



The IEDC Economic Development Journal

734 15th Street, NW Suite 900 • Washington, DC 20005

Volume 11 / Number 3 / Summer 2012

Building a Community Brand

By William C. Smith, D.B.A. and Robert Ingram, PCED

THE BASICS

A community's brand must be well managed. This article covers what is a brand from the customer's point of view and what are the basic elements of building a brand: from who to target, with what message, establishing your order of priorities, and a few keys to budgeting and measurement. These first steps, which flow from understanding the people you want to influence, will provide any economic development professional with the initial tools needed to identify their community's unique advantage and the best alternative to achieving the community brand they desire.

Advertisement

2010 SALARY SURVEY OF ECONOMIC DEVELOPMENT PROFESSIONALS

Hiring? Searching? Renegotiating? The IEDC 2010 Salary Survey of Economic Development Professionals provides you with the data you need to make informed employment decisions.

Building on the success of previous reports, this survey identifies salaries according to type of organizational funding – public, private, or public-private partnership. With an eye on an increasingly global economy, it also highlights Canadian and other international data in comparison with domestic findings.

IEDC member price: \$157

Non-member price: \$232

**Visit the IEDC Bookstore to
Purchase Your Copy Today!**

For more information go to: www.iedconline.org Or call: (202) 223-7800




INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL

*The Power of
Knowledge and Leadership*

building a community

BRAND

By William C. Smith, D.B.A. and Robert Ingram, PCED

a brand gives a product, place, service, or idea an identity. It is usually defined as a name (Coca-Cola, New York City) and/or a logo which has the ability to stand alone and enable people to easily identify your product (Nike's swoosh ). The whole purpose of a brand is to make it easier for consumers to distinguish, then make purchase decisions among what different businesses are offering for sale. When creating a brand, marketers teach consumers what to expect (Verizon has better coverage) and which elements offer meaningful differences (Sears' Craftsman hand tools have a life-time warranty). A strong brand with a relevant identity to particular customers enhances the business' ability to attract customers and earn a profit.

As in business, the community's brand is the sum total of a customer's direct experience with the residents and the community, and the indirect experience gained from what the customer hears from trusted sources. With this in mind, community brands must be managed and valuable lessons are available from the business world.

THE VALUE AND POWER OF A BRAND

Brands can be powerful, and good brand management generates significant returns to a business or a community. Bad management of a brand does the opposite. Following are some business examples of both results.

In 2005, Proctor & Gamble bought Gillette for \$57 billion. Gillette's plants, buildings, and other assets were not worth that much. In addition to physical assets, P&G was buying the power of an established brand with a highly-satisfied customer base.

THE BASICS

A community's brand must be well managed. This article covers what is a brand from the customer's point of view and what are the basic elements of building a brand: from who to target, with what message, establishing your order of priorities, and a few keys to budgeting and measurement. These first steps, which flow from understanding the people you want to influence, will provide any economic development professional with the initial tools needed to identify their community's unique advantage and the best alternative to achieving the community brand they desire.



There is no such thing as a minor detail in the branding business. The Interstate exit (I-55), in Madison, MS, has a stone façade, rather than concrete, and is believed to be the only one of its kind in the U.S.

How much was a satisfied Gillette customer worth? According to the Business Week Global Brand valuation, which is published each year, in 2005 the Gillette brand name was worth \$17.534 billion. Thus, approximately 31 percent of the firm's value was due to an intangible brand name and the customers who are loyal to the brand. If you investigate the value of well known brands, the amount above the company's book value, you will find the same percentage; approximately 33 percent of a company's market value is due to the strength of its brand name.

