

**A View from Corporate America:
Winning Strategies in Economic
Development Marketing**

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EXECUTIVE SUMMARY

Successful marketers share a common trait: an ability to put themselves in the customer's shoes.

It is with this aim that Development Counsellors International (DCI) first conducted the most comprehensive survey of corporate executives with site selection responsibilities in 1996. Our aim 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 fifth installment in a series of surveys of senior U.S. executives and their advisors. Similar surveys were conducted by DCI in 1996, 1999, 2002 and 2005.

Key findings, based on the aggregate responses of 281 participants in the survey, are presented below. The respondents are familiar with economic development agencies (with 65% of them reporting close working relationships with economic development groups):

- **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 "business travel."** These "top three" information sources have remained unchanged since the survey was first conducted in 1996.
- **"Internet/website" advanced dramatically in the 2008 survey to capture the highest rating among all economic development marketing tools.** "Planned visits to corporate executives," and "public relations/publicity" ranked 2nd and 3rd respectively.
- When asked at what point in a site selection search they would typically contact an economic development organization, 40% indicated, "After we have developed a short list of potential communities." Twenty-nine percent selected, "During the initial screening of all possible locations, to request preliminary data."
- **Sixty-four percent of respondents indicated a strong likelihood that they would use an economic development organization's website in their next site location search.** The executives named "information on available incentives" and "demographic information" as the most useful features of an economic development organization's website.

- Asked to rate the importance of several common site selection factors, respondents gave the highest rating to “labor (availability, quality, cost),” followed by “overall operating costs” and “efficient transportation systems (highway, rail, air, port).”
- **When asked to select the most favorable business climates among the 50 states, respondents gave Texas, North Carolina and Georgia the highest tally** (in order of selection). California, New York and Michigan were selected as the three states with the least favorable business climates.
- **China, India and Mexico were selected by U.S. executives as the three most favorable countries for investment.**
- When asked to identify the most likely candidate for their company’s next move or expansion, respondents most commonly answered “manufacturing/production plant,” (particularly among midsize companies). This was followed by “corporate, division or regional headquarters” and “regional sales office or service center.”

These topics are discussed in greater depth in the pages that follow.

I

INTRODUCTION AND METHODOLOGY

In 1996 and then subsequently in 1999, 2002 and 2005, 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 2008, 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 of 3,591 U.S. companies with annual revenues of \$25+ million. 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 944 location advisors/consultants.

The survey audience consisted of a random selection of 3,591 U.S. companies with annual revenues of \$25+ million.

For the first time, 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 a \$10 Starbucks Card was offered for their participation. A copy of the questionnaire and email invitation can be found in Appendix A.

In all, 281 responses were received. Respondents were categorized as “large company executives,” “midsize company executives” and “location advisors.” Demographic information about the respondent pool can be found in Appendix E. All surveys were edited for completeness and the responses to open-ended questions were coded.

Some of these perceptions may be accurate and some may be genuine misperceptions.

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.

II INFLUENCING CORPORATE DECISIONS

Where do corporate executives get their information about business locations? Which marketing tactics can economic development officials use to influence target companies? What factors are most important in making a location decision?

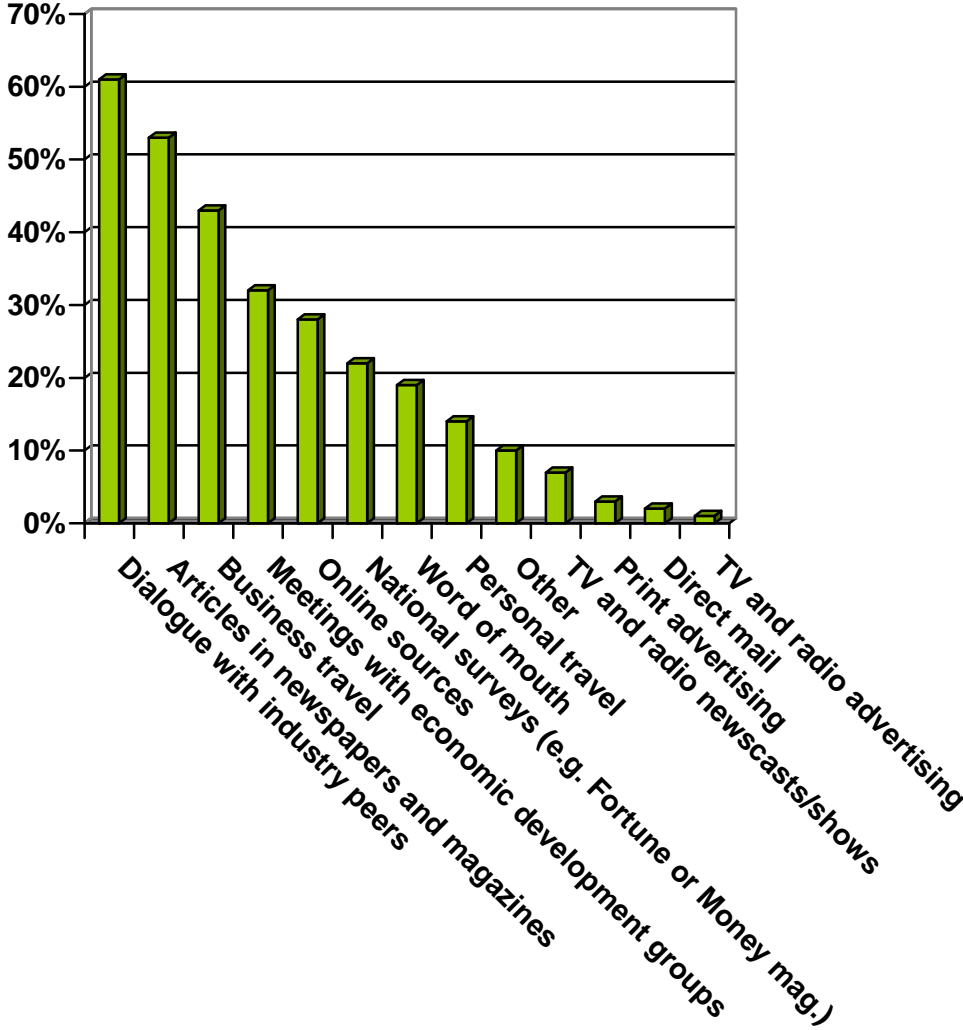
For the fifth time, the Winning Strategies survey asked corporate executives with site selection responsibilities to tell us which sources of information influence their perceptions of a community's business climate. Respondents were asked to choose three from 13 possible responses: "articles in newspapers and magazines," "business travel," "dialogue with industry peers," "direct mail," "meetings with economic development groups," "national surveys," "personal travel," "print advertising," "TV/radio advertising," "TV/radio newscasts/shows," "word of mouth," "online sources" (added in 1999) and "other."

The top five responses are:

- | | |
|--|-----|
| 1. Dialogue with industry peers | 61% |
| 2. Articles in newspapers and magazines | 53% |
| 3. Business travel | 43% |
| 4. Meetings with economic development groups | 32% |
| 5. Online sources | 28% |

The following graph shows all the responses to this question.

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



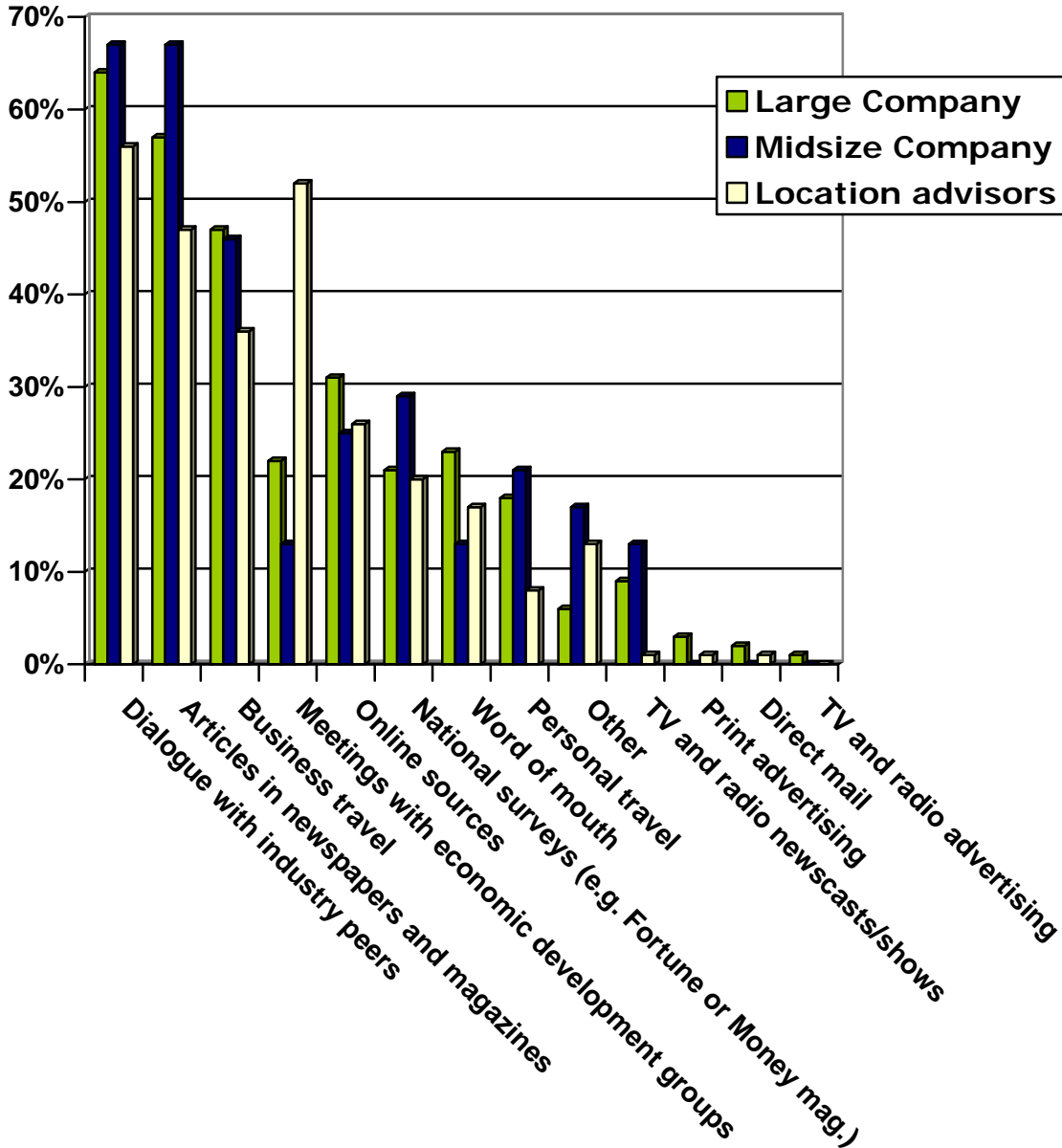
As illustrated in the table below, the top three influencers – “dialogue with industry peers,” “articles in newspapers and magazines” and “business travel” have remained remarkably consistent since the survey was first conducted in 1996. **Executive perceptions are heavily influenced by what “other credible sources” say about a community (or what they observe in their own travels), rather than by what a community says about itself via controlled media.** The following table shows responses over time.

