

Economic Development Marketing in Canada



Member Marketing Survey Results
Economic Developers Association of Canada
Released November 2010



COMMUNICATION DESIGN INC.



The 2nd Annual Marketing Survey Results are in!

This report contains the results of the **2010 EDAC Member Marketing Survey**, the most current, comprehensive look at Canadian economic development marketing practices available.

The survey was conducted in June and July of 2010 by On Three Communication Design in partnership with EDAC, and this report summarizes data from more than 100 surveys, representing a 15% response rate.

It looks at **attitudes**, **budgeting**, **marketing techniques**, and **ambitions** for the future. This year, it will also note interesting changes from the 2009 study, especially in light of recent tumultuous economic times.

This report was created for EDAC members to use in planning, benchmarking and garnering support for their economic development efforts. **We hope you find it useful.**

Please note that a summary of key findings and takeaways can be found in the Conclusion on pages 30-31.

Marketing in your **economic
development** organization...

Why are **you** marketing?

We asked survey participants to rank the following marketing objectives, with 1 being most important and 10 being least important. The results are shown below.

Rank	Objective	2009 Rank	Change
1	Attract new business	1	---
2	Retain and build existing businesses	2	---
3	Increase awareness about our municipality or region	3	---
4	Increase awareness about our economic development services	4	---
5	Build relationships with developers and realtors	6	+1
6	Develop a specific sector or sectors	5	-1
7	Promote tourism	10	+3
8	Create a competitive advantage over other municipalities or regions	8	---
9	Report on progress and achievements	9	---
10	Increase awareness about specific programs or incentives	7	-3

From 2009, rankings remained fairly stable, with the most movement seen with the “Promote Tourism” objective increasing in importance, and the “Increase awareness about specific programs or incentives” dropping in importance. Interestingly, attracting NEW business outranked RETAINING businesses significantly in importance.

The basics.

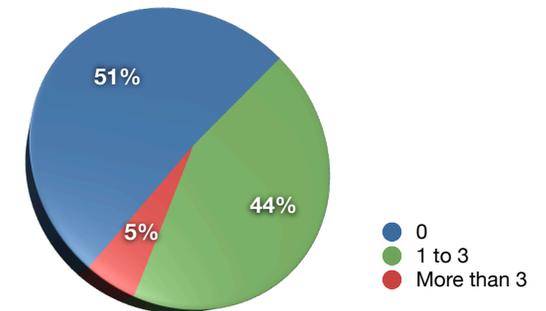
Where are you located?

Ontario	51.0%
Alberta	20.2%
Saskatchewan	8.7%
British Columbia	7.7%
Manitoba	3.8%
Newfoundland and Labrador	3.8%
New Brunswick	1.9%
Nova Scotia	1.0%
Prince Edward Island	1.0%
Nunavut	1.0%
Quebec	0.0%
Yukon/NWT	0.0%

Who do you work for?

Municipality	55.8%
Region	13.5%
Other	8.7%
Self-employed	5.8%
Provincial Government	4.8%
Regional Government	3.8%
Community Futures	2.9%
Business Development Centre	1.9%
Fed/Prov/Municipal Partnership	1.0%
Federal Government	1.0%
Private-sector organization	1.0%
Territorial Government	0.0%

How many dedicated marketing and communications staff do you have?

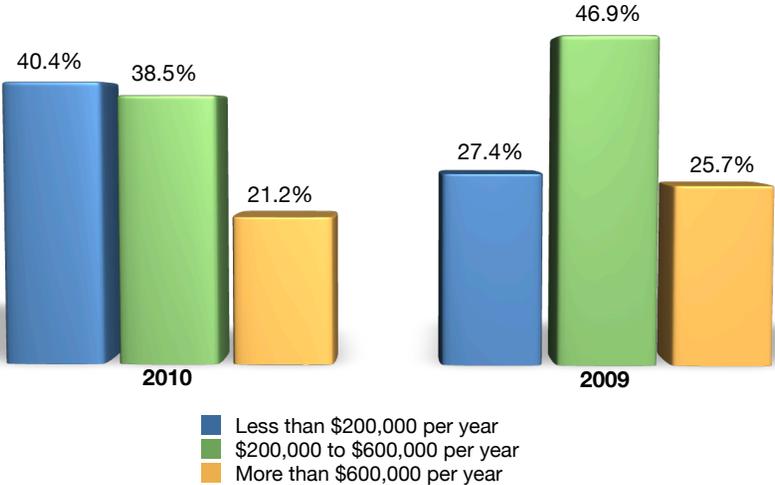


Over 1/2 of EDAC members are marketing without a single dedicated staff member, and this trend is increasing over 2009 results.