Snapple provides evidence of what happens from good and bad management of a brand. In 1993, Quaker Oats paid \$1.7 billion for Snapple, outbidding Coca-Cola and others. In 1997, Quaker Oats sold Snapple for \$300 million to Triarc – Quaker Oats' management lost \$350 million in value each year it owned Snapple. The chairman and president of Quaker Oats both lost their jobs and Quaker Oats in turn became a subsidiary of PepsiCo. In 2000, Triarc sold Snapple to Cadbury Schweppes for about \$1 billion – the brand gained

William C. Smith, D.B.A., is a marketing professor at the University of Southern Mississippi (Bill.Smith@usm.edu)

Robert Ingram, PCED, is president/CEO of the Baldwin County, Alabama Economic Development Alliance (ringram@balwyned.com)



Many people are involved in determining the experience the customer has when interacting with the community. Which one do you want answering your telephone? Customer interaction must be managed well at each touchpoint.

approximately \$250 million in value each year under Tri-arc's management.

Another example of a negative outcome is provided by Daimler Benz which paid \$36 billion for Chrysler in 1998. Nine years later (2007) Daimler Benz sold 80.1 percent of Chrysler for \$7.4 billion. At that price, 100 percent of Chrysler was worth \$9.24 billion, a significant loss in brand value. Daimler Benz brand management was losing almost \$3 billion in value each year it owned Chrysler.

What's the lesson? Although the examples are related to physical products, the lesson is the same for any kind of brand; a brand's value depends upon what you do with it and how you manage it. This applies to a community brand as well. How is your community's brand being managed? When someone says your state/city/community's name, what comes next? If you ask enough people, it is easy to find out. One author's travels have identified these examples:

- Arizona – "the only part of California you can afford to live or do business in"
- Atlanta – "That city is growing and the traffic is..."
- Amish Community in Pennsylvania – "You have to slow down for the buggies"

Just as in business, a community's brand separates it from all the other places where a person can live, work, visit, explore, grow, have fun, etc. There is a difference though between managing a product brand and a community brand. A community brand is more difficult to manage.

Many people are involved in determining the experience the customer has when interacting with a community. Whereas a product brand can be sold in a retail outlet with poor customer service and still not get tainted from the bad experience; a community's brand can be tarnished just because one person was rude on the phone. That is one reason why a community's brand is so difficult to manage. Economic development professionals need the help of everyone who shares the vision of what makes their community/brand different. In most cases, they have to build this shared vision.

WHAT IS A BRAND TO A CUSTOMER?

Your brand is a promise you make to a customer. It is a pledge the customer anticipates the community will keep based on the community's reputation, the customer's direct personal experience, and the experience shared by others. As such, brands are built on trust and credibility. Therefore, provide what you promise – a quality product, service, and/or visitor experience. You can't be the "friendliest bank in town" if the tellers are not happy to see customers when they walk up or drive through.

Provide something that makes you unique. Businesses use slogans/taglines to help differentiate them. Nike had "Just Do It," which became more than a slogan; it became a clarion call for getting things accomplished – not just in athletics, but in business as well. Motel 6 has "We'll leave the light on for you."

Finding what makes your location distinct is not easy. There are thousands of location brand names across America. Too many leaders choose the well-trodden, easy path. For example, a Google search for "The Friendly City" yielded 543,000 hits. A search for "The Friendliest City in the U.S." resulted in 222,000 hits. Even given duplication, we have more than 100,000 friendliest cities in the U.S.? "A well kept secret" yields over 6 million hits and "A great place to live" had over 85 million hits.

There is absolutely nothing wrong with being friendly, a well kept secret, or a great place to live. Unfortunately, it isn't distinctive enough. Why do you have to be distinctive? Your customers make visiting, buying, and location decisions based on it.

When dealing with a well-known brand, one already knows the end result: the product and/or service are predictable. For instance, if you travel in an unfamiliar location and can choose between McDonald's and Burger Joint (*fictional name*), almost everyone chooses McDonald's, even though Burger Joint may actually serve the best hamburger around. Most people faced with the uncertainty of the unknown brand won't take the risk; they choose certainty.

Your community brand is your story. It is a combination of all the stories told about you by the people who live, work, and play in your community.

For children's entertainment, you can take them to Disney World and they are almost certain to have a wonderful time. Or you can take them on an unforgettable trip to see the Grand Tetons and float down the Snake River, see Mount Rushmore, etc. with all the vagaries of car travel and unpredictable weather. Which will most people choose? Of course the Grand Tetons have a more difficult job. They are not as well known. They haven't created thousands of satisfied customers who have become vocal brand advocates. To grow, the less well known have to build a known, favorable brand.

