campaigns together. According to one source, ESD spent at least $28 million on Start Up NY ads alone from December 2013 to June 2014, and an April 2015 news article stated that the total amount ESD spent on Start Up NY marketing had risen to $53 million.

Although it attracted a lot of attention, the Start Up NY campaign has received mixed reviews. Research commissioned by ESD found that, among other things, the campaign increased web traffic by 530% and improved business executives’ perception of New York’s business climate.
However, the state’s comptroller concluded in a 2014 audit that the campaign had not produced tangible results. Among other things, auditors determined that ESD spent more than $25,000 on advertising for each job promised by the businesses and other entities that received program incentives. The audit also found that the campaign did not increase the number of applications for state economic development assistance (in fact, applications decreased over the audit period).

**Print Ads**

Many states continue to run print advertisements in printed publications, often in magazines such as Forbes and Site Selector Magazine which are popular among business decision makers. Print ads are cheaper than commercials and, through selective placement, generally do a better job at reaching targeted audiences. However, they fail to engage audiences as well as digital marketing tactics do. See Exhibit 5 for examples of recent print ads from Wisconsin and Florida.
Exhibits

Exhibit 1: Mastered in Tennessee

The images below come from the “Mastered in Tennessee” booklet and demonstrate how the campaign captures Tennessee’s assets and targets different audiences (e.g., workers and specific business sectors).
THE TENNESSEE LIFESTYLE.

FROM THE SOPHISTICATION OF OUR BIG CITIES TO THE SOUTHERN CHARM OF OUR SMALL TOWNS, OUR STATE OFFERS A COST OF LIVING WELL BELOW THE NATIONAL AVERAGE. FROM THE FOOTHILLS OF THE SMOKY MOUNTAINS TO THE BANKS OF THE MISSISSIPPI RIVER, THE VOLUNTEER STATE EXPANDS ACROSS THREE DISTINCT REGIONS. YOU'LL HAVE PLENTY OF ROOM TO STRETCH YOUR LEGS AND PLANT YOUR ROOTS. TENNESSEE ROASTS SOME OF THE LOWEST HOUSING PRICES IN THE UNITED STATES, AND YOUR DOLLAR WILL STRETCH FURTHER HERE THAN ALMOST ANYWHERE ELSE IN THE COUNTRY.

ENERGY TECHNOLOGY

POWERING ONE GENERATION AFTER THE NEXT

TENNESSEE'S BACKGROUND IN THE ENERGY TECHNOLOGY INDUSTRY IS LEGENDARY. IN THE 1940S, THE MANHATTAN PROJECT BROUGHT THOUSANDS OF THE WORLD'S TOP ENERGY EXPERTS TO TENNESSEE, SOLIDIFYING A CULTURE OF SCIENCE AND TECHNOLOGY THAT CONTINUES TO SHAPE OUR STATE'S IDENTITY.
**Exhibit 2: Greater Rhode Island Website**

The screen shots below are from Greater Rhode Island’s website and show how the website incorporates the features that business leaders and location advisors find useful, including the custom GIS mapping feature and incentive information.
Taxes & Incentives

Rhode Island offers an increasingly competitive, predictable business environment. Thanks to our governor and legislature’s leadership on pension and Medicaid reform, we have reined in structural costs and flattened their trajectories. As a result, we can ensure businesses a stable tax structure.

Rhode Island has not raised its top personal income, corporate income or sales tax rates in a generation. Instead, we recently lowered our top personal income tax rate (from 9.9% to 5.99%). As well as our corporate tax rate (from 9% to 7%). Rhode Island’s corporate tax rate is now the lowest in the Northeast.

Potent Incentives for Businesses and Workers

A strong signal of the state’s commitment to economic growth, Rhode Island’s legislature passed, nearly unanimously and in record time, a powerful suite of new programs aimed at growing businesses and creating jobs as proposed by Governor Raimondo. These incentives, benefiting businesses of every size, are some of the most significant and comprehensive in the Northeast, if not the nation.

Rhode Island has recently lowered its top corporate tax rate from 9% to 7%, the lowest corporate tax rate in the Northeast. For some taxpayers, the actual rate could be lower, depending on certain factors.

In addition, effective for tax years beginning on or after January 1, 2015, C-Corporations will use a single sales factor to apportion income to Rhode Island (in lieu of the standard three-factor apportionment formula). The annual corporate minimum tax is $400.

Beginning January 1, 2011, Rhode Island’s personal income tax structure has been modified to lower the personal income tax rates in the state. Highlights of the legislation include:

- Reduces the number of tax brackets from five to three
- Lowers the top bracket from 9.9% to 5.99%
- Increases standard deductions for taxpayers to between $7,899 and $15,000 with personal and dependent exemptions equal to $3,666
Exhibit 3: Digital Ads

The examples below from Rhode Island and Louisiana show how EDOs created digital ads to be engaging and drive traffic to their websites.
**Exhibit 4: Social Media**

The images below show examples from different states that use social media to promote their states as good places to live, work, and do business.

**Twitter**

[Image of a Twitter post showing an advertisement for 1,500 new jobs coming to Maryland as Amazon expands in Maryland.]

**Facebook**

[Image of a Facebook post by the Tennessee Department of Economic and Community Development, celebrating that over 1,600 Tennesseans are employed in chocolate confectionery manufacturing.]

[Image of a Facebook post by North Dakota Department of Economic Development, highlighting North Dakota's high migration rate and strong economy, especially appealing to millennials.]
Instagram

scommerce

You know what makes #scjustright for nature lovers? We have more state parks than counties...to be exact. Comment below, and tell us your favorite park in SC.

View all 2 comments

YouTube

EnterpriseFlorida

635 subscribers

Global leader, Lockheed Martin has a strong Florida
78 views • 2 weeks ago

For PEMCO it's about Location, Location, Location
366 views • 1 month ago

Bristol-Myers Squibb Discovers, Develops and
47 views • 1 month ago

Max Planck: Curiosity and Creativity Intersect in Florida
678 views • 6 months ago

SAFT & Enviva Help Power Florida Manufacturing
52 views • 7 months ago

Florida is the Answer for SATO Global Solutions
617 views • 7 months ago

SAFT Success Gets a Charge in Florida
283 views • 7 months ago

ULA Unleashing Mankind's Potential in Space
319 views • 7 months ago

SATO and SquareTrade, Florida Is IT
46 views • 7 months ago

SquareTrade Supports Global Customers from Florida
365 views • 8 months ago
Exhibit 5: Print Ads

The print ads below from Wisconsin and Florida show how states use print ads to increase awareness of their brand.
BOUNDLESS OPPORTUNITIES

INLAND FLORIDA IS A 28-MILLION-ACRE BLANK CANVAS, WHICH PAINTS A PRETTY NICE PICTURE FOR YOUR BUSINESS.

Florida's inland areas truly are the heart of the state. Close to big cities, yet far enough away for the open space you need. And with a robust talent pool, plenty of training opportunities and community leaders who will welcome you with open arms, you'll see why it's a pleasure doing business here. Discover what a future in Florida means for your business at floridathefutureishere.com/inland-florida, or call 877-YES-FLORIDA.

FLORIDA | THE FUTURE IS HERE.