Now let's talk budgets...

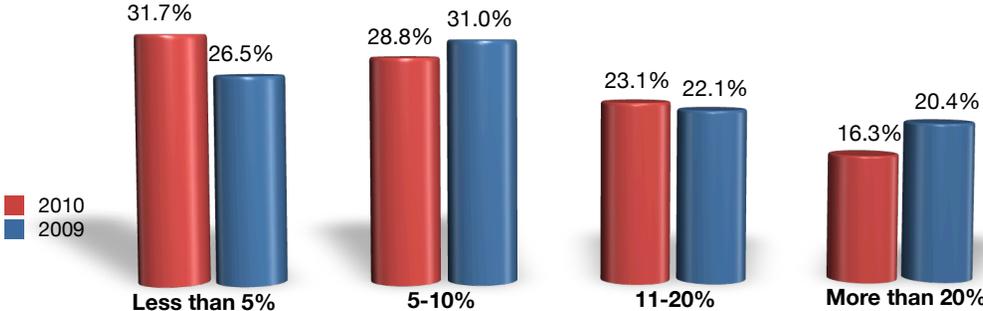
Overall budgets and marketing allocations

Overall economic development operating budget:



- Since 2009, overall economic development budget levels dropped, with a 13% increase in those spending less than \$200,000, an 8.4% decrease in the \$200,000-\$600,000 category, and a 4.5% decrease in those spending more than \$600,000 per year.
- A similar trend of spending cutbacks was seen in the percentage of overall budget allocated to marketing from 2009 to 2010.

% of overall budget allocated to marketing:



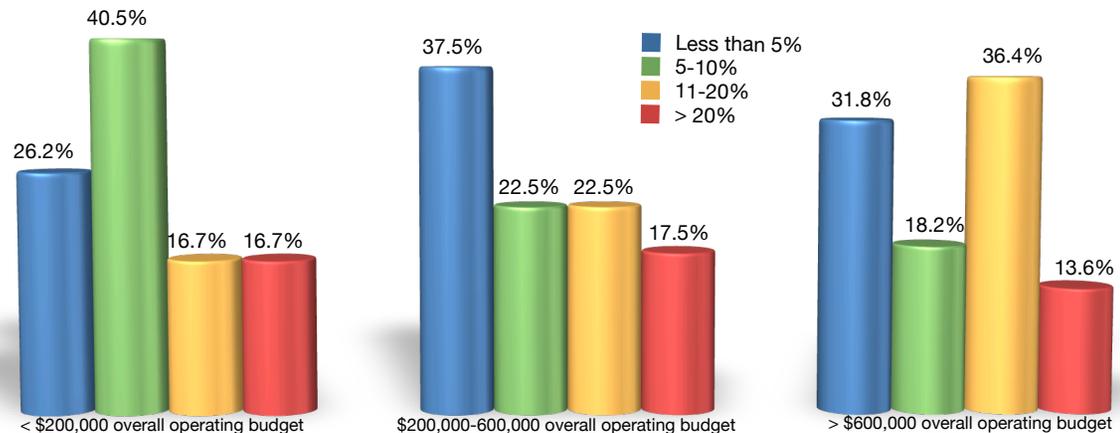
Overall budgets and marketing allocations

- Those spending 11-20% of their overall budget on marketing were the only group that seemed to be in growth mode. While others noted little change in percentage spending from year to year, this group was more likely to say spending has increased since 2009 or are planning an increase in 2011.
- The 5% disadvantage: 16.7% of those spending less than 5% on marketing don't measure anything. In contrast, all respondents spending more than 5% were doing some form of measurement. Those spending less than 5% were also less likely to say their online presence was important and were the least likely to have dedicated marketing staff.