Brands are built from the following components:

1. The positioning – The most controllable element of branding is how you want your customers to perceive the brand. Positioning is the promise one makes to a community's many constituents. It's the location's attributes, values, and customer benefits to which you wish to draw attention; the ones your customer will receive and/or experience. A marketer positions products, but eventually the customer's perspective takes over and determines exactly what your brand means. If someone decides to vacation in Paris and doesn't speak French, how will they be treated by the French locals? Even if you haven't gone to Paris, you have probably already developed an expectation. People make choices based upon their expectations and those expectations are influenced by a brand's identity.

2. The brand's identity – While it begins with the positioning statement and the key attributes, value, and benefits, the identity grows in positive and negative directions. The brand is, in actuality, taken over by one's own community members as well as by each visitor's perspective, primarily from their personal experience or the experience of "trusted" others. This is the "truth" of the brand, which may include perceptions as well as objective facts. As the Paris example demonstrates, people have perceptions even when they lack personal experience.

3. The image – This includes both positioning and identity, plus, more importantly with community brands, the stories economic development professionals and the people who "experience" the community share with others. Your community brand is your story. It is a combination of all the stories told about you by the people who live, work, and play in your community. This includes those who have visited – tourists, economic development professionals (practitioners and consultants), etc.; those whom you have contacted (customers and potential customers); and for most of us, the largest group, those who don't know anything at all about your community.

To build a brand, answer this question: "What are the stories being told about our community, today?" You

need research to make decisions, but as we'll discuss later, at least in the beginning, this research doesn't have to be expensive.

When considering your community brand, there are three alternative approaches. The first two involve educating communication targets. The alternatives are:

1. Build your brand with the people who are unaware of your community. This approach calls for building wider awareness of your existence, and unless you have widespread buy-in already to your vision and ample resources, it calls for a targeted strategy. Marketers call this market segmentation – dividing the groups of potential customers into smaller groups based on similar characteristics, needs, or behavior. Within this smaller group, called a market segment, the individuals are similar and different from the other possible segments.

For example, the information a visitor needs about a community location is not the same as that needed by a business location consultant. You don't satisfy both needs with the same message. Each message has to be tailored to the needs of the targeted market segment. Targeting smaller segments enables a more cost effective and efficient approach to building awareness.

2. Change existing perceptions about your community – this is the most difficult option because people have already positioned the community in their thoughts. Changing perceptions requires money, time, and significant effort.

3. Reinforce existing perceptions about your brand/community – the simplest option, but depending on the frequency of use, can be expensive. Coca-Cola is the perennial number one brand in the world, yet it spends \$418 million annually in the U.S. alone (2010) on measured media. In comparison, the Las Vegas Convention and Visitors Authority budgeted \$86 million for the "What Happens Here" campaign during fiscal year 2010. Both brand campaigns are successful. The city achieves its objective with less money. This is because there are not that many competing locations with national advertising campaigns, and it is not in a transaction-intensive



Consistency is vital in community branding. Even the gas station in Madison, MS, has architecture similar to other retail businesses.

business like soft drinks, credit cards, or cell phones, where continual advertising is the norm. Therefore, Las Vegas can have more impact with a smaller budget.

While branding can be expensive, resources do not determine success. Although resources have an impact on how fast one can go, they do not limit the ability to succeed. A community needs a good strategy to implement, energized people who share the vision, and the persistence to see the plan through.

A BRAND BUILDING STRATEGY

In order to effectively and efficiently build a brand, marry goal(s), strategy, implementation, and resources. The words of IBM's Thomas Watson, Jr. come to mind:

"In the history of IBM, technological innovation often wasn't the thing that made us successful... technology turned out to be less important than sales and distribution methods... We consistently outsold people who had better technology because we knew how to put the story before the customer, how to install the machines successfully, and how to hang on to customers once we had them." (Emphasis added) (Thomas J. Watson, Jr. and Peter Petre, *Father, Son, & Co.: My Life at IBM and Beyond*, (New York: Bantam, 1990), page 242.)