Table A
Leading Sources of Information Influencing
Executive Perceptions of an Area's Business Climate
(Response over time)

Sources	2008	2005	2002	1999	1996
Dialogue with industry peers	61%	54%	56%	71%	68%
Articles in newspapers & magazines	53%	45%	62%	61%	60%
Business travel	42%	45%	47%	45%	52%
Meetings w/ economic development orgs.	32%	33%	21%	27%	24%
Online sources	28%	22%	9%	9%	--
National surveys	22%	17%	23%	31%	34%
Word of mouth	19%	16%	29%	21%	24%
Personal travel	14%	13%	14%	8%	21%
Other	10%	14%	14%	8%	15%
TV/radio newscasts/ shows	7%	5%	14%	7%	4%
Print advertising	3%	2%	4%	3%	4%
Direct mail	2%	2%	2%	3%	1%
TV/radio advertising	1%	1%	0%	1%	0%

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 responded.

Chart B
Leading Sources of Information Influencing Executive Perceptions of an Area's Business Climate
 (Response based on respondent type)



All three subgroups are most influenced by “dialogue with industry peers” while midsize companies are equally influenced by “articles in newspapers and magazines.” Location advisors are influenced by “meetings with economic development groups” more than any other subgroup of respondents. “Direct mail” and “advertising” are not considered an influential source of information by any group.

Economic development groups need to think creatively about how to apply these lessons to their own marketing programs. Two observations drawn from DCI’s experience in economic development marketing:

- **Stimulating greater “dialogue with industry peers” - essentially getting local business leaders to communicate with external colleagues about a region’s business advantages - remains a challenging but potentially blockbuster marketing opportunity.** Successful ambassador programs initiated by local economic development groups have had some impact in this area. Growth in social media and online communications offers a new and inexpensive avenue for “peer-to-peer” dialogue.
- **A structured program to communicate with the business traveler offers a similar opportunity – particularly for larger communities with significant tourism assets.** Creative approaches implemented by economic development organizations include training programs for taxi/limousine drivers, tailored materials in airport/hotel business centers and “strategic conferencing” – attracting specific meetings/conferences that will bring target executives to a community.

What is the most effective means of reaching corporate executives who may be considering a new site location?

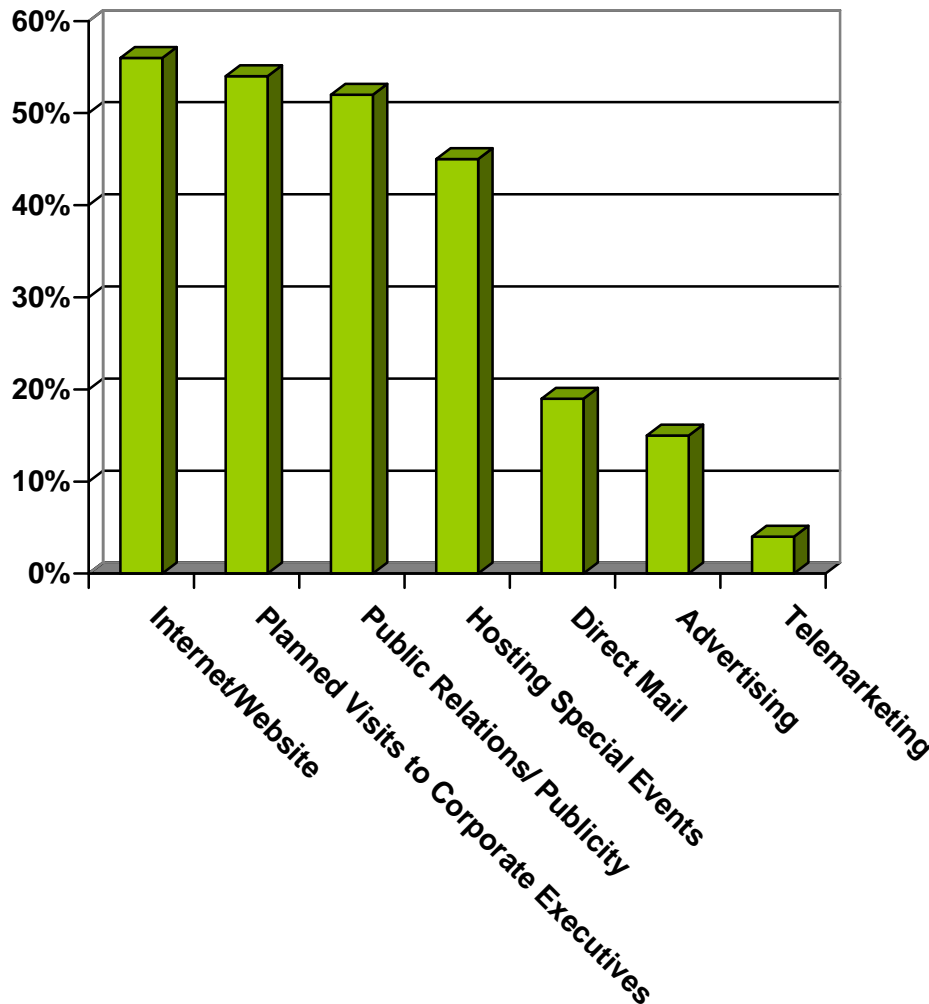
EFFECTIVENESS OF ESTABLISHED MARKETING TECHNIQUES

In a separate yet related question, we asked respondents to rate the effectiveness of seven typical marketing techniques used by economic development groups. What is the most effective means of reaching corporate executives who may be considering a new site location?

Respondents rated each technique (“Advertising,” “Direct Mail,” “Hosting Special Events,” “Internet/Web Site,” “Planned Visits to Corporate Executives,” “Public Relations/Publicity,” and “Telemarketing”) 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.”

“Internet/website” soared to capture the highest rating among all economic development marketing tools for the first time, pointing to how essential a strong Internet presence is. The following chart shows the ranking of all the marketing techniques.

Chart C
Most Effective Marketing Techniques
(% Rating 4 or 5 on a 5-point scale, 2008)



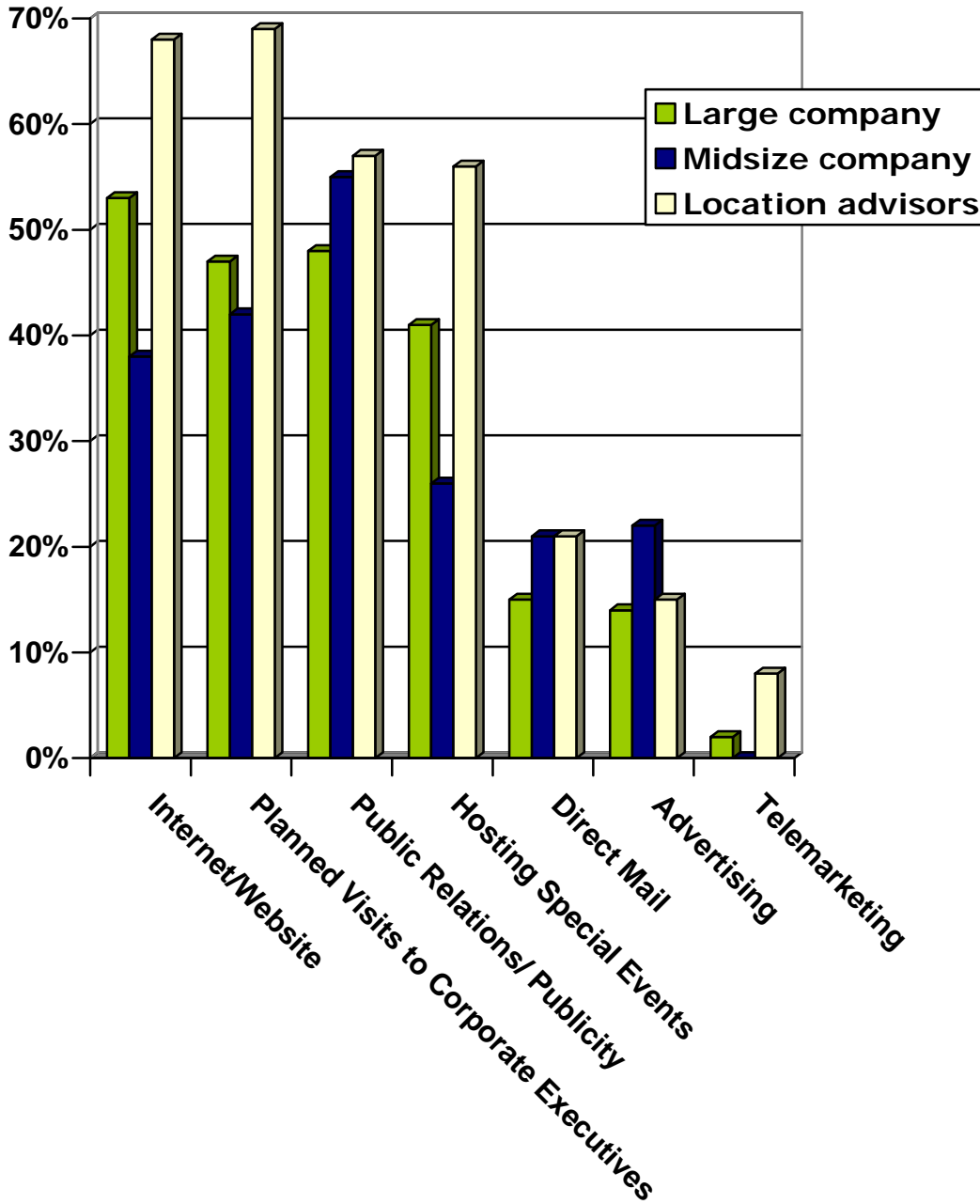
Looking at responses over time, we see the steady rise of using the Internet as a marketing technique from 1996 to 2008. The change in responses over time is presented in the following table.

