5.4 Marketing Approach

Congratulations to those of you who have gotten this far in the site-development process. Most communities leave the process long before they reach this point because they begin the process thinking all they need is a piece of land and a willing seller. If other communities drop out because of the required hard work, it can be fortunate for your community. Many a site-location expert has indicated that economic development is all about communities removing themselves from the selection list. They say most communities don’t even know that the prospect is looking at them until the last instant. Such was the case in a community that located two major outlet centers a few years ago. Local leaders found out that the community was being considered when the neighboring major city newspaper announced the project. It still took three years before the outlet centers were built. And if it hadn’t been for the marketing plan of the community, the project never would have gotten off the ground.

You may have thought marketing was about promotion. How can a community take credit for a marketing effort when it was the prospect that found it? Isn’t marketing about finding prospects through advertising and direct contact? Could be, but those things take place at the end of the process.

Dr. Roger Blackwell, a marketing professor at The Ohio State University College of Business, defines marketing as:

*The process by which an organization changes itself to be what people will fund.*

There are two key pieces of this definition that can be applied to the practice of community economic development. The most important piece is “what people will fund.” This is the age of instant information packaged in all kinds of ways. Those seeking information will usually find more than they could have imagined when they began their search. This means that consumers are extremely aware of their needs. A retail business, an industrial firm or a commercial enterprise does not need a community telling it what it takes to succeed. What these enterprises need is a community that understands their needs and can do something to meet them.

This leads to the second piece of Blackwell’s definition: "change." A community must be able to change its site to fit the needs of the firm. If a community wants to successfully fill a development site with a firm, it first must determine what the firm needs and how the site can be arranged to fit that need. So how does a community begin to understand a firm’s needs? By understanding the community itself.

The best time for a community to understand itself is before it spends money on site improvements. The entire site-development process is intended to assist a community in understanding itself before it invests in site development or promotion. The community survey contained in the feasibility study, combined with the inclusion of community participation, begins the process of understanding. From that effort the development task force and community leaders should better understand their workforce, utility capacities, educational system, community infrastructure, governmental services and health system. The process of setting community goals to determine the appropriate type of site to develop will help a community identify areas in which residents and leaders will support change to meet development goals. The final section of information gathered by the engineering study leads to the selection of a site that has the greatest potential to meet the desired prospect’s needs. Now the community needs to put all this information together and fine-tune its target market.

Let’s continue the example we began in the *goals and objectives* portion of section 5.2. In that section, the fictional community we were discussing targeted an industrial site because it had a high percentage of youth graduating into the workforce and a highly skilled plastics molding operator training program. Now let’s suppose that the community learns from the engineering study that the site lacks up-ground water storage capacity to meet the fire suppression standards and water flow needs of the plastic industry. The first step the community needs to take to market itself is to plan how to correct the water-storage problem. If the community can afford a storage tank, investing in one would be a great marketing method. This
would send the message to developers and location consultants that this community is serious about serving the needs of the plastic industry. According to Blackwell’s marketing definition, the community would be demonstrating it is serious about changing to be what its customer needs.

Poor marketing in this example would be for this community to set restrictive covenants at its industrial site to attract high-tech industry, which needs a large supply of college graduates in the sciences. The survey of the community indicated that there were few college graduates in the community and few high-school graduates going on to secondary education. Someday those numbers may change, but a good marketing practice is to work toward such a change incrementally by attracting a plastic manufacturer that will raise the wage level of the community by employing recent technical-school graduates.

The first step, then, to a sound marketing approach is to match the capacities of the community to a particular suitable target market which places high value on these very capacities. The next step is to begin to address the remaining capacity deficiencies to demonstrate willingness and ability to meet companies’ needs.