Marketing allocations by overall operating budget level:

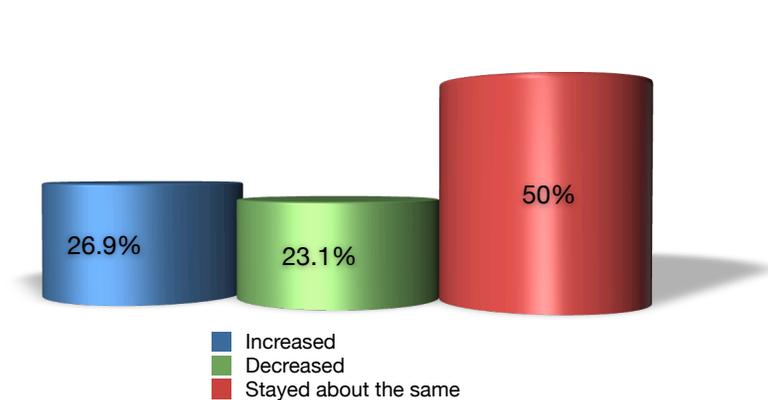
Hey big spender?

- Big overall budgets don't necessarily equal big marketing spending.
- There is no clear pattern that indicated larger organizations spend more on their marketing.

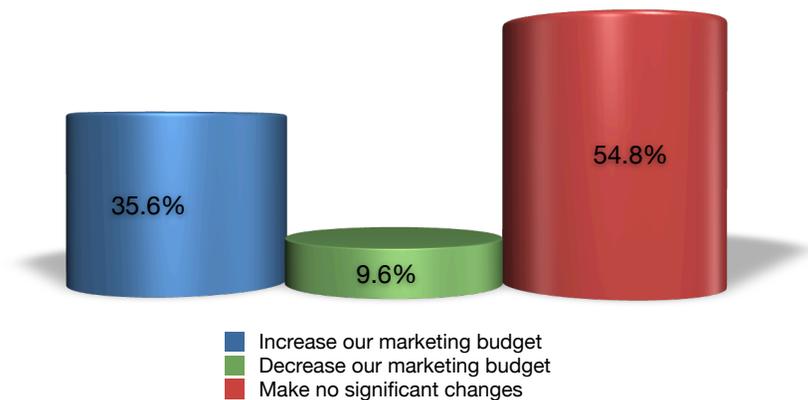


Changes in **spending** over time

Compared to 2009, our 2010 marketing budget has:



Looking ahead to 2011, we will likely:

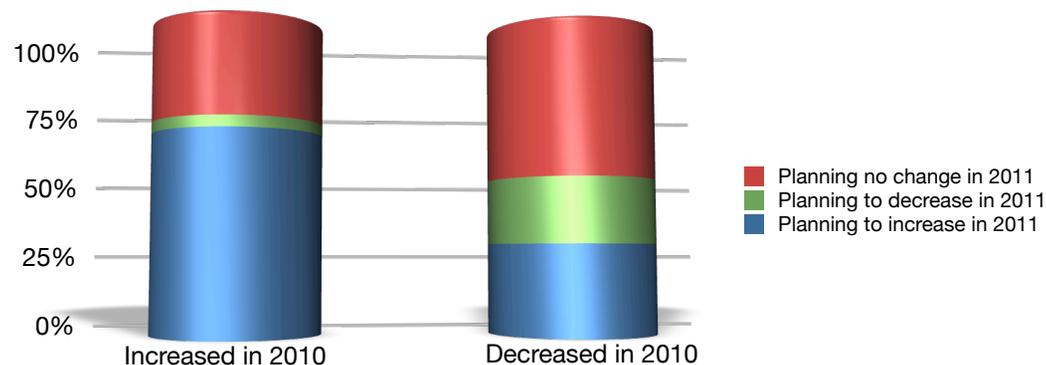


More marketing budgets were decreased than expected in 2010

- For about half of economic developers, marketing budgets remain stable from year to year.
- In the 2009 study, only 10.6% predicted decreases in 2010 marketing budgets. In actuality, when surveyed about the current 2010 budget, 23.1% of respondents had seen decreases, compared with more modest predictions.
- While increases and decreases to budgets were roughly equal from 2009 to 2010 (26.9% and 23.1% respectively), 35.6% anticipated increasing 2011 budgets, compared to 9.6% who predicted decreases. It will be interesting to note if the prediction-reality gap persists in 2011.