Table B
Most Effective Marketing Techniques
(% Rating 4 or 5 on a 5-point scale)
(Response over time)

Technique	2008	2005	2002	1999	1996
Internet/website	56%	53%	34%	37%	18%
Planned visits to corporate executives	54%	55%	53%	46%	53%
Public relations/publicity	52%	50%	40%	38%	39%
Hosting special events	45%	49%	37%	42%	39%
Direct mail	19%	23%	33%	25%	25%
Advertising	15%	20%	21%	19%	19%
Telemarketing	4%	6%	4%	7%	6%

By separating responses according to the three subgroups of our survey pool, we find that location advisors gave higher marks to all of the marketing techniques, with the exception of advertising. Midsize corporate executives rated “Public relations/Publicity” as the most important marketing tactic (placing it slightly ahead of the “Internet/website”).

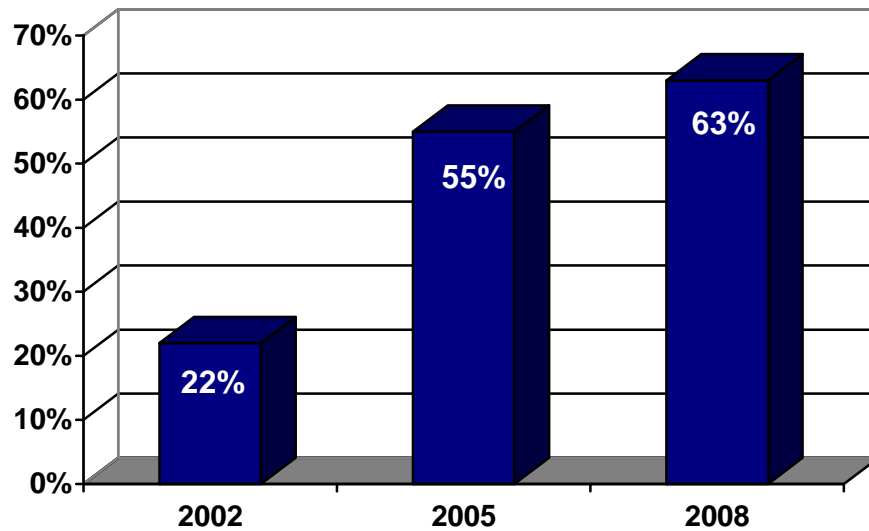
Chart D
Most Effective Marketing Techniques
 (% Rating 4 or 5 on a 5-point scale)
 (Response based on respondent type)



Consistent with these findings are the findings of another question which asked respondents how often they used the Internet as a source for information in their most recent site location search.

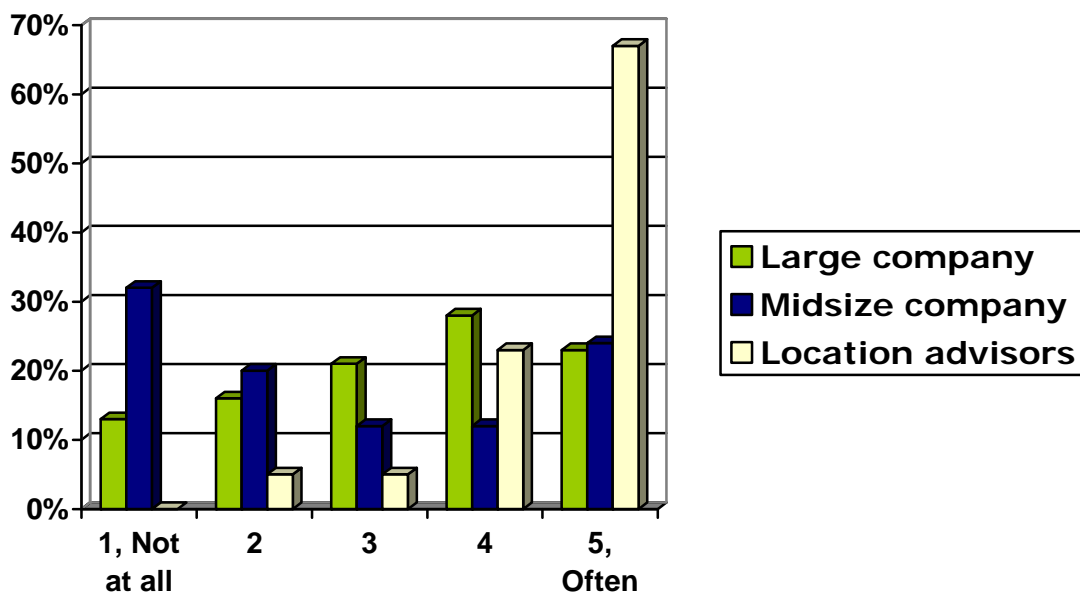
Asked to indicate, on a scale of 1 to 5, where 1 is "Not at all" and 5 is "Often," how often they used the Internet in their last site search, 63% responded with a "4" or "5." As the following graph illustrates, use of the Internet in site selection searches is increasing dramatically.

Chart E
Frequency of Internet Use in Most Recent Site Location Search
(% Rating 4 or 5 on a 5-point scale)
(Response over time)



As illustrated in the following chart, location advisors are much more likely to use the Internet in location searches than the corporate respondents. A remarkably high 67% of the location advisor respondents selected the highest ranking of "5" when responding to this question.

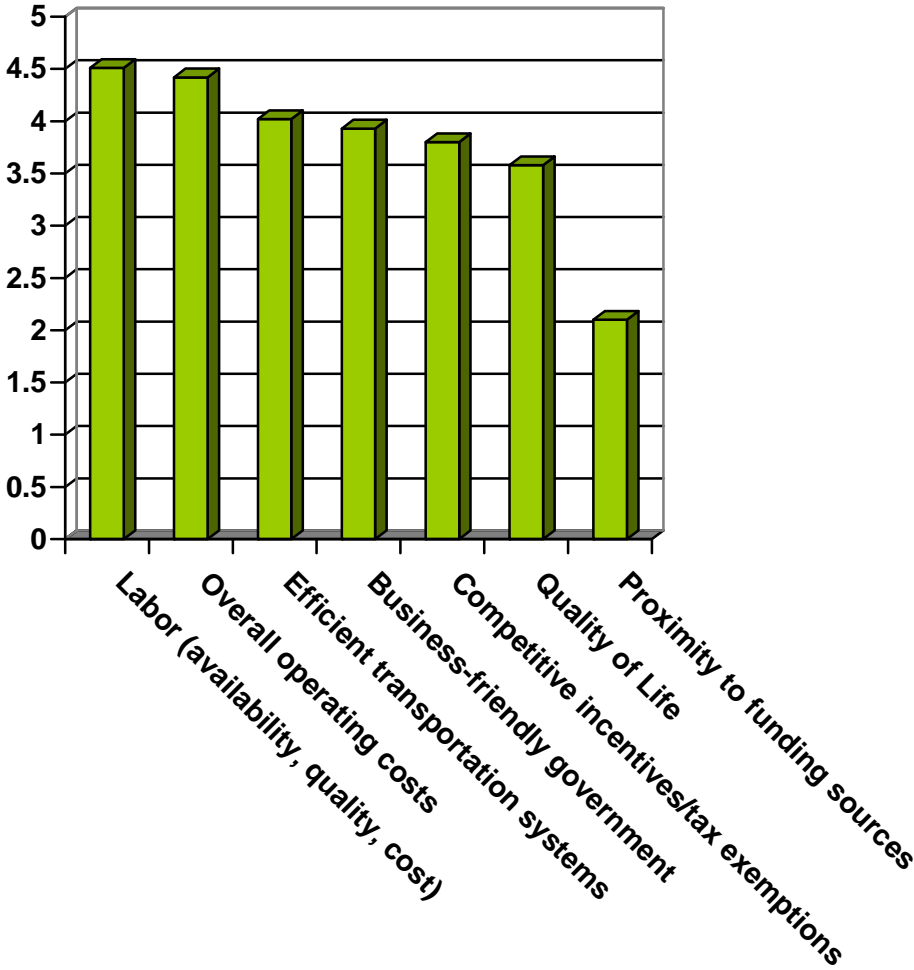
Chart F
Frequency of Internet Use in Most Recent Site Location Search:
Distribution of responses on a 1-5 scale
where "1" = "Not at all" and "5" = "Often"
(Response based on respondent type)



In the 2008 survey, a new question probed the factors that are most important in a location decision. As executives weigh the strengths and weaknesses of potential locations, what makes them choose one area over the others? Eight factors (“Business-friendly government,” “Competitive incentives/tax exemptions,” “Efficient transportation systems,” “Labor,” “Overall operating costs,” “Proximity to funding sources/financial markets,” and “Quality of life”) were presented. Respondents were asked to rate each on a 1 to 5 scale, where 1 equals “low” and 5 equals “high.” The factors were placed in order in the table below based on the mean score each earned.

As executives weigh the strengths and weaknesses of potential locations, what makes them choose one area over the others?