Good brand management is about understanding the people you want to influence well enough to send the right message to the right customer, fulfilling the brand's promise, and turning each customer into an advocate for the brand.

ANSWERING THE WHO AND WHAT QUESTIONS

The most important decision is "who" to target the branding efforts toward. As stated earlier, marketers call this segmenting the market. The initial segmentation focuses on dividing the primary markets into just two large segments – those within a community and those outside. From there, develop smaller segments based upon different target types – elected officials, the business community, non-governmental organizations, etc. Trying to use a one-size fits all approach is appealing on a cost basis but just doesn't work. Good segmentation plus tar-

Trying to use a one-size fits all approach is appealing on a cost basis but just doesn't work. Good segmentation plus targeting the message ensures the strategy has a chance to impact how people think, feel, and especially, how they talk about a community.

getting the message ensures the strategy has a chance to impact how people think, feel, and especially, how they talk about a community.

After grouping together like-minded individuals and organization leaders, answer the "what" question – specifically, what do the people in this segment know now and what do they need to know for the community to achieve its objective? The best way to answer this question is through good market research. If the funds are not available to pay for such research, talk to customers face-to-face. Look for patterns, not what you want/expect to hear. The job at this juncture is to ask questions, listen, and record your findings.

Community and economic development leaders need to know and understand how the people that work, play, learn, and visit view your location and especially what they have heard others say. Everyone you interact with provides an opportunity to learn. Ask the people you meet, "What have you heard other people (visitors, family, and friends) say about our state/city/community?" Pay close attention to information about goals, activities, priorities, and needs. These elements give context to what you hear. Context is what makes targeted messages meaningful.

Also talk to the members of your chamber of commerce, Rotary, and Kiwanis clubs, etc. If you have already started a branding initiative, ascertain what, if anything, your community members know about it and how well they feel it fits from their perspective.

Assess the extent to which residents already treat your visitors as welcome guests. You can determine this pretty easily; just travel around the community and stop and ask for directions. In-person contact provides an excellent opportunity to experience the community



Strong leadership from elected officials has helped enforce strict architectural guidelines in Madison, MS. Note the store-front architecture of Madison's WalMart and Home Depot.



Fairhope, AL: The details (all the flowers) communicate your attention to your brand promise. Often described by first time visitors as the "beautiful little city with all the flowers," Fairhope now has an international brand.

from the customer's perspective. Also, it is difficult for a community to be something on the outside, if it is not first what it wants to be on the inside. A brand is built with every customer contact by the people within your community. It is the continuous in-person and/or online dialogue that determines what your brand really means to your constituents.

After determining what people think and selecting segments and priorities, craft messages to address which of the three options you are facing within a segment:

- Increasing awareness is best handled through broadcast media and the Internet; your website is an effective place to start.
- Changing perceptions is best done in small steps, going from what is perceived to what you want the segment to see and understand. Where possible, target only those with the misperceptions about the community. If it is a broadly held misperception, then the awareness model will work but will take more time and money. Gulf seafood safety became a problem after the BP oil spill, and changing the public's perception is still requiring massive amounts of money even after a year of expenditures.
- Reinforcing existing positive perceptions with internal constituents can be handled with good public relations.

A good strategy needs excellent implementation, which leads to training and involving internal constituents. Good customer service training is necessary, but must be followed up by managing against clear goals to be effective. Ask this question: "What is the promise we are making or want to make with our brand?" Then identify the reasons to believe, for instance, "You'll receive a smile with every interaction in our town." Is it because you say so or because you have trained every convenience store employee near the interstate to smile

at people who ask for directions and hand them a free map of the town or to downtown, to the blueberry festival, to the convention center, etc.

Call key local business, economic development, and government phone numbers to assess the response. Is it friendly and efficient, or is it just the opposite? Remember, this is the first impression you give to people.