Changes in spending over time

Planned 2011 spending based on 2010 behaviour

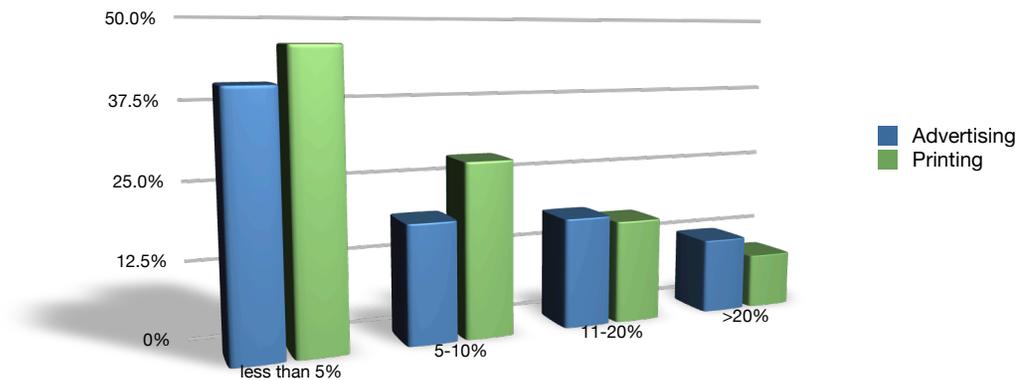


The gap between marketing spending “increasers” and “decreasers” continues to widen

- Last year’s study showed that if EDAC members had increased their marketing budget in 2009, they were far more likely to be planning further 2010 increases than their decreased spending counterparts.
- In 2010, this trend continues, with 64.3% of EDAC members who increased marketing spending in 2010 planning to do so again in 2011.
- In contrast, only 29.2% of 2010 decreasers plan to increase 2011 spending. 20.8% plan to decrease budgets further in 2011. Only 3.6% of 2010 increasers will bring their 2011 marketing budgets down. The gap continues to widen between those who increase year over year and those that reduce.

Specific **expenditures** and outsourcing

% of marketing budget allocated to print and advertising buys

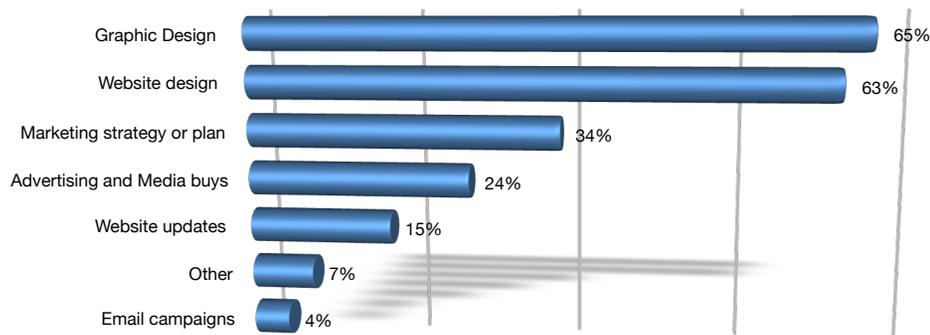


Print and advertising are generally less than 10% of marketing budgets each

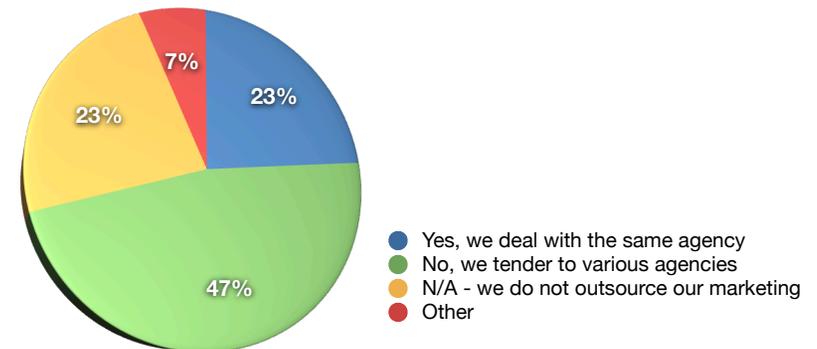
- 74.2% spend less than 10% of their marketing budget on printing, while the same is true of 69.5% of EDAC members when it comes to advertising.
- It has been hypothesized that money spent on printing will decrease as EDOs move towards electronic means of marketing and communication, but no such difference has been observed between 2009 and 2010, with almost no change in the percentage allocations for print and advertising (73.7% spending 10% or less in 2009 for printing and 66% spending 10% or less on advertising respectively).

Specific expenditures and outsourcing

What activities do you outsource?