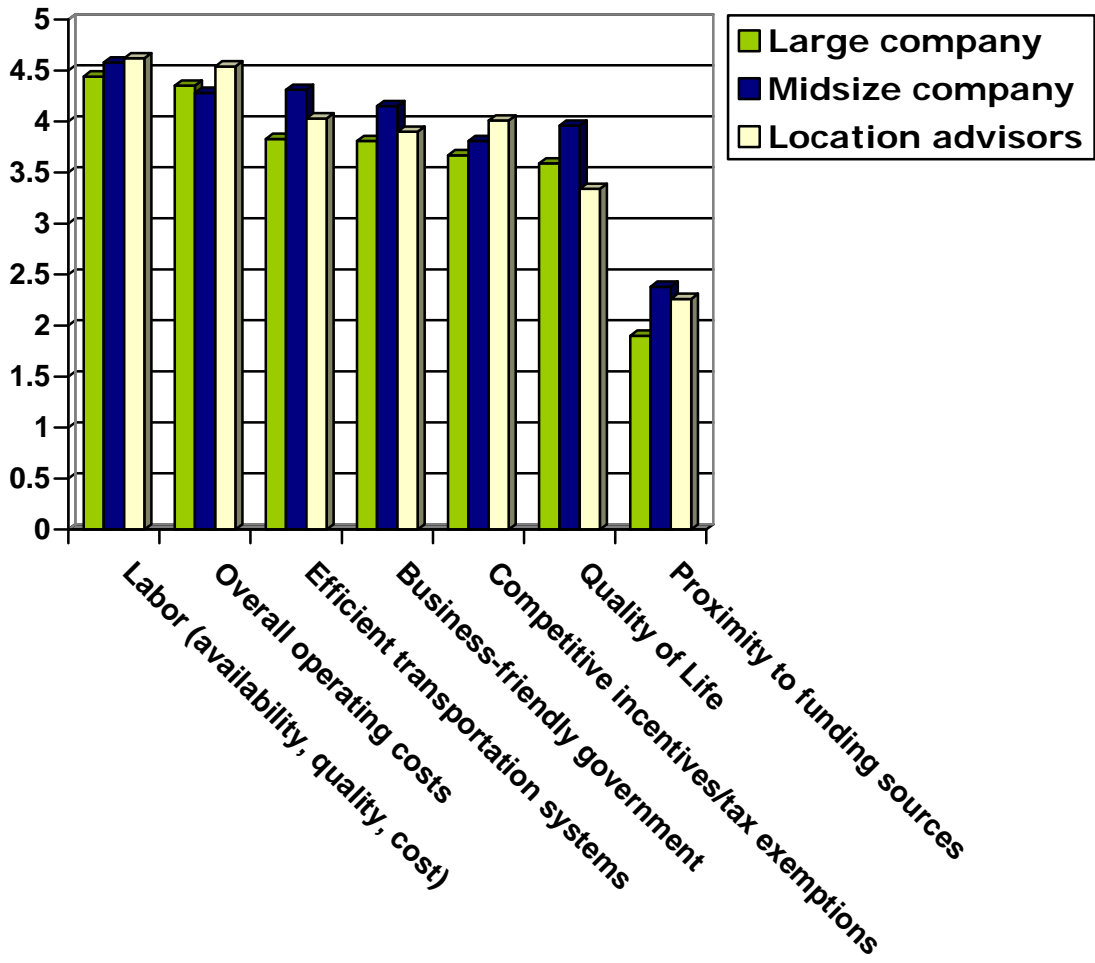
Chart G
Importance of Factors in Business Location Decisions
 Mean score on a scale of 1 (low) to 5 (high)



The three survey subgroups prioritize these factors similarly. The biggest exceptions are that executives from midsize companies put “Quality of life” ahead of “Competitive incentives,” and “Efficient transportation systems” higher than “Overall operating costs,” while the other two groups rank “Competitive incentives” higher than “Quality of Life” and “Overall operating costs” higher than “Efficient transportation systems.”

Similarly, location advisors rank “Competitive incentives” higher than “Business-friendly government,” while the other two groups flip the order of these factors. The following chart shows how each subgroup rated each factor.

Chart H
Importance of Factors in Business Location Decisions
 Mean score on a scale of 1 (low) to 5 (high)
 (Response based on respondent type)



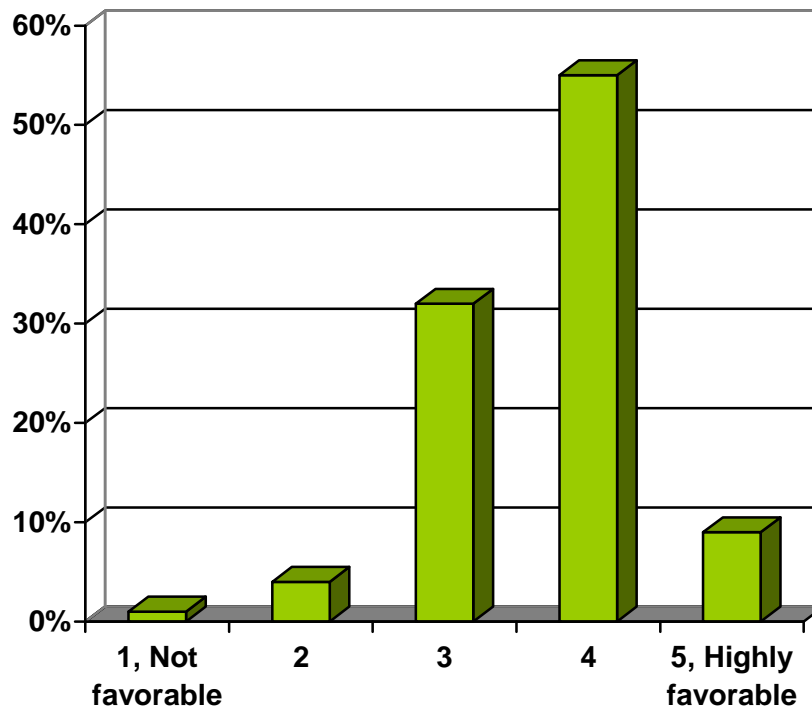
III CORPORATE EXECUTIVES' PERCEPTIONS OF ECONOMIC DEVELOPMENT ORGANIZATIONS

Sixty-five percent of respondents indicated that they have worked closely with economic development organizations (either on the state, regional or local level) while working on a location decision. That breaks down as 62% of midsize company executives, 55% of large company executives and 94% of location advisors.

Generally, the respondents have favorable impressions of the economic development community. When respondents who have worked with economic development groups rate their overall impressions of the organizations on a scale of 1 to 5, economic development groups earn a mean score of 3.7.

The breakdown of responses is shown in the chart below.

**Chart I
Overall Impressions of Economic Development Groups**



Over time, corporate impressions of economic development groups have fluctuated slightly. In 2005, the mean score was 3.81, up from the mean in 2002, 3.54, the lowest rating in any survey year. In 1999, economic development organizations were given a rating of 3.77 and in 1996, the rating was 3.73.

Table C shows the breakdown of responses by year.

Table C
Overall Impressions of Economic Development Groups
(Response over time)

Rating	2008	2005	2002	1999	1996
5 Highly favorable	9%	14%	7%	14%	16%
4	55%	57%	46%	53%	45%
3	32%	25%	42%	29%	35%
2	4%	4%	4%	4%	3%
1 Not favorable	1%	0%	1%	0%	2%

In the 2008 survey, economic development organizations received an average score of 3.61 from large company executives, 3.71 from midsize company executives and 3.72 from location advisors.

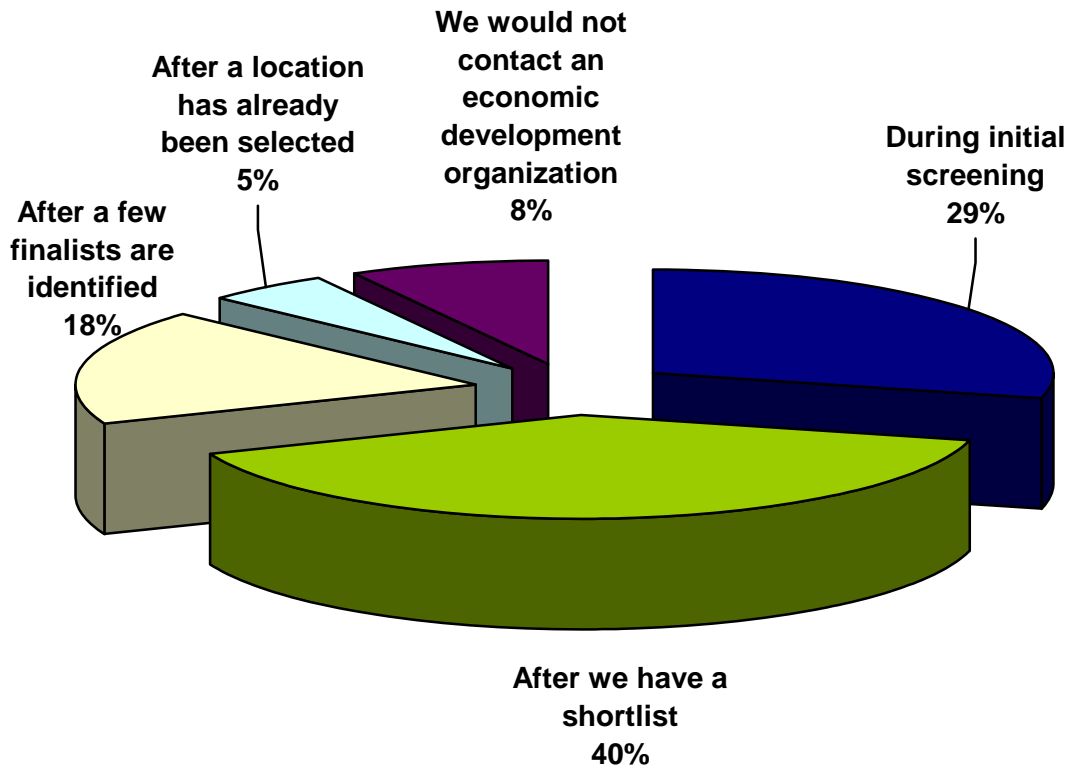
To explore when the initial contact with an economic development group occurs during the site selection process, the survey asked respondents to choose from five options:

- 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.

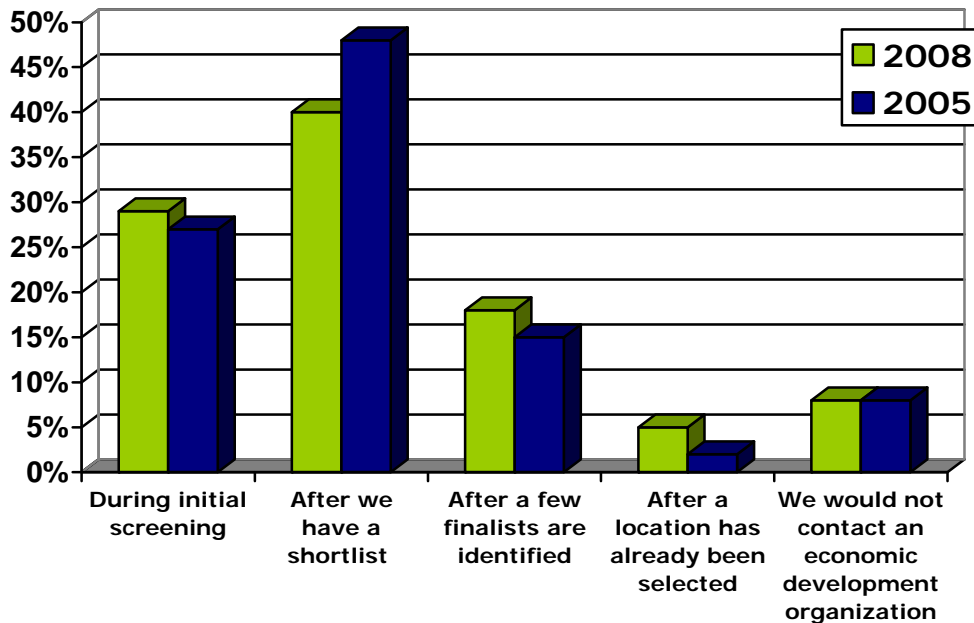
The following graph shows all the responses to this question.

