A VIEW FROM CORPORATE AMERICA

Winning Strategies

in Economic Development Marketing

Study by
Development Counsellors International
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Winning Strategies in Economic Development Marketing

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Executive Summary

The past three years have been a challenging period for the world economy. In this uncertain economic environment, it is more important than ever for economic development organizations to know their audience.

It was with this aim that Development Counsellors International (DCI) first conducted the most comprehensive survey of corporate executives with site selection responsibilities in 1996. Our objective was to understand best practices in marketing places by going directly to the economic development world's "customer."

This report, *A View from Corporate America: Winning Strategies in Economic Development Marketing,* is the sixth installment in a series of surveys of senior U.S. executives and their advisors. Similar surveys were conducted by DCI in 1996, 1999, 2002, 2005 and 2008.

Key findings, based on the aggregate responses of 322 participants in the 2011 survey, follow.

- **The leading sources of information influencing executive perceptions of a community's business climate were *dialogue with industry peers*, *articles in newspapers and magazines*, and *rankings/surveys*.** For the first time since 1996, *business travel* did not rank as one of the top three sources of information.

- ***Planned visits to corporate executives*, followed by *Internet/website* rate highest among all economic development marketing tools.** *Hosting special events*, *trade shows* and *media relations/publicity* were also identified as effective techniques for communicating with decision makers.

- **Corporate executives and their advisors are contacting economic development organizations later in the site selection process.** In addition, the percentage of respondents who would not contact an economic development organization at all doubled in the past three years. Forty-seven percent of respondents indicated a strong likelihood that they would use an economic development organization's website in their next site location search. This represents a significant decrease from the 2008 survey.

- **The executives named *information on available incentives* and *workforce statistics* as the most useful features of an economic development organization's website.** *Demographic information*, *database of available buildings and sites* and *comparisons to competitor locations* also were strongly valued by the respondents.

- **Among respondents who use social media for business, LinkedIn is the most dominant communications channel.** Facebook, blog forums, Twitter and YouTube are used with less frequency. Executives in the 40-to-49 age group were found to use every type of major social media channel more than their older and younger counterparts.

- ***The Wall Street Journal* (both the print publication and WSJ.com) and the Fox News network ranked among the top news sources for the survey audience**.

- **When asked to select the most favorable business climates among the 50 states, respondents gave Texas, North Carolina and South Carolina the highest tally (in order of selection).** California, New York and Illinois were selected as the three states with the least favorable business climates.

- **Forty-seven percent of corporate respondents anticipate outsourcing a portion of site selection responsibilities for their next location search.** A real estate broker is the most likely professional to be hired to assist, followed by a site selection consultant.

Introduction and Methodology

A total of 322 responses were received from corporate executives and location advisors – the largest number in the survey's history.

In 1996 and then subsequently in 1999, 2002, 2005 and 2008, Development Counsellors International (DCI) conducted surveys of corporate executives with site selection responsibilities to determine the "customer's perspective" on the most effective strategies and techniques in economic development marketing. In 2011, DCI directed a follow-up survey to determine changes in the perceptions of corporate decision makers in the United States.

The survey audience consisted of a random selection U.S. companies with annual revenues of $25 million or more. The survey targeted executives with direct site selection responsibilities and was heavily weighted toward the following business titles: Chief Executive Officer, President, Chief Financial Officer and Vice President. The sample was augmented with an additional survey audience of 250 location advisors/consultants.

As in 2008, the survey was conducted completely online. Respondents were contacted via email and invited to participate in the survey. A hyperlink to access the online questionnaire was provided and the choice of a $10 Starbucks Card or a $10 iTunes Card was offered for participation. A copy of the questionnaire and email invitation can be found in Appendix A.

In all, 322 responses were received. Respondents were categorized as "large company executives," "midsize company executives" and "location advisors." For some questions, the data was split between respondents "49 years old and younger" and respondents "50 years old and older." Demographic information about the respondent pool can be found in Appendix D. All surveys were edited for completeness and the responses to open-ended questions were coded.

It is important to note this survey, and all preceding *Winning Strategies* surveys, are studies of perceptions. A perception is an attitude, belief or impression and not necessarily a reflection of reality. Business executives have certain identifiable opinions and beliefs about doing business in the United States and throughout the world. Some of these perceptions may be accurate and some may be genuine misperceptions.

A perception is an attitude, belief or impression and not necessarily a reflection of reality.

Influencing Executive Perceptions: Leading Sources of Information Revealed

"The reality of life is that your perceptions — right or wrong — influence everything else you do." ROGER BIRKMAN

How do executive decision makers build their awareness of specific business locations? And what are the best marketing tactics for economic development organizations to engage in to build a favorable image with this important audience?

For the sixth time, the *Winning Strategies* survey asked corporate executives with site selection responsibilities to share which sources of information influence their perceptions of a community's business climate. Respondents were asked to choose three from 13 possible responses: advertising (a category that in the past was split into two categories, print advertising and TV/radio advertising), articles in newspapers and magazines, business travel, dialogue with industry peers, direct mail, meetings with economic development groups, rankings/surveys (previously called national surveys), online sources, (added in 1999), personal travel, social media (for the first time), TV and radio newscasts/shows, word of mouth and other.

The top five responses are:

Dialogue with industry peers	50.4%
Articles in newspapers and magazines	46.0%
Ranking/surveys	35.6%
Meetings with economic development organizations	28.0%
Business travel	27.2%

The graph on the right shows all the responses to this question. *Social media* and *direct mail* were not selected by a single respondent.

CHART A: Leading Sources of Information Influencing Executive Perceptions of an Area's Business Climate

TABLE A: Leading Sources of Information Influencing Executive Perceptions of an Area's Business Climate

Sources	2011	2008	2005	2002	1999	1996
Dialogue with industry peers	50%	61%	54%	56%	71%	68%
Articles in newspapers and magazines	46%	53%	45%	62%	61%	60%
Rankings/surveys[1]	36%	22%	17%	23%	31%	34%
Meetings with economic development orgs.	28%	32%	33%	21%	27%	24%
Business Travel	27%	42%	45%	47%	45%	52%
Online sources	20%	28%	22%	9%	9%	--
Word of mouth	19%	19%	16%	29%	21%	24%
TV/radio newcast shows	14%	7%	5%	14%	7%	4%
Other	13%	10%	14%	14%	8%	15%
Personal travel	9%	14%	13%	14%	8%	21%
Advertising[2]	3%	--	--	--	--	--
Direct mail	0%	2%	2%	2%	3%	1%
Social media[3]	0%	--	--	--	--	--

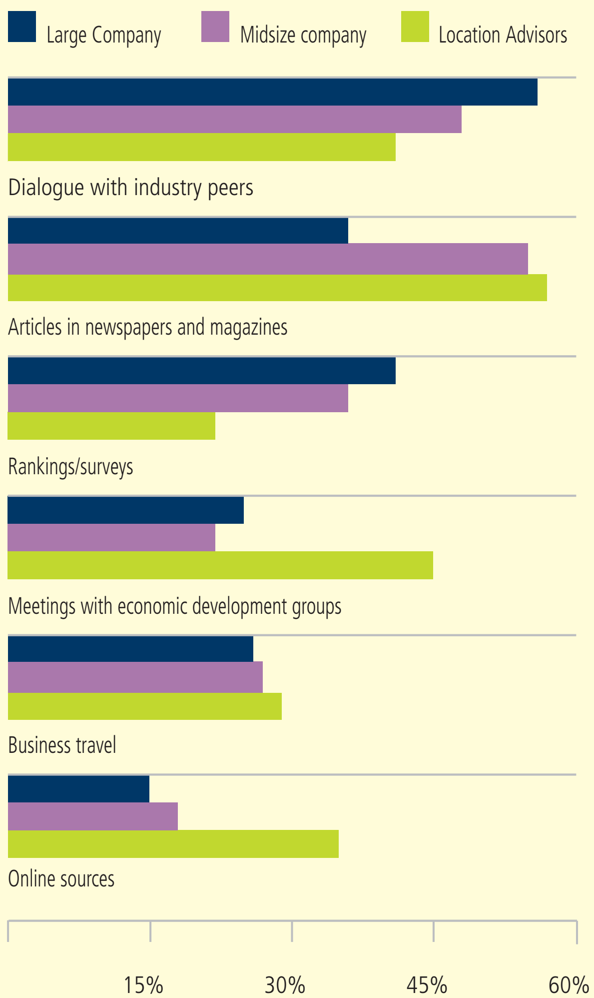
[1] In previous studies, the category "Rankings/surveys" was named "National surveys."
[2] In previous studies, "Advertising" was broken into two categories, "print advertising" and "TV/radio" advertising. We cannot make direct comparisons.
[3] "Social media" was added to the list of information sources for the first time in 2011.

As illustrated in Table A, the top two influencers – dialogue with industry peers, and articles in newspapers and magazines – have remained remarkably consistent since the survey was first conducted in 1996. This year, rankings/surveys was chosen by a higher percentage of respondents than ever. Table A also shows other responses over time.

Do the three different subgroups of our survey audience get their information from different sources? The following graph shows how large company executives vs. midsize company executives vs. location advisors rate the top six information sources.

Dialogue with industry peers and articles in newspapers and magazines have been the top two influencers since 1996.