Branders must have some method for acquiring feedback from the people interacting with the community's guests. At a minimum, duplicate the first effort where you interacted with various community members and determine if you get the same result. Also, every community website should have a special place for visitor input. Record the findings and keep records of website traffic. Any success brings positive attention and more buy-in from the community and hopefully more resources.

The most important outside group to segment are the professionals a community works with on a regular basis. This segment includes all the individuals coming to and through your community. These include the public officials from outside the community that work with you on projects (state officials, other county executives, etc.) and people from businesses that interact with you on a regular basis – public utilities, influencers, people who produce festivals, etc. This group's perceptions about you and your brand provide an improved perspective on both the community's image and where it sits in the competitive space. These individuals interact with all the communities in the area, or in the case of economic development professionals, communities everywhere.

What do these important customers think about your community? If everything you hear is positive, get the message out. If you hear the same negative reactions from different people, make improvements before communicating with your customers. Interactions with important people can also be used to build the consensus needed in the community about priorities and messages. If more people within a community share your branding vision, it means more resources and an easier time to achieve the necessary coordination and cooperation of your internal constituents. This frees up resources to target other segments you need to influence.

It also helps to have strong leadership from elected officials. For example, the mayor of Madison, Mississippi, Mary Hawkins-Butler, and the City Board of Aldermen have long enforced strict architectural guidelines for commercial and industrial property and buildings in their city. Over the last 30 years, Madison has changed its image from a sleepy, rural, middle class community to

A brand is built with every customer contact by the people within your community. It is the continuous in-person and/or online dialogue that determines what your brand really means to your constituents.

one of the top places in the U.S. to live. This designation comes from respected sources such as CNN/Money Magazine and *Family Circle Magazine*.

Real estate values have soared and the city has an almost cult like following from those who value a small town look and feel, tight signage, and zoning regulations. To further its image, the city's only interstate interchange has a stone facade, rather than concrete, and is believed to be the only one of its kind in the U.S. High quality, high value, high standards – those are phrases often used to describe Madison.

WHEN AND HOW MUCH MONEY

After determining who to target and what the message is, the next question to answer is when. Prioritize segments and messages. There can only be one primary customer at a time and the resource commitment must follow this choice. Other important constituents get just enough attention until they become your primary customer.

The answer to how much money you have to spend flows from blending your communication objective, target market, message, and media. Two points are important:

1. Consider what measures you will use to evaluate progress. These are important for at least two reasons. First, the measures indicate how well your strategy and implementation efforts are performing and provide feedback to adapt your strategy to meet any new realities you discover. Second, the performance measures facilitate discussions with your superiors and board on the results you are achieving.

Early success means you are achieving agreed upon goals and can be used to garner the additional resources needed to move to larger and more expansive audiences. Specific, measurable outcomes are best. To the typical economic development goals of job creation, capital investment, and per-capita income, add such measures as sales tax revenue, hotel occupancy, growth in the number of prospect inquiries, and measures of top-of-mind customer awareness.

2. The message is driven from understanding the segment you are talking to and what you need to communicate to achieve your purpose. As mentioned earlier, certain media vehicles lend themselves to delivering particular kinds of messages. Also, consideration of the budget comes at the end of the process. Do not try to achieve a \$15,000 objective with a \$5,000 budget. Either change the objective or change the budget. Getting

as much as you can of a \$15,000 objective for \$5,000 is a sure way to waste your money. If you are willing to settle for partially attaining objectives, then set a goal you can achieve with \$5,000.

Another common mistake is thinking social media are free. Free often equates to the mistakes of not monitoring your sites, not responding appropriately to posts from others, and not updating and changing your sites frequently enough to keep them interesting. A low up-

front cost to set up social media must be followed by all the needed expense to keep them up-to-date.

You will also need professional help with your website. Advertising clutter is pervasive today. Once consumers are overloaded with information, they become desensitized and do not pay attention. Given all the constituents in a community, it is difficult to balance the need to include everyone on your website without making it too cluttered. This is why economic development organizations need expert help from someone who understands website marketing design.

For example, instead of building a community website or putting up a Facebook page, think about building a platform for visitors to become better friends and to share their community experiences. This builds on the new technology

to foster word-of-mouth advertising, always the best form of getting your message out. Existing customers become advocates and sell your message and positioning.