Chart J
First Contact with Economic Development Groups



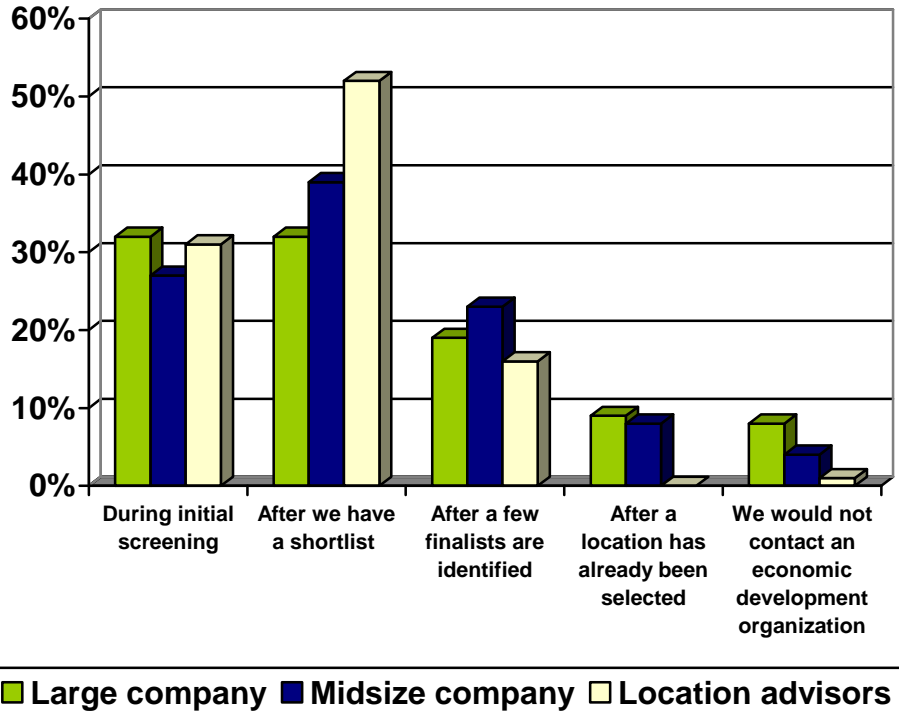
This differs slightly from the pattern of responses when the question was asked, for the first time, in the 2005 version of the survey. **We did not find evidence of a shift by site selectors to contact economic development organizations later in the selection process – a change which many in the industry anticipated.** The comparison is shown in Chart K.

Chart K
First Contact with Economic Development Groups
(Response over time)



There are differences among the three subgroups of the 2008 survey, as presented in Chart L. **Location advisors are more likely to utilize the services of an economic development organization (only 1% 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.**

Chart L
First Contact with Economic Development Groups
(Response based on respondent type)

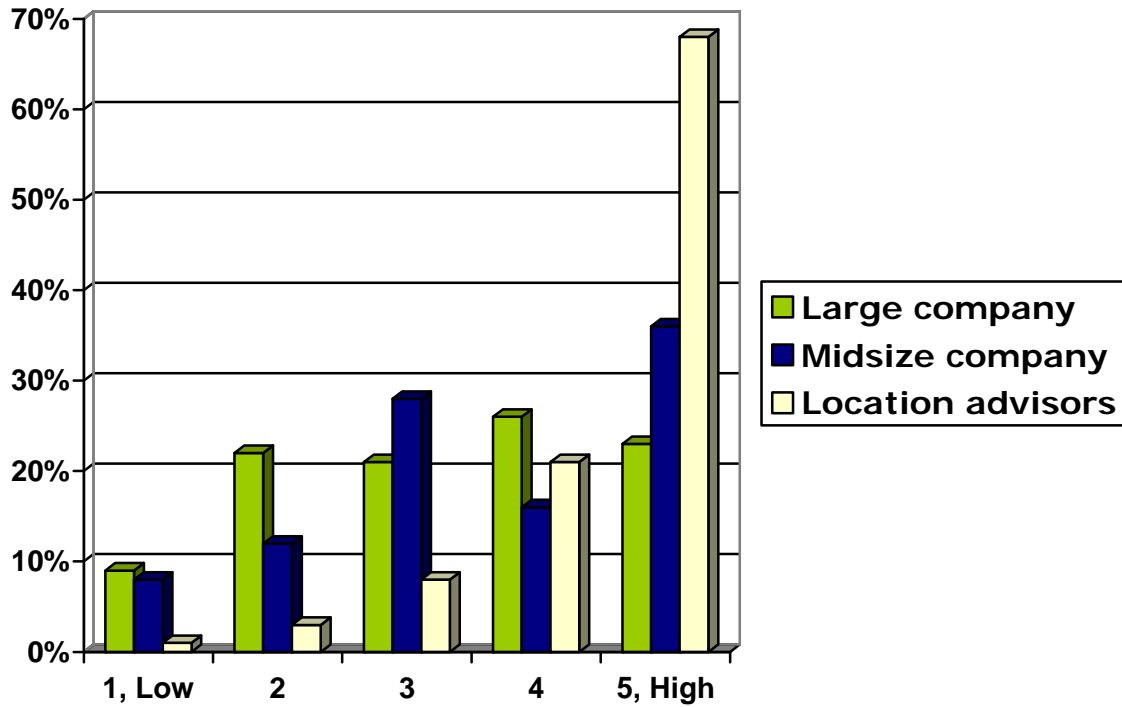


Location advisors are more likely to utilize the services of an economic development organization and more likely to contact them earlier in the selection process.

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, 64% of respondents indicated a "4" or "5" on a scale of 1 to 5, where 1 is "Low" and 5 is "High." In 2005, 65% gave this rating, while in 2002, only 39% did.

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

Chart M
Likelihood of Visiting an Economic Development Organization's Website
during Next Site Location Search
Distribution of responses on a 1-5 scale where
"1" = "Low" and "5" = "High"
(Response based on respondent type)



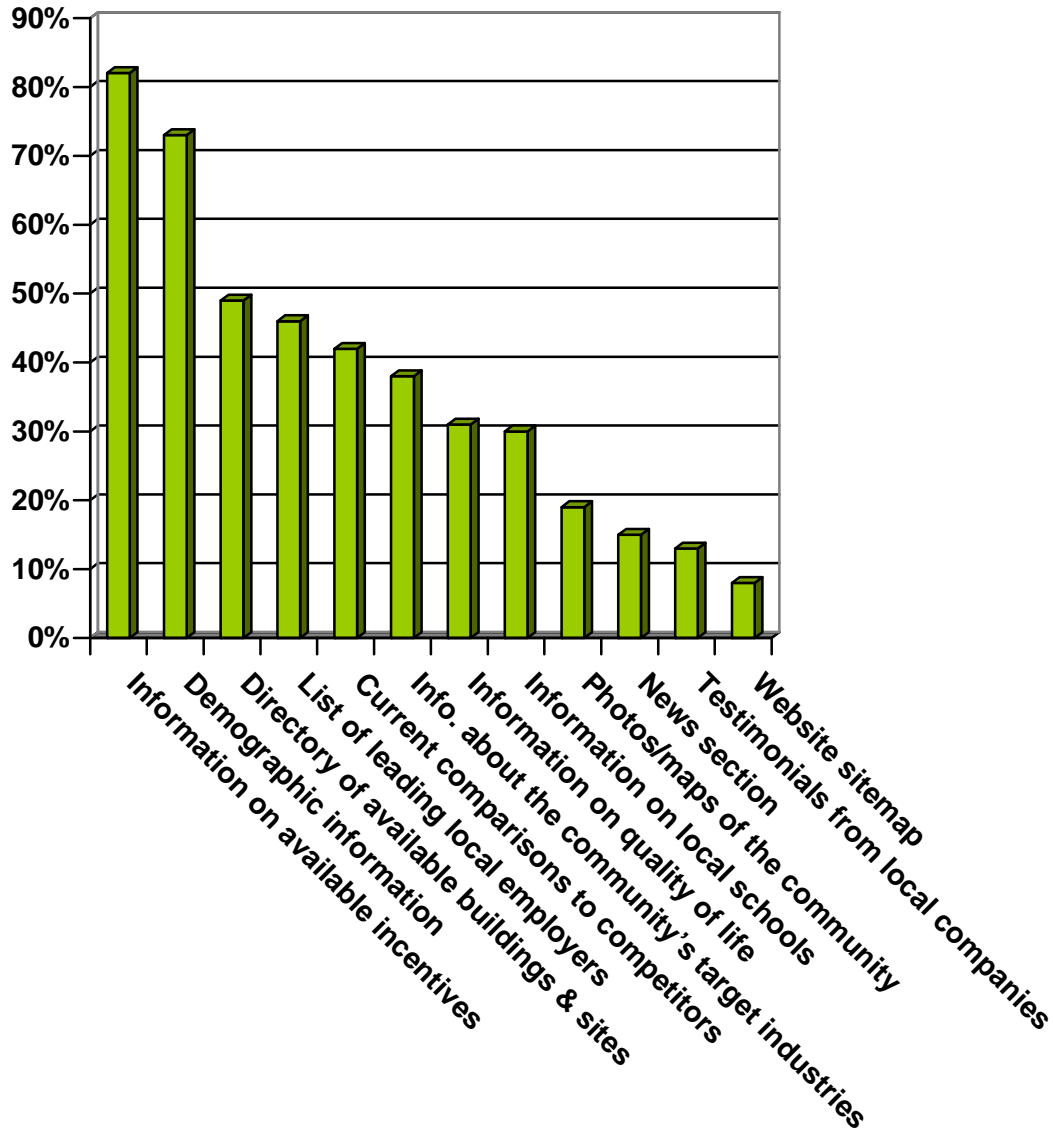
A follow-up question asked respondents to indicate which features are most important to the usefulness of an economic development organization's website. Twelve features that are commonly included in the design of an economic development organization's website were presented:

- *Directory of available buildings & sites*
- *List of leading local employers*
- *Demographic information (e.g. population size, average income, age distribution)*
- *Information on local schools, including colleges and universities*
- *Information on available incentives*
- *News section that describes current developments*
- *Testimonials from local companies*
- *Photos/maps of the community*
- *Information on quality of life (e.g. residential neighborhoods/recreation options)*
- *Information about the community's target industries*
- *Current comparisons to competitor locations (e.g. cost comparisons)*
- *Website sitemap*

“Information on available incentives” was selected by **82%** of respondents, **“demographic information”** by **73%** and **“directory of available buildings & sites”** by **49%**.