CHART B: Leading Sources of Information Influencing Executive Perceptions of an Area's Business Climate
(Response based on Respondent Type)

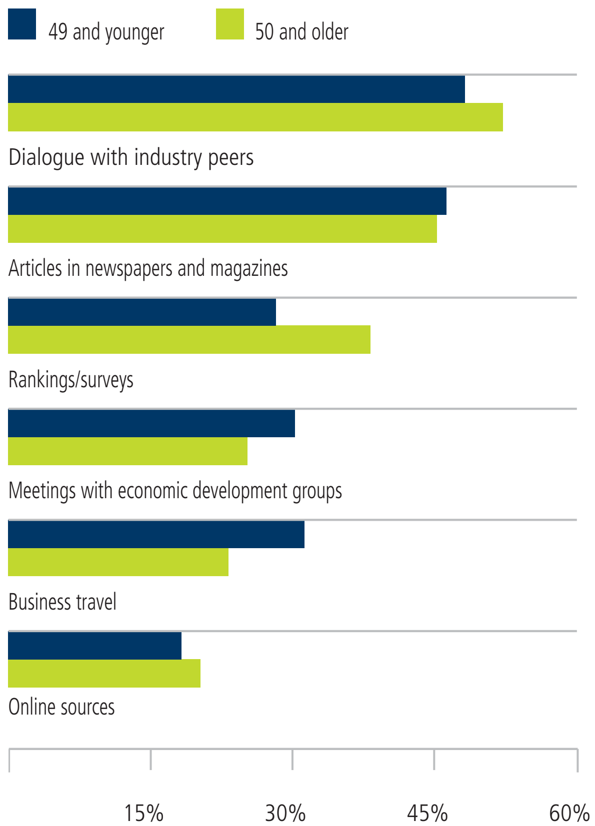


For both location advisors and midsize companies, *articles in newspapers and magazines* is the most influential source of information while large company executives are most influenced by *dialogue with industry peers*. Compared to the corporate respondents, location advisors are more influenced by *meetings with economic development groups* and *online sources*, while both corporate groups (large companies and midsize companies) show a preference for *dialogue with industry peers* and *rankings/surveys*.

Does Age Matter?

This year, for the first time, we explored whether the age of the decision maker affects which sources of information are most effective. The sample was split based on age to create two groups: 49 and younger and 50 and older. Chart C shows the results.

CHART C: Leading Sources of Information Influencing Executive Perceptions of an Area's Business Climate
(Response based on Respondent Age)



While there are some differences, the 50-plus executives and the 49-and-under executives behaved with strong similarity.

For the first time, respondents who chose *articles in newspapers and magazines*, *online sources* and/or *TV and radio newscasts/shows* were asked to indicate specifically the media in these categories they most frequently consume. Learning the specific media that business leaders pay attention to can help economic development groups create more effective marketing programs.

Where are Executives Getting their News?

A remarkably high 82% of respondents named *The Wall Street Journal* as one of the publications they most frequently read.

82.1%	The Wall Street Journal
39.3%	Daily Local Newspapers[1]
27.7%	The New York Times
18.8%	Industry/Trade Magazines[2]
13.4%	The Economist
12.5%	Bloomberg BusinessWeek
11.6%	Forbes
9.8%	USA Today
9.8%	Financial Times
6.3%	CFO Magazine
6.3%	Time

[1] This category includes 27 individual publications named by at least one respondent.
[2] This category includes 15 individual publications named by at least one respondent.

The online edition of *The Wall Street Journal* also topped the list of online information sources followed by the websites of economic development agencies.

23.3%	WSJ.com
18.6%	Economic Development Agency Websites
16.3%	Bloomberg.com
16.3%	CNN.com
14.0%	Google.com

More than 40% of respondents named Fox as the television network they most frequently watch.

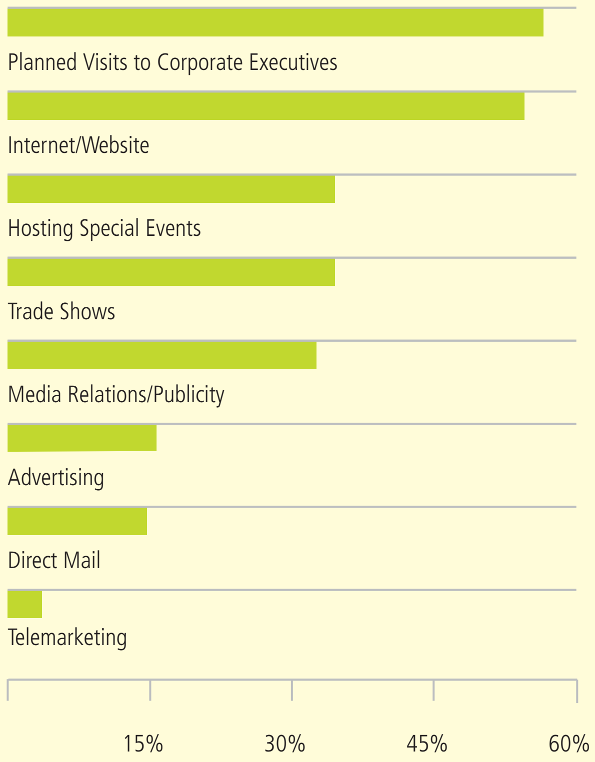
40.6%	Fox
31.3%	Network news programs (ABC, NBC, CBS)
21.9%	CNN
18.8%	AM radio station/talk radio
15.6%	MSNBC
15.6%	CNBC

Best Marketing Techniques from the Customer's Perspective

"In economic development marketing, it is better to reach six of the right people than 6 million of the wrong people." TED LEVINE

Since its inception in 1996, the *Winning Strategies* survey has asked respondents to rate the effectiveness of seven conventional marketing techniques used by economic development groups. Respondents rated each technique *(advertising, direct mail, Internet/website, media relations/ publicity, hosting special events, planned visits to corporate executives, telemarketing* and *trade shows*) on a 1 to 5 scale, where 1 equals "poor" and 5 equals "excellent." The order in the chart below is based on the percentage of responses that were either a "4" or a "5."

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



Looking at responses over time, we see the steady rise of using the Internet as a marketing technique. In 2011, this technique dips slightly to allow *planned visits to corporate executives* to recapture the top spot. The change in responses over time is presented in Table B.

Separating responses according to the three subgroups of the survey pool reveals that location advisors gave higher marks to all of the marketing techniques, with the exception of *trade shows* and *advertising* (Chart E). Midsize corporate executives rated *Internet/website* as the most important marketing tactic, while large companies rated *planned visits to corporate executives* highest.

Chart F shows how respondents in different age groups rate the marketing techniques. Older respondents rated every technique, except *hosting special events* and *media relations/publicity*, higher than younger respondents. The two groups differ slightly in their ranking of the techniques.

Planned visits to corporate executives ranked as the most effective marketing technique.

TABLE B: **Most Effective Marketing Techniques (% Rating 4 or 5 on a 5-point scale – Response over Time)**

Technique	2011	2008	2005	2002	1999	1996
Planned Visits to Corporate Executives	57%	54%	55%	53%	46%	53%
Internet/Website	55%	56%	53%	34%	37%	18%
Hosting Special Events	35%	45%	49%	37%	42%	39%
Trade Shows[1]	35%	--	33%	32%	45%	39%
Media Relations/ Publicity[2]	33%	52%	50%	40%	38%	39%
Advertising	16%	15%	20%	21%	19%	19%
Direct Mail	15%	19%	23%	33%	25%	25%
Telemarketing	4%	4%	6%	4%	6%	7%

[1] Trade shows was inadvertently not included in the 2008 survey.
[2] In previous surveys, this category was called "Public relations/publicity."

CHART E: **Most Effective Marketing Techniques**
(% Rating 4 or 5 on a 5-point scale)
(Response based on Respondent Type)