Finally, success is about hitting singles as much as home runs. You can control the singles; you need a confluence of factors, few of which you have any control over, to align correctly to get a home run in the branding business.

Fairhope, Alabama, provides a great example of effective branding. There are, of course, many other examples. Here is what Fairhope did to change its community's brand.

Fairhope was created in 1894 as a single tax colony, experimental community. Its identity as a creative community began with its creation. Its branding as a beautiful city with unique, ever changing flora started as a vision of long time Mayor Jim Nix, who served from 1972–2000.

Mayor Nix was a regular traveler who loved to visit beautiful cities. When Hurricane Fredrick destroyed much of Fairhope and many of its trees and flowers in 1979, Mayor Nix knew that the opportunity was right



Downtown Shopping District in Fairhope, AL: Flowers everywhere also mean a serious commitment to the resources necessary to keep the city beautiful.

to recreate the city's image – first in the minds of its residents and then for the outside world.

Selling a vision of creating the “Carmel of the South,” he worked with the Fairhope Rotary Club to purchase the first of hundreds of new trees and started a campaign to beautify and strengthen the downtown area. He hired Fairhope's present mayor, Tim Kant, to be the city's horticulturist, providing him with the authority and budget needed to transform the inner city.

Utilizing asset mapping, long before it was part of regular economic development practice, the two visionary leaders identified all of the city's core assets and developed a plan to enhance sidewalks and to add trees, flowers, and fountains. Participation in several hands-on Disney seminars helped crystallize ideas, with Disney's “Behind the Scenes Horticulture Experience” leading to massive replanting, with the work always performed before and/or after downtown business hours. This “new beginning” occurs at least five times a year, made possible by ten city-owned greenhouses; 60,000 tulips imported from Holland; and a mayor, city council, and staff dedicated to creating a WOW factor.

The citizens bought in, others began to take notice, and word began to spread via travelers to the area. Soon the national travel media took notice. Honors have included #2 on *Money's* “20 Best Places to Retire” in 1994 and *Family Circle's* recent recognition of Fairhope as the “4th Best Town for Families.” The city enters international competitions such as “Nations in Bloom” and “Cities in Bloom,” where it ranked #1 in 2001 in its population category.

Often described by first time visitors as the “beautiful little city with all the flowers,” Fairhope truly now has an international brand. Mayor Kant modestly describes the brand as being built “one flower box at a time.” And what a great brand it has become, attracting first time visitors with its beauty, who return because of Fairhope's quality of life and creative diversity.

CONCLUSION

Communities are like individuals; each is unique and already has a location brand. To make that brand meaningful, leaders must identify what makes their community unique; identify who will want to live, work, or play in the community based upon that uniqueness; and develop targeted messages and means of delivery to both internal and external audiences. Leaders must also train local points of customer contacts to insure the chosen message is delivered and reinforced, and do constant follow-up research to measure results.

If you build from a solid foundation, your brand will aid you in fulfilling your economic development objectives. The basics covered here will get you started correctly. Cookie cutter approaches are not effective and are expensive. Understanding the perception of your community in the minds of current and desired customers is a must. After all, even well known brands have segments that require a different strategy. Although Orlando is known as a vacation spot, it still has to work on being seen as a place to attract new industry. 🌱

2010 SALARY SURVEY OF ECONOMIC DEVELOPMENT PROFESSIONALS

Hiring? Searching? Renegotiating? The IEDC 2010 Salary Survey of Economic Development Professionals provides you with the data you need to make informed employment decisions.

Building on the success of previous reports, this survey identifies salaries according to type of organizational funding – public, private, or public-private partnership. With an eye on an increasingly global economy, it also highlights Canadian and other international data in comparison with domestic findings.

IEDC member price: \$157

Non-member price: \$232

**Visit the IEDC Bookstore to
Purchase Your Copy Today!**

For more information go to: **www.iedconline.org** Or call: **(202) 223-7800**



INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL

*The Power of
Knowledge and Leadership*