Chart N shows all responses.

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



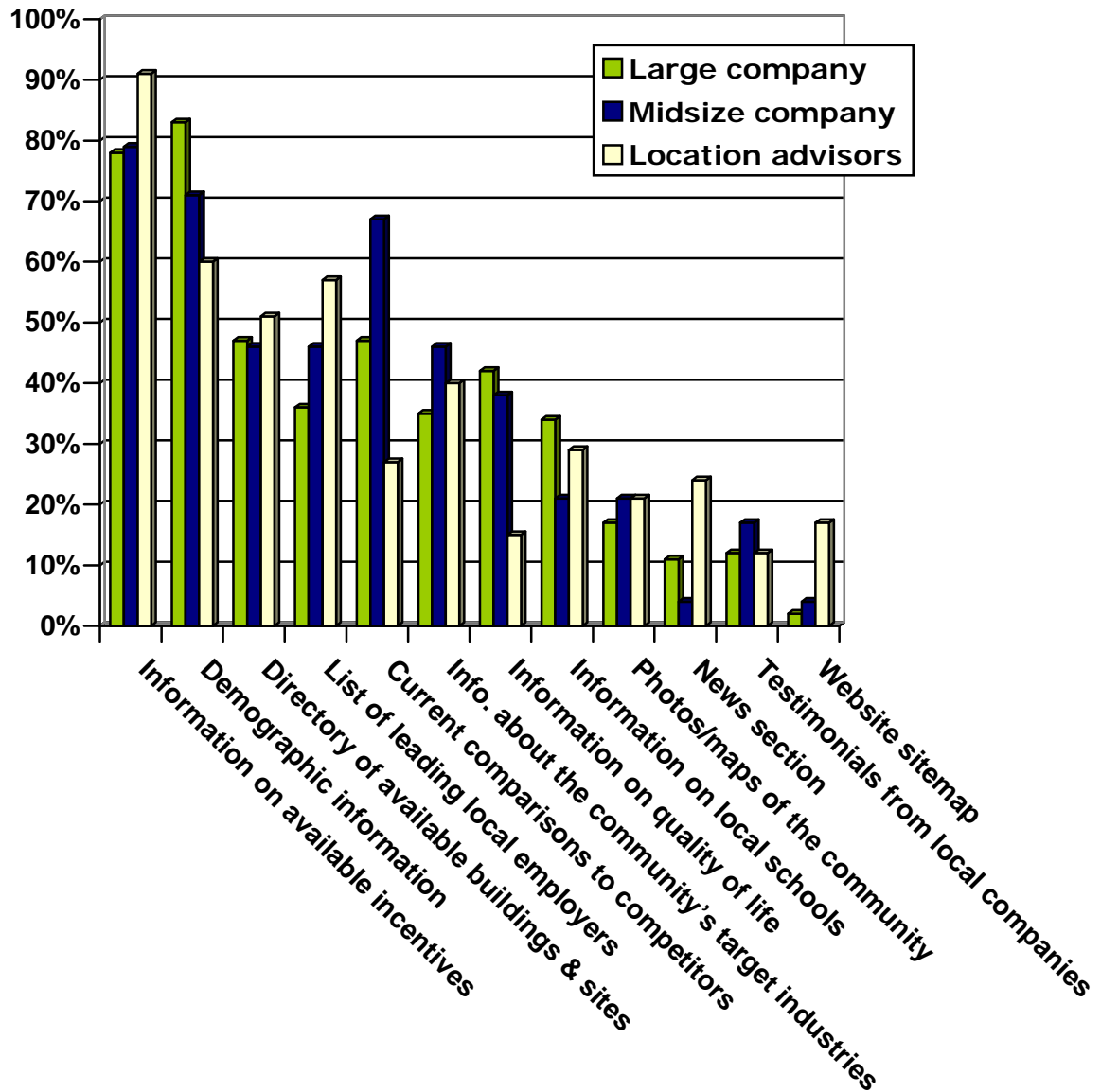
The ordering of these features has remained consistent over time, as illustrated in Table D. Executives did register a decrease in the importance of a “directory of available buildings & sites.” In 2005, 64% of the survey audience rated this as an important resource compared with 49% in the current survey.

Table D
Most Useful Features of an Economic Development Organization’s Website
(Response over time)

Feature	2008	2005	2002
Information on available incentives	82%	72%	78%
Demographic information	73%	67%	75%
Directory of available buildings & sites	49%	64%	61%
List of leading local employers	46%	47%	44%
Current comparisons to competitor locations	42%	39%	45%
Information on the community’s target industries	38%	39%	30%
Information on quality of life	31%	26%	28%
Information on local schools	30%	21%	25%
Photos/maps of the community	19%	25%	21%
News section that describes current developments	15%	25%	17%
Testimonials from local companies	13%	10%	16%
Website sitemap	8%	15%	9%

Comparing the three subgroups shows that executives from large companies find demographic information most useful, while for midsize company executives and location advisors, information on available incentives is most useful. Chart O displays the differences between the groups.

Chart O
Most Useful Features
of an Economic Development Organization's Website
(Response by respondent type)



Economic development organizations must recognize that their website will frequently be the first place location decision-makers go to learn more about their community. Keeping the website attractive and full of useful, up-to-date information may help gain a community a spot on a short list.

IV FAVORABILITY RATINGS OF U.S. STATES

DCI's "Rating of the States" has consistently received intense attention from both the news media and the economic development community. In particular, the "least favorable" business climate rankings have been closely followed.

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. And 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 Georgia. Tennessee and Florida were tied for the fourth position.

The top 10 responses are:

1. Texas	40.8%
2. North Carolina	30.4%
3. Georgia	20.4%
4. (tie) Tennessee	15.2%
4. (tie) Florida	15.2%
5. Nevada	14.1%
6. South Carolina	13.6%
7. Alabama	13.1%
8. Arizona	10.5%
9. Indiana	8.9%

Overall, executives selected Texas as having the most favorable business climate in the nation.

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 a strong labor market, low operating costs and a pro-business climate emerge.

Among those who named Texas as having a favorable business climate, the factors mentioned most frequently are: "Tax climate" (31%); "Labor/Workforce (Cost and availability)" (29%) and "Pro-business climate" (26%). Among those who named North Carolina as having a favorable business climate, the factors mentioned most frequently are: "Labor (Education levels, cost)" (30%); "Pro-business climate" (22%); and "Low costs" (19%), mirroring the reasons provided by those who named Georgia: "Labor (Low cost, good quality)" (32%); "Pro-business climate" (29%) and "Low costs" (29%).

Since DCI began conducting this survey in 1996, Texas, North Carolina and Georgia have consistently landed in the “Top 5” category. Florida, Tennessee and South Carolina are other states that have frequently traded top positions in the survey. Alabama and Nevada (the only Western state in the “top five”) first appeared in the top rankings in 2005 and have now repeated in 2008. Indiana makes its first appearance in the “top ten” in the current survey. California is an outlier, winning the #2 spot in 1999 (at the height of “dot.com” fever) but then exiting the top states in subsequent years.

Table E
Most Favorable Business Climate
(Response over time)

2008	2005	2002	1999	1996
Texas (41%)	Texas (33%)	Texas (25%)	Texas (30%)	North Carolina (33%)
North Carolina (30%)	North Carolina (26%)	North Carolina (20%)	California (22%)	Texas (28%)
Georgia (20%)	South Carolina (20%)	South Carolina (18%)	North Carolina (20%)	Georgia (27%)
Florida Tennessee (15%)	Georgia (18%)	Florida (18%)	Georgia (17%)	South Carolina (21%)
Nevada (14%)	Nevada (16%)	Georgia (15%)	Florida (14%)	Tennessee (20%)

Among the survey’s subgroups (large companies, midsize companies and location advisors), Texas and North Carolina earned the top two spots consistently. Greater diversity appeared in executive picks for 3rd, 4th and 5th place, as illustrated in Table F.

Table F
Most Favorable Business Climate
(Response based on respondent type)

Subgroup	1 st	2 nd	3 rd	4 th	5 th
Large Company Executives	Texas 43%	North Carolina 25%	Florida 24%	(tie) Georgia Nevada 16%	Arizona 12%
Midsize Company Executives	(tie) Tennessee Texas 36%	North Carolina 27%	Colorado 23%	(tie) Arizona Georgia Nevada 18%	
Location Advisors	North Carolina 39%	Texas 38%	Georgia 30%	Alabama 21%	South Carolina 20%

We turn our attention now to the states deemed to have the least favorable business climates. For the third consecutive time, California was named most frequently.

The top 5 responses are:

- | | |
|------------------|-------|
| 1. California | 72.3% |
| 2. New York | 42.4% |
| 3. Michigan | 16.8% |
| 4. New Jersey | 13.6% |
| 5. Massachusetts | 12.0% |

Respondents provided reasons for their negative opinions of these places. California was cited for having “too much regulation and an anti-business climate” by 58% of respondents, while 37% mention “high costs” and 28% said “taxes.” Among those who named New York as having a “least favorable” business climate, the factors mentioned most frequently are “taxes” (65%), “costs” (32%) and “anti-business regulation/climate” (23%). Michigan’s “poor economy” (34%), “high taxes” (31%), and “unions” (17%) earned it a position in this list.

The list of “least favorable business climates” has remained remarkably consistent over the years. Only Michigan makes its first appearance in the five “least favorable” business climates ranking this year. California’s negative rankings have grown at a steady pace since 1999 – reaching the 72% pinnacle in the current survey. Table G shows the change over time.

Table G
Least Favorable Business Climate
(Response over time)

2008	2005	2002	1999	1996
California (72%)	California (66%)	California (57%)	New York (29%)	New York (55%)
New York (42%)	New York (34%)	New York (36%)	California (25%)	California (47%)
Michigan (17%)	Massachusetts (22%)	Massachusetts (18%)	Massachusetts (19%)	New Jersey (20%)
New Jersey (14%)	New Jersey (21%)	New Jersey (15%)	New Jersey (14%)	Massachusetts (19%)
Massachusetts (12%)			Connecticut (10%)	Connecticut (9%)

Studying the differences between the respondent subgroups, we find that all three groups (large company executives, midsize company executives and location advisors) agree in their negative opinion of California and New York, placing these states in the first and second positions. Table H shows the breakout of responses by type of respondent.