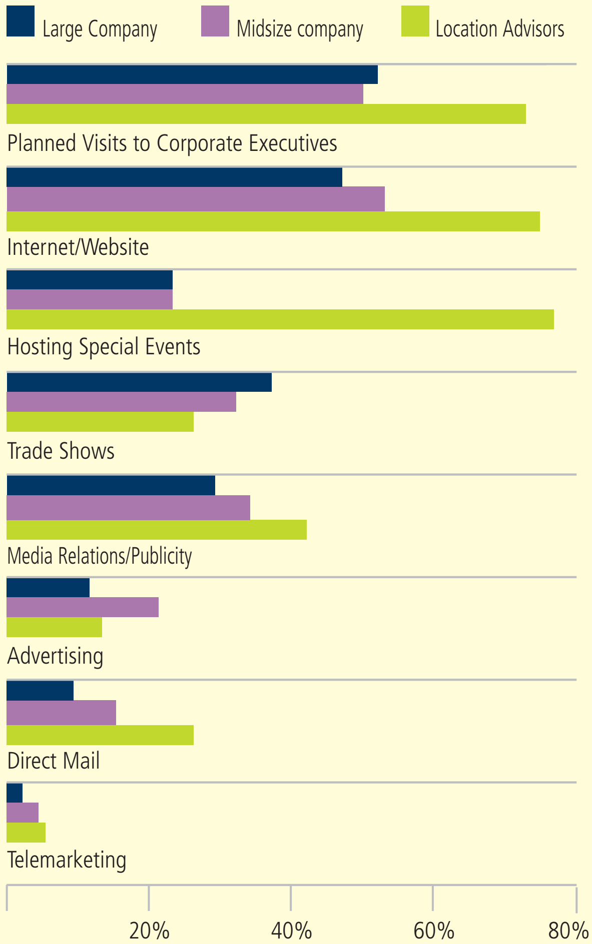
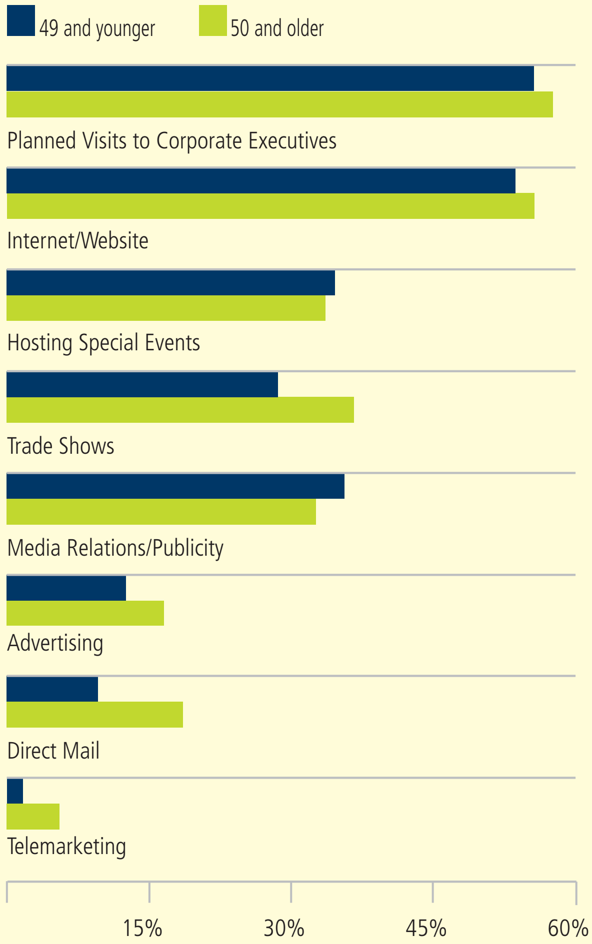


CHART F: **Most Effective Marketing Techniques**
(% Rating 4 or 5 on a 5-point scale)
(Response based on Respondent Age)

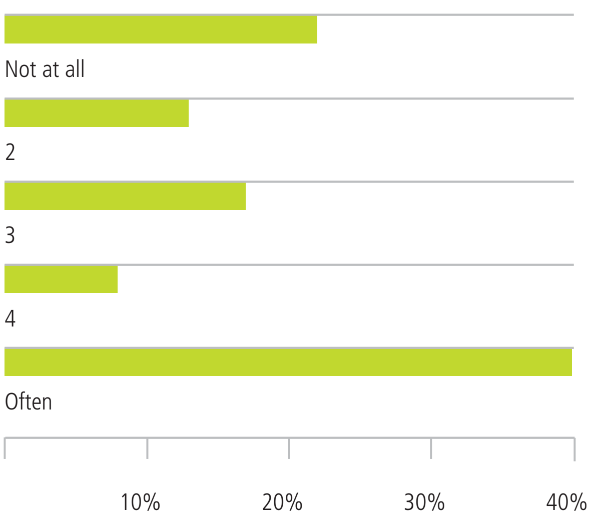


The Web and Site Selection

"The Internet is becoming the town square for the global village of tomorrow." BILL GATES

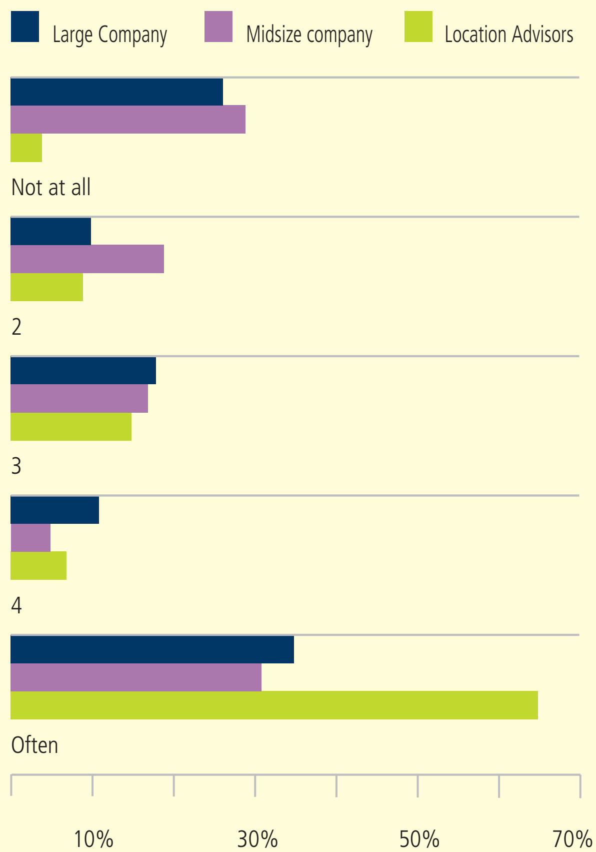
As the Internet has grown, it has become an indispensible source of information. When asked to indicate, on a scale of 1 to 5, where 1 is *Not at all* and 5 is *Often*, how often they used the Internet in their last site search, 48% of the executives responded with a 4 or 5. The following chart shows the distribution of responses.

CHART G: Frequency of Internet Use in Most Recent Site Location Search
Distribution of Responses on a 1-5 scale
(1 = Not at all and 5 = Often)



Location advisors use the Internet nearly twice as often as corporate executives as Chart H illustrates. A full 65% of the location advisor respondents selected the highest ranking of 5 when responding to this question vs. 35% of large company executives and 31% of midsize company executives.

CHART H: Frequency of Internet Use in Most Recent Site Location Search
Distribution of Responses on a 1-5 scale
(Response based on Respondent Type)



Location advisors use the Internet during site location searches much more frequently than their corporate counterparts.

First Contact: When Site Selectors Turn to Economic Development Groups

"Help...I need somebody. Help...not just anybody. Help...you know I need someone. Help!" PAUL MCCARTNEY / JOHN LENNON

To explore when the initial contact with an economic development group occurs during the site selection process, the survey asked respondents to choose from five options:

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

The most frequent response was *After we have developed a shortlist of potential communities, to request specific data or arrange site visits* with 40% of those surveyed selecting this option. The following graph shows all the responses to this question.

Looking closely at the data in Table C on page 16, corporate executives and their advisors are contacting economic development organizations later in the site selection process or in some cases not at all. The percentage of respondents who would not contact an economic development organization has doubled from 8% in 2008 to 17% in the current survey.

Economic development groups play a role most frequently after a shortlist has already been developed.

CHART I: First Contact with Economic Development Groups

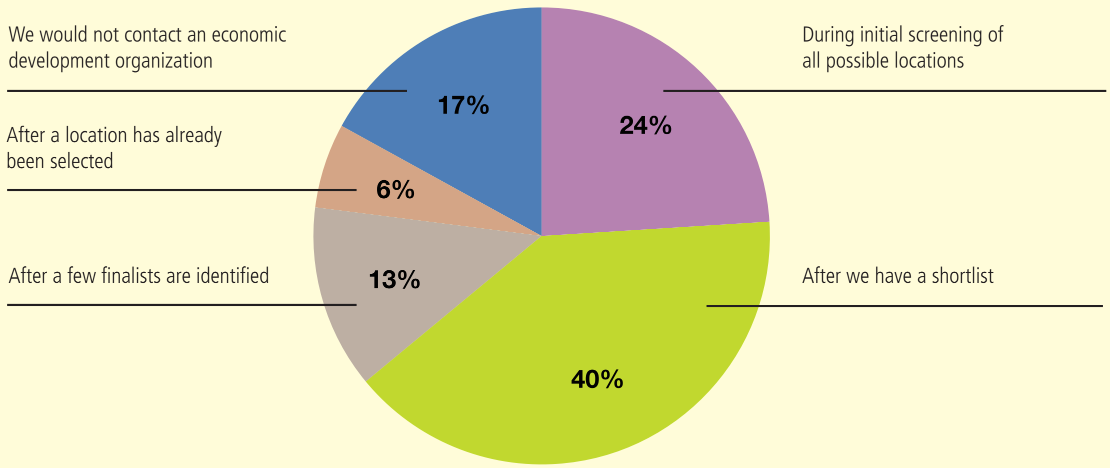


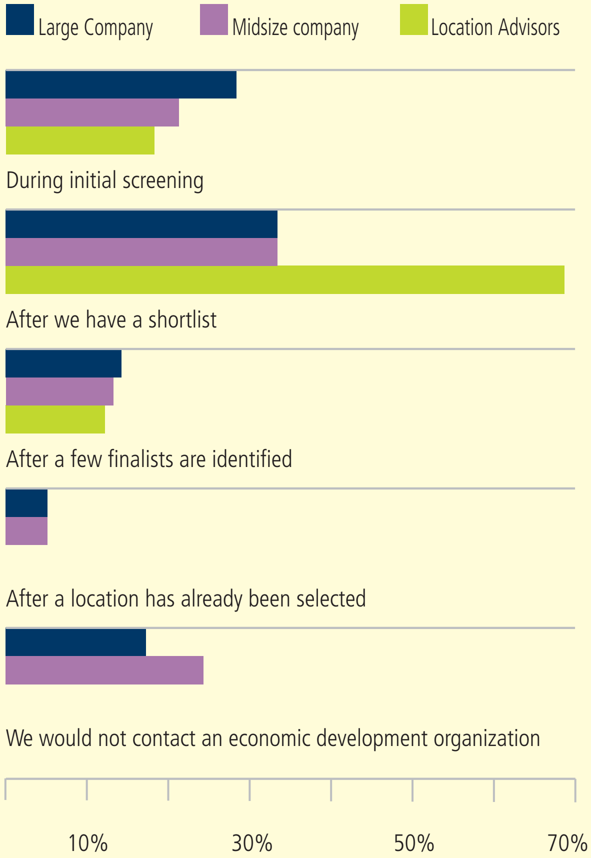
TABLE C: First Contact with Economic Development Groups (Response over Time)