To continue moving through the development of a marketing approach, the community needs to recognize the reasons it is interested in its targeted market. Many communities will say they want to create jobs for their residents, increase the tax base to continue quality education and public services and bring a higher quality of life to their residents. If these are accurate statements about why a firm is wanted in a community, than any firm can meet these desires. These are very general goals present in every community. A community that can be more specific will demonstrate to a potential firm that local leadership understands the community and is willing to enter a partnership to enhance the community’s vitality. Our example community can make its job-creation statement specific by saying it wants jobs for technical-school graduates and support for the technical training institution. This would make a powerful statement to an industry that depends on technical training in an era when every school district is emphasizing preparing kids for college. Instead of saying it wants to increase its tax base, this community could say it wants to provide tax relief for the retail and agricultural sectors of the local economy. By doing so, the community would show its commitment to a balanced, supportive community vitality. And instead of vaguely defining quality of life advancement, our example community could say it wants to improve the living wage scale for residents. A community with this depth of understanding of the importance of building lasting public/private partnerships is ready to present itself to prospects.

Now the community can begin the promotional portion of marketing. A final question the community must address is, “who is responsible for promoting this community?” If the community thinks that the answer is the chamber of commerce executive or the economic development office, it has only identified the tip of the iceberg. What is really needed is a marketing team. This group is lead by the individual or office assigned economic development responsibility within the community. However, prospects are trying to discover the community’s business personality and commitment to long-term support of a pro-business attitude. Any community will jump to serve the needs of a new business, but will this same enthusiasm be there for support after several years? Everyone knows that the development office is staffed by individuals paid to promote the virtues of the community. What the prospects want to learn is what other businesses and administrators of support programs have to say about the virtues and commitment level of the community.

Before we discuss the makeup of a team, we need to stress the importance of the lead person. The lead person is the contact for information about the community. Nearly all firms want to be confidential about their location process. A key element to building a marketing team is having one person to whom a company can present the technical information necessary for the contact to know during the initial stages of the site-selection process. The firms want someone who will respect confidentiality, even when talking to elected officials, and who can respond quickly to the firms’ requests for information. It helps if that individual can respond openly and honestly about the community. In reality, the lead person no longer serves the community first once a prospect makes contact. Instead, the lead person’s responsibility is to represent the prospect as it tries to obtain the information and commitment needed to successfully operate locally. Simply put, the community’s lead person is trying to meet the customer’s needs. At the
appropriate time the community’s lead person will need the support of direct contact between the prospect and those organizations that provide services and information to the firm.

Key members of the marketing team are:

**Community Services Representatives**: These are the persons who deliver the utility services so valuable to a business. These individuals need to address technical questions about particular utility services important to the prospect.

**Building Standard Representative**: This individual needs to address the technical issue surrounding the obtaining of permits and the standards required to meet local and state building standards.

**Training and Educational Specialists**: These individuals need to be prepared to answer questions regarding educational achievements, future educational programming and training incentives available to the firm.

**Labor Specialist**: This individual will be asked questions about availability of labor, assistance in finding and screening qualified persons, and labor-training programs.

**Elected Officials**: These individuals will be necessary to demonstrate the interest within the community in bringing the firm into the community. They will also be asked to facilitate any necessary governmental action that will need to be initiated, such as local incentive programs. They may also be asked questions about the local tax structure.

**Financing Expert**: This position may require a person from the public sector to discuss any financing programs available to the firm. In addition, a private-sector financial expert may be requested to give a summary of the local economy.

**Community Life Expert**: Every firm is concerned about the opportunities for social and cultural exchange for the families of employees moving into the area, as well as the contentment of families of future local employees. Included in this role may be questions regarding health services.

**Engineering Expert**: The firm will have a number of questions about transportation networks, on- and off-site construction issues, drainage systems and other appropriate development standards. This may be the city/county engineer or a private engineer (for example, the engineer that completed the engineering study).