Table H
Least Favorable Business Climate
(Response based on respondent type)

Group	1st	2nd	3rd	4th
Large Company Executives	California 71%	New York 48%	Michigan 16%	Illinois 10%
Midsize Company Executives	California 81%	New York 57%	New Jersey 19%	(tie) Massachusetts Michigan Ohio 14%
Location Advisors	California 72%	New York 31%	New Jersey 21%	Michigan 18%

V FAVORABILITY RATINGS OF LARGE COUNTRIES

Recognizing that the competition for business location projects has become global, we sought to find out which countries are most favorably viewed by corporate executives in the United States. Respondents were shown a list of the 25 largest countries in the world, based on GDP (excluding the U.S.), and asked to list the three they perceive as most favorable.

The 10 top responses are:

1. China	53.2%
2. India	45.1%
3. Mexico	30.1%
4. United Kingdom	25.4%
5. Canada	22.0%
6. Australia	16.8%
7. Brazil	16.2%
8. Poland	10.4%
9. (tie) Japan	9.8%
9. (tie) Germany	9.8%

Appendix D lists the ranking for all countries.

Among those who named China as having a favorable business climate, the factors mentioned most frequently are: "Growing economy/Business opportunities" (53%), "Labor (Cost)" (41%) and "Low overall/operating costs" (21%).

The same three factors dominate the reasons for naming India, though the order is slightly different: "Labor (Supply, Skill-level, Cost)" (65%), "Growing economy/Business opportunities" (38%), and "Low overall/operating costs" (18%).

Mexico earns its spot on the list for its "Proximity to the United States" (52%). "Labor (Cost, quality)" (50%), "Low overall/operating costs" (21%) and "Business-friendly/opportunities" (21%) round out the reasons for favorable perceptions of Mexico.

As this question is new to the Winning Strategies report, we do not have time series data. Look for it in future editions of the report. Table I shows the break-out by subgroup. All three groups named China, India, Mexico, the United Kingdom and Canada in their top five. Midsize company executives also have a high opinion of Brazil and the Republic of Korea.

Table I
Most Favorable Business Climate Outside the United States
(Response based on respondent type)

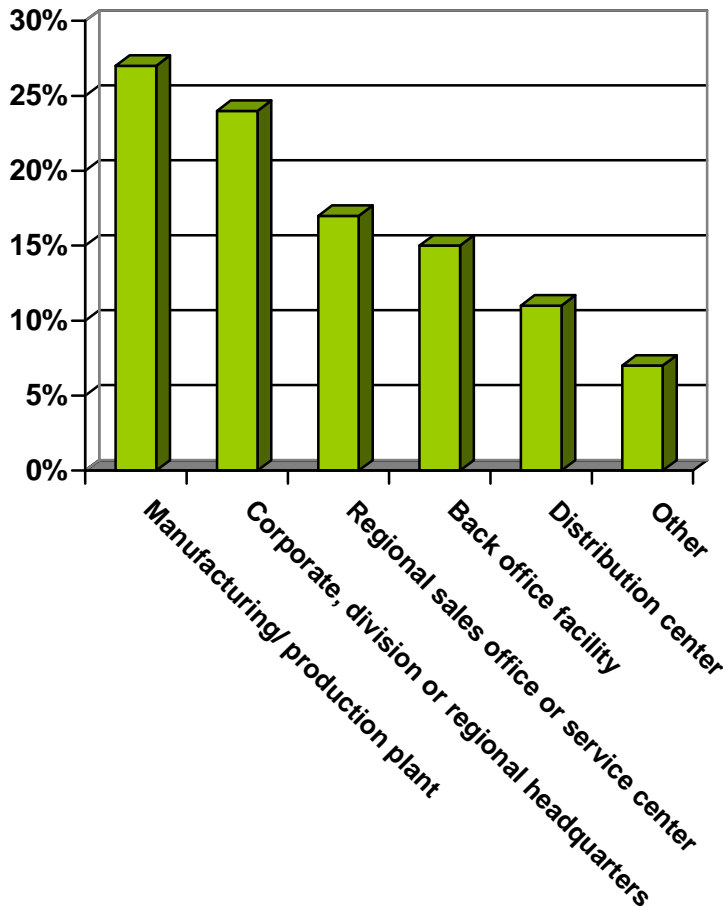
Group	1st	2nd	3rd	4th	5th
Large Company Executives	China 57%	India 49%	Mexico 28%	United Kingdom 23%	Canada 21%
Midsize Company Executives	China 59%	(tie) India Mexico 41%	United Kingdom 27%	(tie) Brazil Canada 18%	Republic of Korea 14%
Location Advisors	China 46%	India 40%	Mexico 32%	United Kingdom 30%	Canada 23%

VI OUTLOOK 2008: CORPORATE LOCATION DECISIONS

Fifty-seven percent of respondents indicated that their company will make a location decision (move, expansion, consolidation, etc.) in the next 24 months. This is decidedly good news for the economic development community: **projects are being planned!** An additional 31% indicated they were “not sure,” while 12% 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, 27% indicated “Manufacturing/production plant.” The following chart presents all responses.

Chart P
Most Likely Facility Type for Next Facility Change



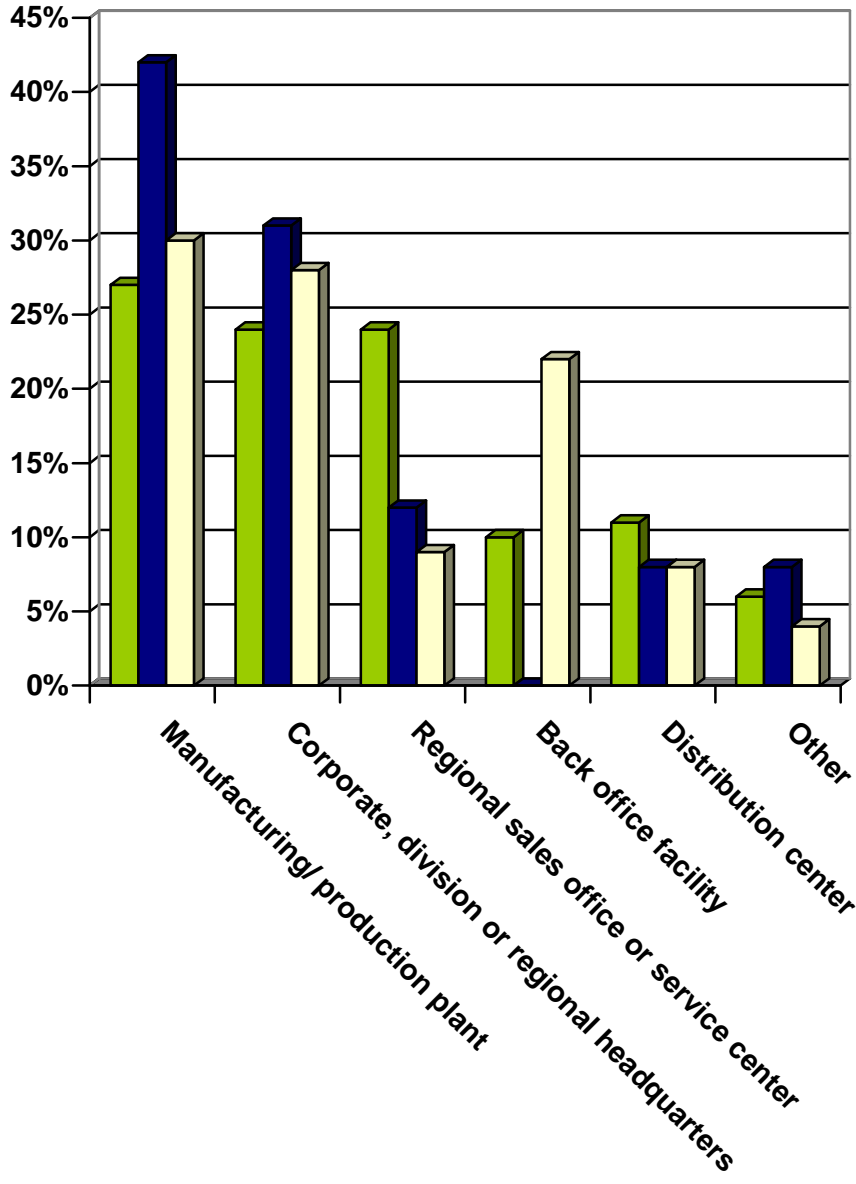
There have been fluctuations in the types of projects over time, as presented in Table J.

Table J
Most Likely Facility Type for Next Facility
(Response over time)

Facility	2008	2005	2002	1999	1996
Manufacturing/ production plant	27%	38%	44%	20%	37%
Corporate, division or regional headquarters	24%	14%	19%	21%	17%
Regional sales office or service center	17%	13%	14%	28%	17%
Back office facility	15%	13%	8%	14%	13%
Distribution center	11%	16%	15%	10%	8%
Other	7%	6%	7%	8%	3%

The respondent subgroups answered differently. Large companies are making location decisions concerning manufacturing plants, headquarter facilities and sales/service facilities. Midsize companies are more likely to be locating manufacturing facilities and headquarter facilities. Location advisors are more likely to be working on manufacturing, headquarter and back office projects. Chart Q shows the breakout.

Chart Q
Most Likely Facility Type for Next Facility Change
(Response by respondent type)



■ Large company
 ■ Midsize company
 ■ Location advisors

VII A WORD ABOUT DCI

Development Counsellors International (DCI) is the leader in marketing places. Since 1960, we have worked with more than 350 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)
- Perception Studies (Media/Corporate Executives)
- Media Training
- Talent Attraction Programs
- Special Events
- Marketing Blueprints
- Themeline 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 providing specialized, economic development input.

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

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President
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New York, NY 10003
212/725-0707 (ext-107)
212/725-2254 (fax)
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www.aboutdci.com

**Appendix A
Questionnaire and Invitation to Participate**

Subject: Economic Development Community seeks your opinions

Dear (Salutation):

Economic development professionals are continually seeking a better understanding of the site selection needs of Corporate America. This is why I am requesting your participation in our triennial business location survey.