Timing of First Contact	2011	2008	2005
During the initial screening of all possible locations, to request preliminary data.	24%	29%	27%
After we have developed a shortlist of potential communities, to request specific data or arrange site visits.	40%	40%	48%
After the field has been narrowed to a few finalists, to negotiate incentive offers.	13%	18%	15%
After a location has already been selected, for assistance in identifying a suitable building/lot.	6%	5%	2%
We would not contact an economic development organization at any stage in a site location search.	17%	8%	8%

There are differences among the three subgroups, as presented in Chart J. Consistent with findings of previous years, location advisors are more likely to utilize the services of an economic development organization (none indicated they would not contact an economic development organization at any stage), and are more likely to contact one earlier in the site selection process.

Location advisors are more likely to utilize the services of an economic development organization than corporate executives.

CHART J: First Contact with Economic Development Groups (Response based on Respondent Type)



Often, an executive's first contact with an economic development organization is through the organization's website. Regarding the likelihood of visiting an economic development organization's website during their next site location search, 47% of respondents indicated a 4 or 5 on a scale of 1 to 5, where 1 is *Low* and 5 is *High*. Chart K shows the distribution of all responses.

Chart L shows the change over time since the question was first asked in 2002. The percentage of executives planning to visit an economic development organization's website in their next location search dipped from 64% in 2008 to 47% in 2011.

Location advisors are much more likely to visit an economic development organization's website than the corporate respondents as Chart M shows.

CHART K: Likelihood of Visiting Economic Development Organizations' Websites During Next Site Search

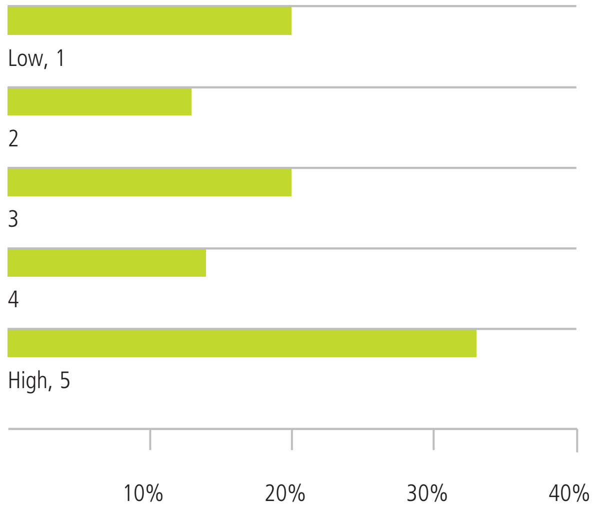


CHART L: Likelihood of Visiting Economic Development Organizations' Websites During Next Site Search
(% Rating 4 or 5 on a 5-point scale
(Response over Time)

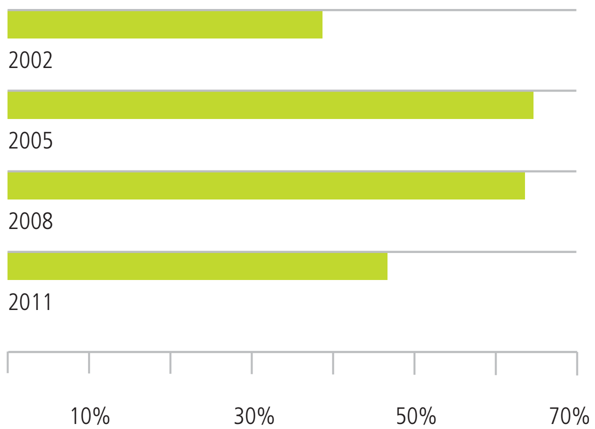
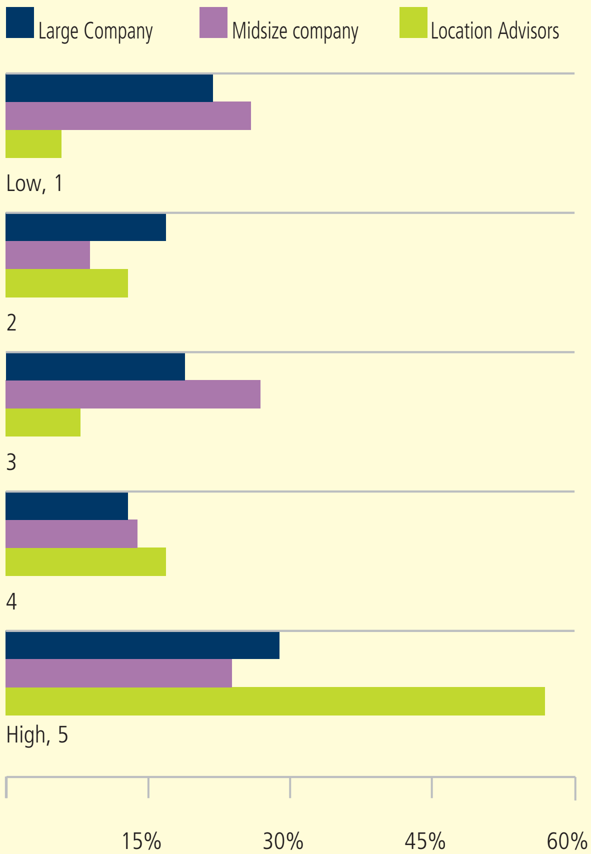


CHART M: Likelihood of Visiting Economic Development Organizations' Websites During Next Site Search
Distribution of Responses on a 1-5 scale
(Response based on Respondent Type)



Website Design: Important Information for Site Selectors

"If you want to have great success, you'd better give them what they want." DIRK BENEDICT

Respondents were asked to indicate which features are most important to the usefulness of an economic development organization's website. The survey presented 15 features that are commonly included in the design of an economic development organization's website:

- Comparisons to competitor locations (e.g. cost comparisons)
- Database of available buildings and sites
- Demographic information (e.g. population size, average income, age distribution)
- Incentives information
- List of leading local employers
- Local schools information (K-12 and colleges/universities)
- Maps of the community
- News section that describes current developments
- Quality of life information (e.g. residential neighborhoods/recreation options)
- Staff contact information (telephone and email)
- Target industry information
- Testimonials from local companies
- User-generated content/Blog
- Video content
- Workforce statistics (availability, skills, educational attainment)

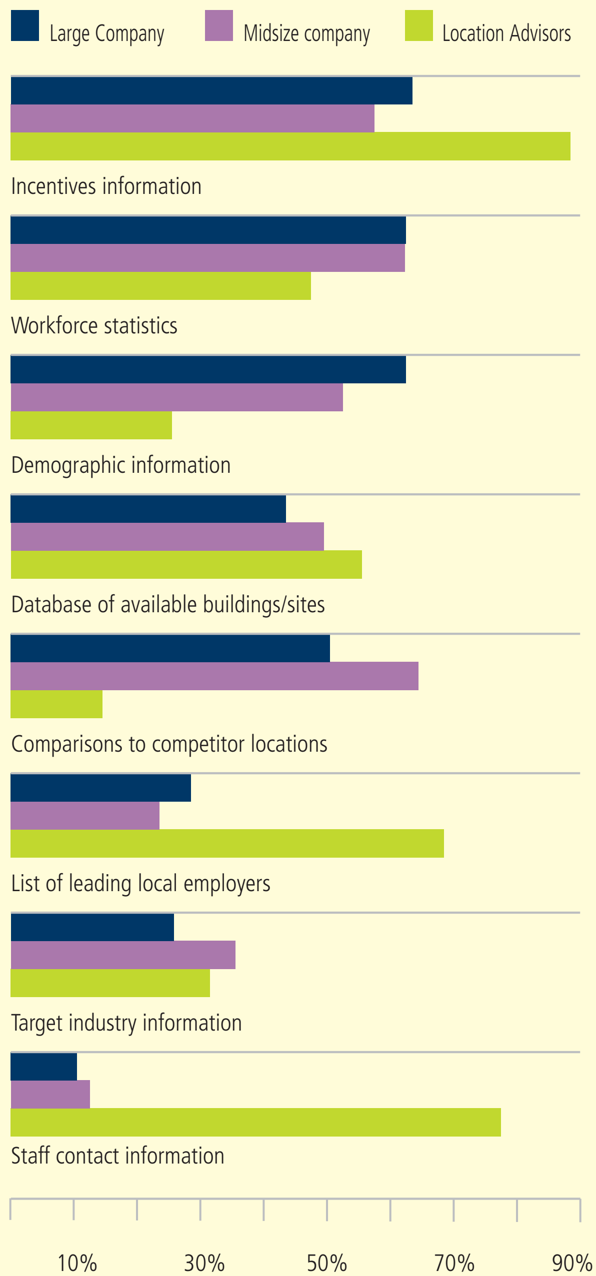
Incentives information was selected by 68% of respondents, *workforce statistics* by 59% and *demographic information* by 51%. Chart N shows all responses.