A development task force that has included the marketing team from the beginning of the feasibility study will have team members who understand the level of the community’s commitment to development. Throughout the entire selection process firms will be evaluating the community’s ability to foster a lasting partnership. Firms and their representatives need quick, accurate answers to their questions. In addition, they need assurance of commitment regarding all the information and promises the community has made through the lead marketing-team person. Firms may also want to visit some of the facilities where services are provided. The team needs to be in place as part of the community marketing effort, and the team should be involved when the prospective firm wants a direct meeting. It is the role of the team leader to determine when such contact is appropriate.

There is a final group involved in the marketing team. The group is made up of people who usually are not formal members of the team but are often the first contact the prospective firm has with the team. These people are the owners and managers of existing firms within the community. Be assured, prospective firms will contact local businesses to assess the care officials give to lasting partnerships, the availability and productivity of the area workforce, the governmental support and quality of services, and all the other factors related to a pro-business attitude. The importance of a sound retention and expansion
program for existing firms is a necessary component of a sound marketing approach. If, for example, the water needs of existing firms are not being satisfied by the community, how can a new firm expect to be treated any differently?

The three big steps toward developing a marketing plan are:

- Have a specific understanding of goals the community expects from developing the site
- Build a marketing team that understands each member's role
- Have an ongoing effort to satisfy the needs of existing firms

Promotion

At last the community is prepared to begin what every organization assumes is the role of marketing: Promotion; in this case, of the development site. Most communities will rush to place advertisements in development magazines and attend trade shows. A few communities may even try contacting firms directly by mailing materials or making personal visits. All of these methods are appropriate, but they require a substantial promotional budget, and often a development staff. A more effective first step may be to foster relationships with organizations and individuals that promote development sites as a full-time business. Applying Blackwell’s definition of marketing, we argue that the role of the local development effort is to help business location firms succeed in finding a site for their clients. Organizations involved in business location do not own sites but instead try to locate the ideal place for their clients. These organizations are trying to build or maintain a reputation as providing quality locations. A community that can help these organizations succeed has a strong promotional partner. Included in this list of potential promotional partners are:

State or Regional Development Departments: Many states or regions have development departments whose role is to provide potential sites to firms, primarily out of state but also in-state. These offices are competing with neighboring regions to attract firms to their geographical areas. A community that has a strong development effort can help a state or regional office meet its goals.

Utility Development Offices: Providers of natural gas and electricity want to attract or maintain firms in their service area so they can increase the demand for their product. Firms will contact these offices for assistance in locating potential sites.

Location Consultants: There are a number of individuals and firms that specialize in the entire location process for firms. Usually these individuals maintain a portfolio of clients who contact them for their expansion needs. Hiring these individuals saves people resources and provides expertise for the site-seeking firm. Retail businesses often contract with such consultants, who find a location for the business and then discontinue involvement in the site-selection process.

Private Developers: Developers are organizations or individuals who not only provide site-selection assistance to a firm but also build facilities for the firm. Often these facilities are originally leased to the firm, leading to a capital-investment savings.

Rather than undertaking major promotional campaigns of their own, communities may want to partner in promotional efforts with the organizations listed above. Such partnerships may lead to major financial savings for the local development effort, and they may provide communities with resources that are extremely knowledgeable about contacting and being contacted by firms.

Final potential sources for promoting a development site are local professionals, hospitals, and businesses. Attorneys and accountants often provide services to firms on a regional basis. These professionals obviously have the trust and confidence of decision-makers within the corporation they are providing services. Keeping these professionals apprised of the development effort could lead to a prospective inquiry. Also, hospitals and doctors get involved in bringing new health-care facilities and
professionals to the community. Keeping these individuals aware of development efforts could also lead to opportunities. Finally, other business owners who are content with the community may also share information with suppliers and customers about development potential.

We can now add the final component to a marketing approach for site development:

*Promotion of sites can best be accomplished in partnership with development professionals and through local businesses and professionals.*

Marketing is about serving the needs of the prospective firm by knowing community goals, establishing a volunteer support team and partnering with skilled promotional experts. Helping others reach their goals through community changes to address the prospect’s needs will foster and encourage the continuation of strong partnerships for site marketing.

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