Because we know your time is valuable, we've designed the survey to take less than 5 minutes to complete. Would you be kind enough to give us your impressions by clicking on the following link and answering 12 questions: <http://vovici.com/wsb.dll/s/1313dg30d8e>

For your participation, we will send you a \$10 Starbucks Card. Simply enter your contact information before you submit the completed questionnaire. Your responses will be kept anonymous and confidential. The deadline for response is Friday, April 4. Should you have any questions, I encourage you to be in direct contact with Melissa Rossi Wood at melissa.wood@dc-intl.com.

In past years, the results of this survey have received major attention in The Wall Street Journal, Financial Times and The New York Times. The results of this year's survey will be presented at the upcoming International Economic Development Council's Annual Conference. Development Counsellors International (DCI) is a specialized consulting firm that has served over 300 economic development organizations.

Thanks so much for your participation.

Sincerely,

ANDY LEVINE
President/Chief Creative Officer

DEVELOPMENT COUNSELLORS INTERNATIONAL
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If you wish to be removed from our list, please click this link:
<http://desktop.vovici.com/MailLists/ListUnsubscribe.aspx?l=63003&e=x>



2008 Business Location Selection Survey

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 circle 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. Has your company worked closely with economic development organizations (either on the state, regional or local level) in expanding, consolidating or adding a new facility?

- Yes
- No

If YES, rate your overall impression of the economic development organizations with whom you have worked (1="Not Favorable", 5="Highly Favorable"):

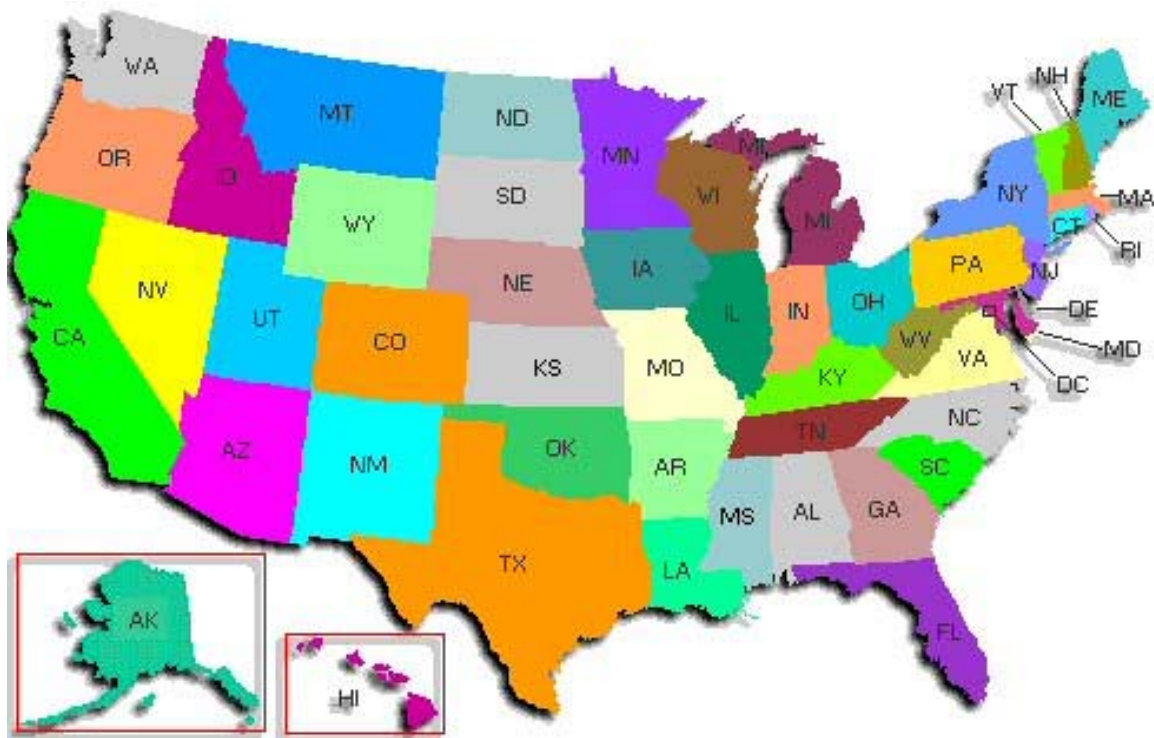
- 1 2 3 4 5

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. On a scale of 1 (low) to 5 (high), please rate the importance of each of these factors to your business location decisions:

	Low 1	2	3	4	High 5
A. Labor (availability, quality, cost)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Efficient transportation systems (highway, air, rail, port)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Business-friendly government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Proximity to funding sources/financial markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Competitive incentives/tax exemptions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Overall operating costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Quality of Life (culture, recreation, crime rate, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



6. 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: _____

7. 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: _____

Australia	China	Italy	Norway	Sweden
Austria	France	Japan	Poland	Switzerland
Belgium	Germany	Korea, Rep.	Russian Fed.	Taiwan
Brazil	India	Mexico	Saudi Arabia	Turkey
Canada	Indonesia	Netherlands	Spain	United Kingdom

8. Imagine you are looking to invest outside of the United States. Which of the countries listed above (the 25 largest countries in the world, excluding the U.S., based upon GDP) do you perceive as the three most favorable and why?

Country 1: _____
Reason 1: _____
Country 2: _____
Reason 2: _____
Country 3: _____
Reason 3: _____

9. In light of your responses to Questions 6-8, what are the three leading sources of information influencing your perceptions of an area's business climate?

- Articles in newspapers and magazines
- Business travel
- Dialogue with industry peers
- Direct mail
- Meetings with economic development groups
- National surveys (e.g. Fortune or Money magazine)
- On-line sources (e.g. Internet)
- Personal travel
- Print advertising
- TV and radio advertising
- TV and radio newscasts/shows
- Word of mouth
- Other (please specify)

If you selected other, please specify

10. 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

11. 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

Which of the following features do you consider most important to the usefulness of an economic development organization's website? (Select up to 5.)

- Directory of available buildings & sites
- List of leading local employers
- Demographic information (e.g. population size, average income, age distribution)
- Information on local schools, including colleges and universities
- Information on available incentives
- News section that describes current developments
- Testimonials from local companies
- Photos/maps of the community
- Information on quality of life (e.g. residential neighborhoods/ recreation options)
- Information about the community's target industries
- Current comparisons to competitor locations (e.g. cost comparisons)
- Website Sitemap

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

	Poor 1	2	3	4	Excellent 5	Don't Know 6
Advertising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Direct Mail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internet/Web Site	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public Relations/Publicity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hosting Special Events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Planned Visits to Corporate Executives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Telemarketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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
- Non-manufacturing

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. Does your company have facilities outside of the United States?

- Yes
- No

C4. Will your company make a location decision (move, expansion, consolidation, etc.) in the next 24 months?

- Yes
- No
- Not Sure

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, please provide your contact information below:

NAME: _____
TITLE: _____
COMPANY: _____
MAILING ADDRESS: _____
CITY, STATE, POSTAL CODE: _____
COUNTRY (if not in the United States) _____

Appendix B
Most Favorable Business Climate Rankings for All States

State	% of Respondents	Oklahoma	4.2%
Texas	40.8%	Pennsylvania	4.2%
North Carolina	30.4%	Missouri	3.7%
Georgia	20.4%	South Dakota	3.1%
Florida	15.2%	Arkansas	2.6%
Tennessee	15.2%	Minnesota	2.6%
Nevada	14.1%	New Mexico	2.6%
South Carolina	13.6%	Kansas	2.1%
Alabama	13.1%	Massachusetts	2.1%
Arizona	10.5%	New Jersey	2.1%
Indiana	8.9%	Washington	2.1%
Ohio	8.4%	Louisiana	1.6%
Utah	7.3%	Montana	1.6%
Colorado	6.8%	Nebraska	1.6%
California	6.3%	Oregon	1.6%
Virginia	5.8%	Idaho	1.0%
Illinois	4.7%	Michigan	1.0%
Iowa	4.7%	New Hampshire	1.0%
Kentucky	4.7%	Connecticut	.5%
Mississippi	4.7%	Delaware	.5%
Wisconsin	4.7%	Maryland	.5%
New York	4.2%		

Appendix C
Least Favorable Business Climate Rankings for All States

State	% of Respondents		
California	72.3%	Wyoming	2.2%
New York	42.4%	Iowa	1.6%
Michigan	16.8%	Maryland	1.6%
New Jersey	13.6%	Nebraska	1.6%
Massachusetts	12.0%	Washington, DC	1.6%
Illinois	10.9%	Alabama	1.1%
Oregon	8.2%	Arizona	1.1%
Louisiana	7.1%	Arkansas	1.1%
Washington	7.1%	Indiana	1.1%
Florida	6.5%	Nevada	1.1%
Ohio	6.5%	North Dakota	1.1%
Hawaii	6.0%	Oklahoma	1.1%
Mississippi	5.4%	Delaware	.5%
Alaska	4.9%	Georgia	.5%
Minnesota	4.9%	Idaho	.5%
Connecticut	3.3%	Kansas	.5%
Pennsylvania	3.3%	Missouri	.5%
Texas	3.3%	New Hampshire	.5%
Wisconsin	3.3%	New Mexico	.5%
Vermont	2.7%	North Carolina	.5%
Colorado	2.2%	South Carolina	.5%
Maine	2.2%	South Dakota	.5%
Montana	2.2%	Tennessee	.5%
Rhode Island	2.2%	Virginia	.5%
		West Virginia	.5%

Appendix D
Most Favorable Business Climate Outside the United States

Country	% of Respondents
China	53.2%
India	45.1%
Mexico	30.1%
United Kingdom	25.4%
Canada	22.0%
Australia	16.8%
Brazil	16.2%
Poland	10.4%
Germany	9.8%
Japan	9.8%
Taiwan	6.4%
Russian Federation	5.8%
Korea	4.0%
Switzerland	4.0%
Belgium	2.9%
Indonesia	2.9%
Netherlands	2.9%
Spain	2.9%
Turkey	2.9%
Sweden	2.3%
France	1.7%
Saudi Arabia	1.7%
Austria	1.2%
Italy	.6%
Norway	0%

**Appendix E
Demographic Profile of Respondents**

Profile of Respondents:

C-level Corporate Executives	68%
Location Advisors/Consultants	32%

Only c-level corporate executives were asked the following questions.

Business Type:

Manufacturing	44%
Services	56%

Gross Revenue

\$500 million or more	38%
\$250-\$499 million	16%
\$100-\$249 million	27%
\$50-\$99 million	14%
\$25-\$49 million	3%
Less than \$25 million	3%

Maintain Facilities outside of the United States

Yes	55%
No	45%