Information about incentives, workforce and demographics is most important to site selectors.

CHART N: Most Useful Features of an Economic Development Organization's Website

Comparing the three subgroups shows that for location advisors, *information on available incentives* is most useful, followed by *staff contact information*. Executives from large companies find *incentive information* most useful, followed by *workforce statistics* and *demographic information*. Midsize company executives look for *comparisons to competitor locations* and *workforce statistics*. Chart O displays the differences between the groups for the top eight features.

CHART O: Most Useful Features of an Economic Development Organization's Website
(Response based on Respondent Type)

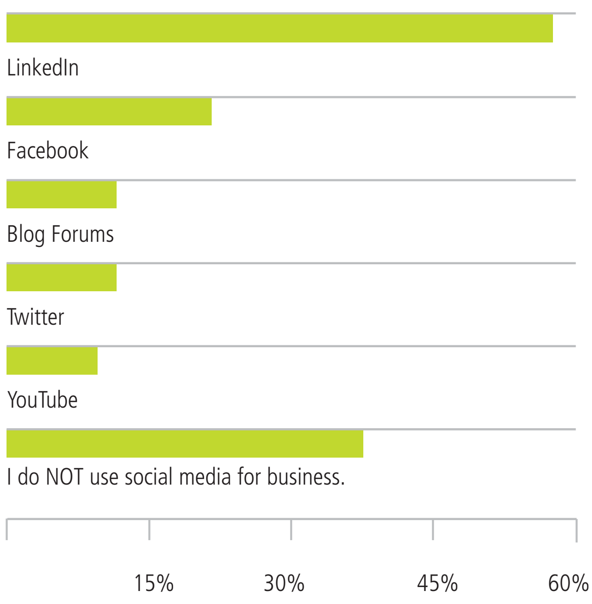


Social Media and Executive Decision Makers

"Social media is just another buzzword until you come up with a plan." UNKNOWN

In the 2011 survey, a new question probed the business use of social media by corporate executives and location advisors. The survey presented seven options: *blog forums, Facebook, LinkedIn, Twitter, YouTube, other social media channels* and *I do NOT use social media for business*. Respondents were asked to check all that apply. LinkedIn is the most widely used social media outlet, as Chart P shows.

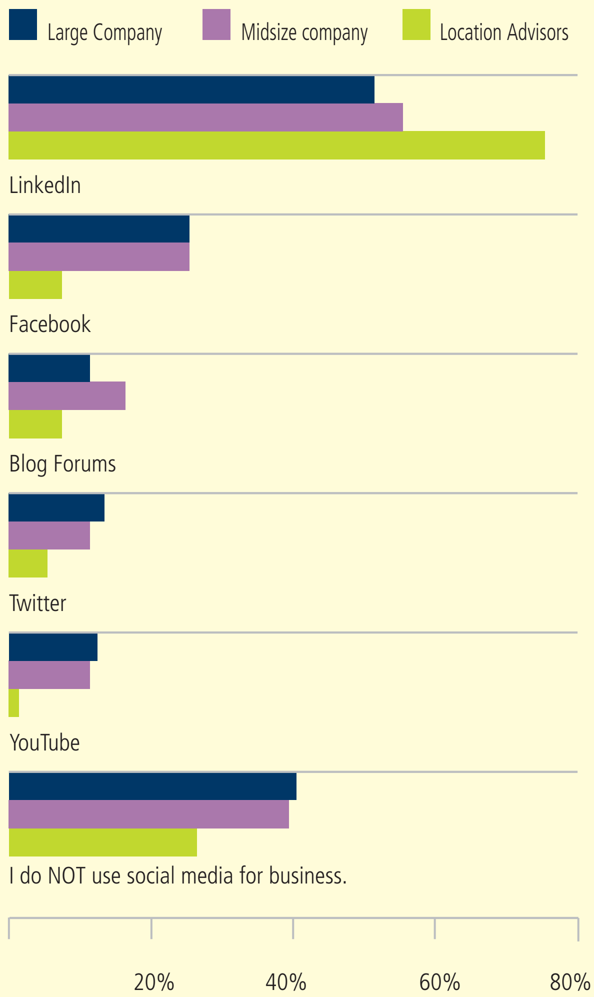
CHART P: Social Media Channels Used for Business



LinkedIn is the most widely used social media outlet.

The high percentage of executives who do not use social media for business (38%) is noteworthy. Also of note is that 76% of location advisors indicated use of LinkedIn for business. Chart Q shows all responses by subgroup.

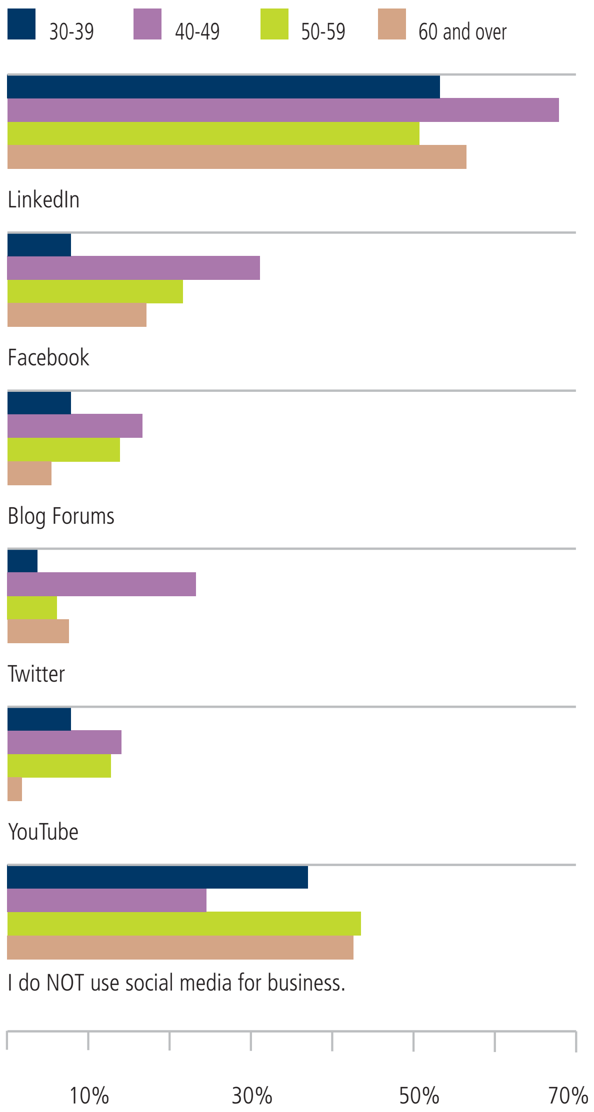
CHART Q: Social Media Channels Used for Business
(Response based on Respondent Type)



Sweet Spot for Social Media Use is Among 40 Somethings

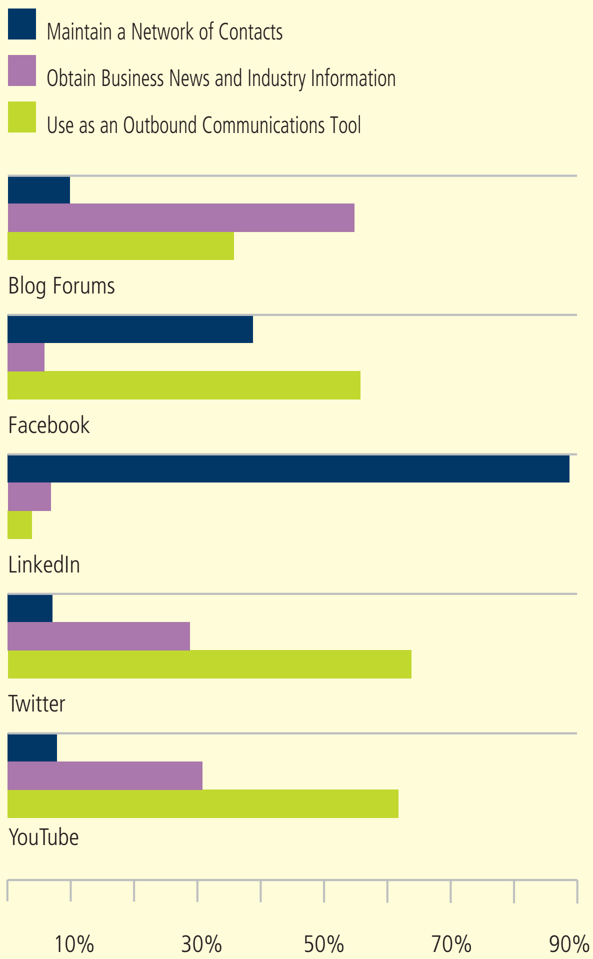
A common assumption is that younger executives are more likely to use social media channels in their business interaction. The data reveals that respondents in the 40-to-49 age group are more likely to use every type of social media channel than their older counterparts (in the 60+ age group and 50-to-59 age group as well as their younger counterparts in the 30-39 age group.) The data is exhibited in Chart R.

CHART R: Social Media Channels Used for Business
(Response based on Respondent Age)



Beyond learning which social media channels are most used, the survey also sought to learn how each media channel is being used. For each media channel they indicated using, respondents were asked to select a primary purpose for using it: to *maintain a network of contacts, obtain business news and industry information* or *use as an outbound communications tool*. Chart S shows that LinkedIn is most used to maintain contact networks; Facebook, Twitter and YouTube are used most for outbound communications; and blog forums are followed to obtain business and industry news.

CHART S: Purpose for Using Social Media Channels



Best and Worst States for Business

"Play like you're in first, but train like you're in second." UNKNOWN

DCI's "Rating of the States" has consistently received intense attention from both the news media and the economic development community.

To determine which states are winning the "perception" contest, we asked survey respondents to name three states perceived as having the most favorable business climates in the United States. We also asked the same audience to select the three states they perceive as having the least favorable business climates among the 50 states.

Overall, executives selected Texas as having the most favorable business climate, followed by North Carolina and South Carolina. Tennessee and Florida also rank in the top five.

The top five responses were:

Texas	49.4%
North Carolina	27.8%
South Carolina	14.3%
Tennessee	13.9%
Florida	13.5%

Four of the top five states are in the Southeast.

Why did the respondents select these states? What qualities are associated with a winning business climate? We asked respondents to tell us in an open-ended question.

Common themes of low operating costs and a pro-business environment emerge.

Among those who named Texas as having a favorable business climate, the factors mentioned most frequently were: *tax climate* (44%); *pro-business climate* (31%) and *economic development support/incentives* (15%).

Among those who named North Carolina as having a favorable business climate, the factors mentioned most frequently were: *low cost* (29%); *pro-business climate* (22%); and *strong workforce/talent* (22%).

The top reasons provided by those who named South Carolina included *low cost* (27%); *right to work state* (23%) and *pro-business climate* (20%).

The reasons given in 2011 emphasize costs, taxes and incentive offerings. In 2008, workforce was of greater importance.

Since DCI began conducting this survey in 1996, the states in the top five have been relatively stable. Texas has held the #1 spot since 1999, while North Carolina has held the #2 spot since 2002. Florida, Georgia and Tennessee have frequently traded top positions in the survey. South Carolina was sixth in 2008 but in 2002 and 2005, it was third, so 2011 marks its return to that spot. Table D presents how states have ranked in the top five since 1996.

TABLE D: Most Favorable Business Climate (Response over Time)					
2011	**2008**	**2005**	**2002**	**1999**	**1996**
Texas 49%	Texas 41%	Texas 33%	Texas 25%	Texas 30%	North Carolina 33%
North Carolina 27%	North Carolina 30%	North Carolina 26%	North Carolina 20%	California 22%	Texas 28%
South Carolina 14%	Georgia 20%	South Carolina 20%	South Carolina 18%	North Carolina 20%	Georgia 27%
Tennessee 14%	Florida Tennessee 15%	Georgia 18%	Florida 18%	Georgia 17%	South Carolina 21%
Florida 14%	Nevada 14%	Nevada 16%	Georgia 15%	Florida 14%	Tennessee 20%

States with the Worst Business Climates

The survey results also revealed the states deemed to have the least favorable business climates. For the fourth consecutive time, California was named most frequently. The top five responses were:

1. California	70.5%
2. New York	46.5%
3. Illinois	24.4%
4. New Jersey	23.5%
5. Michigan	16.1%

Respondents provided reasons for their negative opinions of these places. California was cited for having *high taxes* by 40% of respondents, while 36% mention *too much regulation,* 23% said *high cost* and 17% said *anti-business climate*. Among those who named New York as having a least favorable business climate, 61% cited *taxes*, 38% said *costs,* 19% said *regulations* and 11% said *anti-business climate*. *Taxes (especially corporate taxes)* (49%), *fiscal problems/state budget deficits* (22%) and *costs* (20%) earned Illinois a position in this list.

The list of *least favorable business climates* has remained remarkably consistent over the years. California and New York have swapped the first and second place spots on this list since DCI first conducted the survey in 1996, with California in first place and New York in second place since 2002. Massachusetts drops out of the top five for the first time since 1996. Table E shows the change over time.

TABLE E: Least Favorable Business Climate (Response over Time)

2011	2008	2005	2002	1999	1996
California 71%	California 72%	California 66%	California 57%	New York 29%	New York 55%
New York 47%	New York 42%	New York 34%	New York 36%	California 25%	California 47%
Illinois 24%	Michigan 17%	Massachusetts 22%	Massachusetts 18%	Massachusetts 19%	New Jersey 20%
New Jersey 24%	New Jersey 14%	New Jersey 21%	New Jersey 15%	New Jersey 14%	Massachusetts 19%
Michigan 16%	Massachusetts 12%	Illinois 13%	Florida 10%	Connecticut 10%	Connecticut 9%

The Consultants Speak: Best Economic Development Organizations

"Excellence is not a skill. It is an attitude." RAPH MARSTON

The survey offered a special question only to location advisors. Because they have regular contact with economic development groups and would be able to provide an evaluation based on experience, they were asked to indicate up to three "Best in Class" regional or community economic development organizations and up to three "Best in Class" state economic development organizations.

Forty-two respondents named a total of 50 regional or community economic development organizations and no region earned more than 22% of all mentions. Regional/community economic development organizations with 10% or more recognition are:

21%	Greater Phoenix Economic Council
17%	Kansas City Area Development Council
14%	Charlotte Regional Partnership
12%	Nashville Chamber of Commerce
12%	Austin Chamber of Commerce
10%	The Indy Partnership
10%	St. Louis Regional Chamber and Growth Association
10%	Pittsburgh Regional Alliance

Forty-four respondents shared the names of state-level economic development agencies that they consider "Best in Class." Responses to this question were less varied than the previous one, with only 27 states named by at least one respondent. The top responses are:

25%	Texas Governor's Office of Economic Development
23%	North Carolina Department of Commerce
18%	Georgia Department of Economic Development
18%	Oklahoma Department of Commerce
16%	Alabama Development Office
16%	Kansas Department of Commerce
16%	Missouri Partnership
16%	Louisiana Economic Development
11%	Tennessee Dept. of Economic and Community Development

Looking Forward: Projected Location Decisions in 2011 and 2012

"In the business world, the rear view is always clearer than the windshield." WARREN BUFFET

As seen in Chart T, 46% of respondents indicated that their company will make a location decision (move, expansion, consolidation, etc.) in the next 24 months. An additional 31% indicated they were "not sure," while 22% said their company would not make a location decision in the next two years.

What types of projects are being planned? When asked to indicate from five different facility types, which is the most likely candidate for a facility change, executives from manufacturing companies overwhelming chose *manufacturing/production plants* (Chart U), while executives from service companies chose *headquarter facilities* followed by *sales offices* (Chart V).

CHART T: Anticipate a Location Decision in the Next Two Years

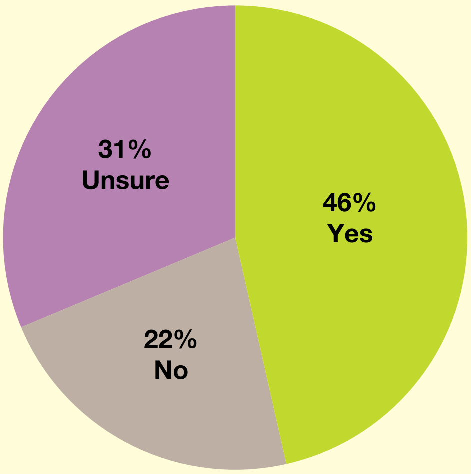


CHART U: Manufacturing Companies: Most Likely Facility Type for Next Facility Change

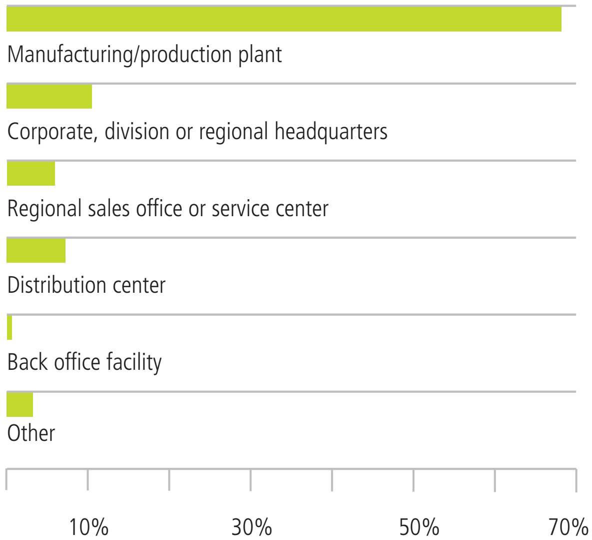
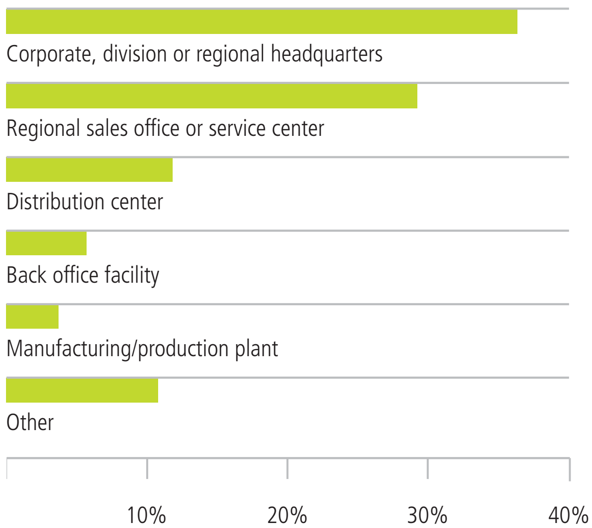
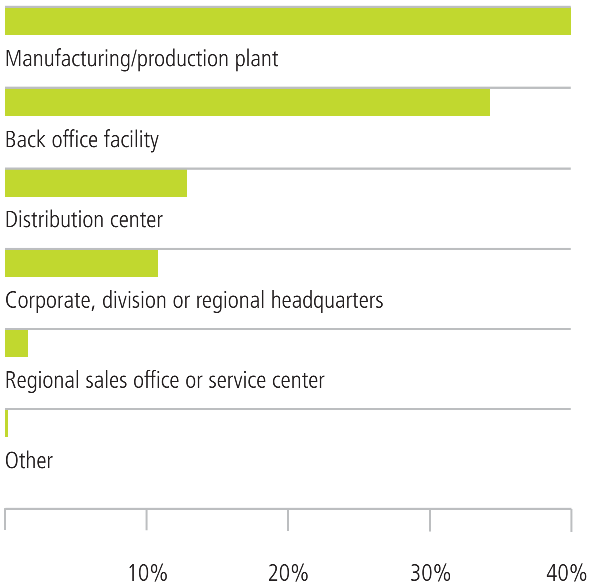


CHART V: Service Companies: Most Likely Facility Type for Next Facility Change



Location advisors were asked a similar question, "In your work with a number of companies, what do you expect to be the most common type of relocation or expansion project in the year ahead?" Forty percent chose *manufacturing/production plant*, and 34% chose *back office facility*. The location advisors responses are shown in Chart W.

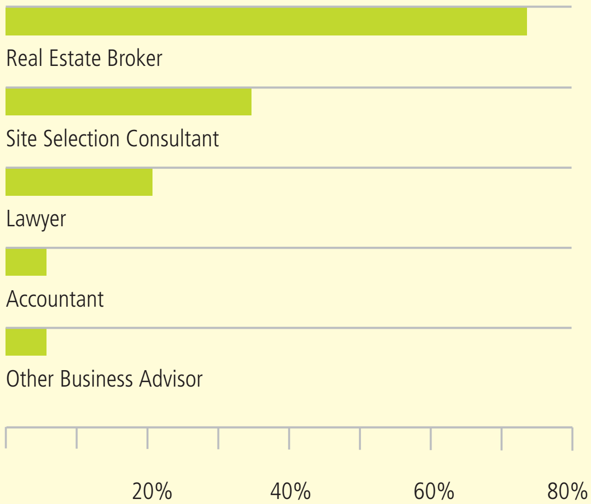
CHART W: Location Advisors: Most Likely Facility Type for Next Facility Change



Outsourcing a Portion of the Site Selection Process

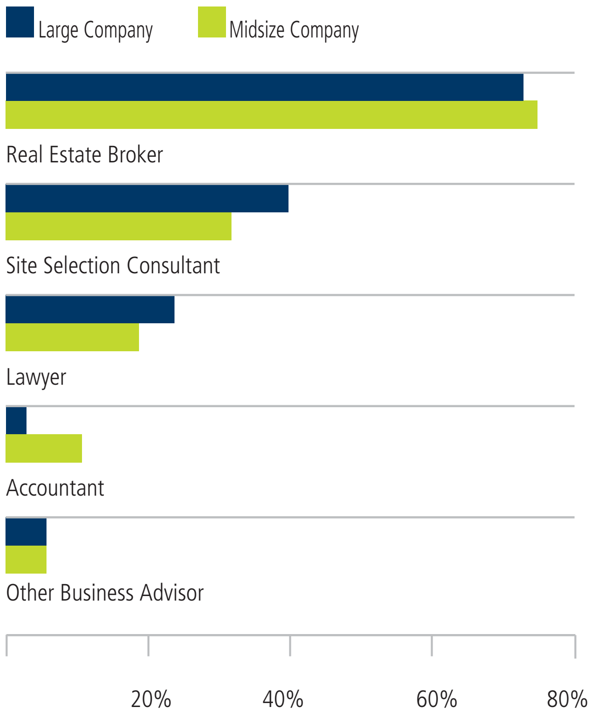
To further understand the corporate site selection process, corporate respondents were asked, "In your next location search, do you anticipate outsourcing a portion of the site selection responsibilities?" Forty-seven percent answered "yes." Among large companies, 51% answered in the affirmative while only 46% of midsize companies did. Chart X shows what type of individual/organization would be hired to assist with the site search. A real estate broker is the most likely professional to be hired to assist, followed by a site selection consultant.

CHART X: Professional Likely to Assist Corporate Respondents with Site Search



Answers from large company executives are not significantly different from those of midsize company executives. Chart Y shows how the two corporate subgroups responded.

CHART Y: Professional Likely to Assist Corporate Respondents with Site Search



A Word About DCI

Development Counsellors International (DCI) is the leader in marketing places. Since 1960, we have worked with more than 400 cities, regions, states and countries, helping them attract both investors and visitors. We specialize exclusively in all phases of economic development and tourism marketing.

Our areas of expertise include:

- Editorial Placement/Media Relations
- Prospect Development/Qualification (PDQ)
- Location Advisor Relationship Building
- Perception Studies (Media/Corporate Executives)
- Social/Digital Media
- Media Training
- Talent Attraction Programs
- Special Events
- Marketing Blueprints
- Website Development
- Tourism Development
- Crisis Communications

Located in the media capital of the world, DCI has worked with more economic development groups than all other marketing agencies combined. The firm also has frequently formed alliances with local advertising, public relations and marketing agencies to provide specialized economic development input.

Interested in learning more? We'd love to explore how we might assist your community:

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www.aboutdci.com

APPENDIX A

Questionnaire and Invitation to Participate

Subject: A Request for 3-5 Minutes of Your Time...

Dear (Salutation):

I know you are busy so let me get to the point.

It will take you less than five minutes to complete the attached survey. **But your comments will be of enormous help to the nation's economic development professionals in better understanding the site selection needs of companies like yours.** Would you be kind enough to give us your opinions by clicking on the below link and answering the survey's twelve questions?

<WEBLINK>

The survey's findings will be presented on September 26th at the International Economic Development Council's 2011 Conference in Charlotte, North Carolina. Your responses will be kept anonymous and confidential.

Thank you for your consideration of this request.

P.S. We will gladly send your choice of a $10 Starbucks or iTunes gift card for your participation. We'll also be pleased to share an executive summary of the findings when reported in September

Sincerely,

ANDY LEVINE
President/Chief Creative Officer

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2011 Business Location Selection Survey Corporate executive version

1. Are you involved in the decisions to relocate, expand, consolidate or build new facilities for your company?

❍ Yes (Continue)
❍ No (Please forward this survey to the appropriate person)

2. 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? (Please check ONE option)

❍ Corporate, division or regional headquarters
❍ Manufacturing/production plant
❍ Regional sales office or service center
❍ Distribution center
❍ Back office facility (financial services, data processing or telemarketing center)
❍ Other (please specify)

If you selected other, please specify: ______________

____

____

3. In your next location search, do you anticipate outsourcing a portion of the site selection responsibilities?

❍ Yes
❍ No

***3a. What type of individual/organization is likely to assist with the search? (Check as many options as apply.)**

❍ Accountant
❍ Lawyer
❍ Site Selection Consultant
❍ Real Estate Broker
❍ Other Business Advisor (please specify)

Other Business Advisor:______________________

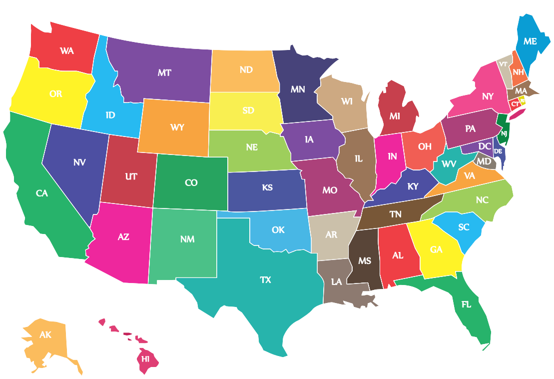
____

____

* 3a only served to respondents who answered "yes" to Question 3.

4. Generally, at what stage in a site location search would you first contact economic development organizations?

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



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

State 1______________________________

Reason 1 ____________________________

State 2______________________________

Reason 2 ____________________________

State 3: _____________________________

Reason 3 ____________________________

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

State 1______________________________

Reason 1 ____________________________

State 2______________________________

Reason 2 ____________________________

State 3: _____________________________

Reason 3 ____________________________

7. In light of your responses to Questions 5-6, what are the three leading sources of information influencing your perceptions of an area's business climate?

❍ Advertising
❍ Articles in newspapers and magazines
❍ Business travel
❍ Dialogue with industry peers
❍ Direct mail
❍ Meetings with economic development groups
❍ Rankings/surveys
❍ On-line sources
❍ Personal travel
❍ Social media
❍ TV and radio newscasts/shows
❍ Word of mouth
❍ Other (please specify)

If you selected other, please specify______________

____

____

7a. What type of advertising do you view as the most effective?

❍ Online ❍ Radio
❍ Print ❍ Television

7a only served to respondents who checked "advertising" in 7.

7b. What newspapers and magazines do you read most frequently? (LIST UP TO THREE)

7b served only to respondents who checked "newspapers and magazines" in 7.

7c. What specific rankings/surveys do you pay the most attention to? (LIST UP TO THREE)

7c served only to respondents who checked "rankings/surveys" in 7.

7d. What on-line sources do you view most frequently? (LIST UP TO THREE)

7d served only to respondents who checked "online sources" in 7.

7e. What television and/or radio newscasts/shows do you frequently view/listen to? (LIST UP TO THREE)

7e served only to respondents who checked "television and/or radio newscasts/shows" in 7.

8. Please check all social media channels that you currently use for business.

❍ Blog Forums
❍ Facebook
❍ LinkedIn
❍ Twitter
❍ YouTube
❍ Other social media channels (please specify below)
❍ I do NOT use social media for business.

Other social media channels____________________

____

____

8a. Please indicate your primary purpose for using Blog Forums.

❍ Maintain a Network of Contacts
❍ Obtain Business News and Industry Information
❍ Use as an Outbound Communications Tool

8a served only to respondents who checked "blog forums" in 8.

8b. Please indicate your primary purpose for using Facebook.

❍ Maintain a Network of Contacts
❍ Obtain Business News and Industry Information
❍ Use as an Outbound Communications Tool

8b served only to respondents who checked "Facebook" in 8.

8c. Please indicate your primary purpose for using LinkedIn.

❍ Maintain a Network of Contacts
❍ Obtain Business News and Industry Information
❍ Use as an Outbound Communications Tool

8c served only to respondents who checked "LinkedIn" in 8.

8d. Please indicate your primary purpose for using Twitter.

❍ Maintain a Network of Contacts
❍ Obtain Business News and Industry Information
❍ Use as an Outbound Communications Tool

8d served only to respondents who checked "Twitter" in 8.

8e. Please indicate your primary purpose for using YouTube.

❍ Maintain a Network of Contacts
❍ Obtain Business News and Industry Information
❍ Use as an Outbound Communications Tool

8e served only to respondents who checked "YouTube" in 8.

9. In your most recent site location search, how often did you use the Internet as a source for information?

❍ Not at all, 1
❍ 2
❍ 3
❍ 4
❍ Often, 5

10. What is the likelihood that you will visit an economic development organization’s website during your next site location search?

- ❍ Low, 1
- ❍ 2
- ❍ 3
- ❍ 4
- ❍ High, 5

11. Which of the following features do you consider most important to the usefulness of an economic development organization’s website? (Select up to five features.)

- ❍ Comparisons to competitor locations (e.g. cost comparisons)
- ❍ Database of available buildings & sites
- ❍ Demographic information (e.g. population size, average income, age distribution)
- ❍ Incentives information
- ❍ List of leading local employers
- ❍ Local schools information (K-12 and colleges/ universities)
- ❍ Maps of the community
- ❍ News section that describes current developments
- ❍ Quality of life information (e.g. residential neighborhoods/recreation options)
- ❍ Staff contact information (telephone & email)
- ❍ Target industry information
- ❍ Testimonials from local companies
- ❍ User-generated content/Blog
- ❍ Video content
- ❍ Workforce statistics (availability, skills, educational attainment)

12. From your own experience as a site selector, rate the effectiveness of the following marketing techniques as a means of influencing corporate executives who may be considering a new site location.

	Poor 1	2	3	4	Excellent 5	Don’t Know 6
Advertising	❍	❍	❍	❍	❍	❍
Direct Mail	❍	❍	❍	❍	❍	❍
Internet/Web Site	❍	❍	❍	❍	❍	❍
Media Relations/Publicity	❍	❍	❍	❍	❍	❍
Hosting Special Events	❍	❍	❍	❍	❍	❍
Planned Visits to Corporate Executives	❍	❍	❍	❍	❍	❍
Telemarketing	❍	❍	❍	❍	❍	❍
Trade Shows	❍	❍	❍	❍	❍	❍

Business Classification:
The last few questions will help to classify your business.
All data will be held confidential.

C1. Which of the following best describes your primary business:

❍ Manufacturing
❍ Services

C2. What was the gross revenue last year for your company, including all plants, divisions, branches and subsidiaries?

❍ Less than $25 million
❍ $25-$49 million
❍ $50-$99 million
❍ $100-$249 million
❍ $250-$499 million
❍ $500 million or more

C3. Will your company make a location decision (move, expansion, consolidation, etc.) in the next 24 months?

❍ Yes ❍ No ❍ Not Sure

C4. Please share your demographic information:

Age:

❍ Under 30 ❍ 40–49 ❍ 60 and Over
❍ 30–39 ❍ 50–59

Gender:

❍ Male ❍ Female

Thank you for completing this survey.

All responses will be kept confidential and you are not required to provide your name. But should you wish to receive a $10 Starbucks Card or a $10 iTunes Card, please provide your contact information below, select the item you would like and click "submit survey." If you do not wish to provide your contact information, simply click "submit survey" to complete the survey.

Name: ______________________________

Title: ______________________________

Company: ______________________________

Mailing Address: ______________________________

City, State, Postal Code: ______________________________

Please send me

❍ a $10 Starbucks Card
❍ a $10 iTunes Card

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The leader in marketing places

APPENDIX B

Most Favorable Business Climate Rankings for All States

State	% of Respondents
Texas	49.4%
North Carolina	27.8%
South Carolina	14.3%
Tennessee	13.9%
Florida	13.5%
Virginia	11.8%
Georgia	11.4%
Arizona	9.3%
California	7.6%
Indiana	7.2%
Alabama	6.8%
Ohio	6.8%
Massachusetts	5.9%
New Jersey	5.5%
Kansas	5.1%
Michigan	5.1%
Nevada	5.1%
Oklahoma	5.1%
Illinois	4.6%
Mississippi	4.6%
Pennsylvania	4.6%
Iowa	3.8%
Missouri	3.8%
Utah	3.8%

State	% of Respondents
Colorado	3.4%
Delaware	3.4%
Minnesota	3.4%
New York	3.4%
North Dakota	3.4%
Louisiana	3.0%
New Hampshire	2.5%
Wisconsin	2.5%
Kentucky	2.1%
South Dakota	2.1%
Arkansas	1.7%
Maryland	1.7%
Nebraska	1.7%
New Mexico	1.3%
Oregon	1.3%
Washington	1.3%
Connecticut	0.8%
Wyoming	0.8%
Alaska	0.4%
Idaho	0.4%
Maine	0.4%
Rhode Island	0.4%
Vermont	0.4%

APPENDIX C

Least Favorable Business Climate Rankings for All States

State	% of Respondents
California	70.5%
New York	46.5%
Illinois	24.4%
New Jersey	23.5%
Michigan	16.1%
Massachusetts	11.5%
North Dakota	5.5%
Connecticut	5.1%
Florida	5.1%
Hawaii	5.1%
Texas	4.1%
Washington	4.1%
Wisconsin	4.1%
Alaska	3.7%
Louisiana	3.7%
Nevada	3.7%
Ohio	3.7%
Pennsylvania	3.7%
Montana	3.2%
Mississippi	2.8%
Oregon	2.8%
Arizona	2.3%
Minnesota	2.3%
South Dakota	2.3%

State	% of Respondents
Georgia	1.8%
Maryland	1.8%
Wyoming	1.8%
Alabama	1.4%
Missouri	1.4%
Tennessee	1.4%
West Virginia	1.4%
Kentucky	0.9%
Maine	0.9%
Nebraska	0.9%
Oklahoma	0.9%
Rhode Island	0.9%
South Carolina	0.9%
Virginia	0.9%
Arkansas	0.5%
Colorado	0.5%
Indiana	0.5%
North Carolina	0.5%
New Mexico	0.5%
Vermont	0.5%

APPENDIX D

Demographic Profile of Respondents

Profile of Respondents:

C-level Corporate Executives	82%
Location Advisors/Consultants	18%

Age:

Under 30	1%
30 – 39	10%
40 – 49	31%
50 – 59	37%
60 and Over	21%

Only corporate executives were asked the following questions:

Gross Revenue:

$500 million or more	25%
$250-$499 million	12%
$100-$249 million	20%
$50-$99 million	16%
$25-$49 million	17%
Less than $25 million	10%

Only location advisors were asked the following question:

Size of Company:

I am a single practitioner	6%
1-25 employees	43%
25+ employees	51%

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