If you outsource, do you have an agency of record?

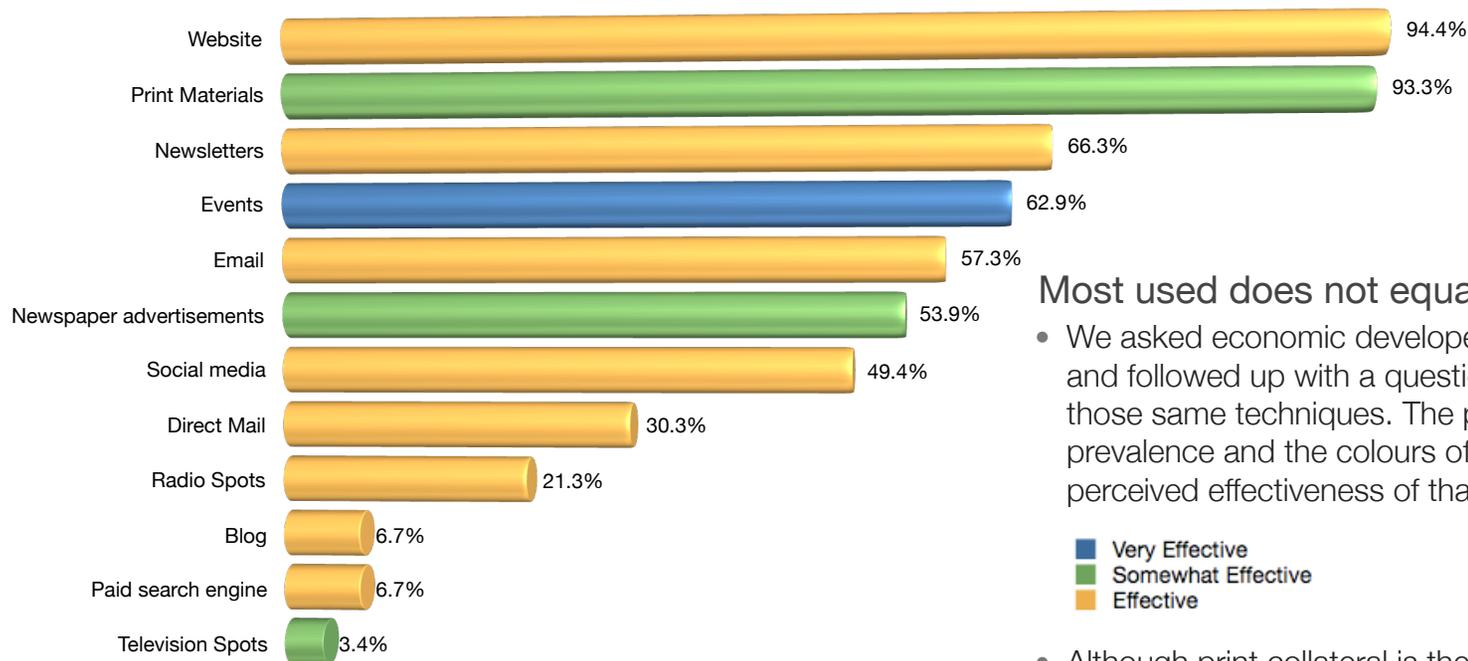


Canadian economic developers are doing more outsourcing

- Compared to 2009, the number of EDOs who do not outsource marketing has decreased from 32% to 23%.
- Web design outsourcing increased by 8.1%, advertising and media buys decreased by 7% and marketing strategy/plan outsourcing was up 10.1% since 2009
- Just under one quarter (23%) of EDAC members have a consistent marketing agency that they employ on projects, up from 16% in 2009.

What marketing
techniques do you use?

Prevalence of techniques & perceived effectiveness



Most used does not equal most effective.

- We asked economic developers what techniques they used, and followed up with a question about the effectiveness of those same techniques. The percentage values indicate prevalence and the colours of each bar represent the perceived effectiveness of that technique. See legend below.
- Although print collateral is the second most popular marketing technique, it was seen most often as “somewhat effective”.
- In contrast, the most effective technique - events - is in fourth place in terms of use. It has dropped from third place in 2009.

What will you **stop**, **start** and **continue** in 2011?

We asked survey participants what activities they planned to continue and discontinue in 2011, as well as what new activities they would be undertaking. The responses to this question reflected many of the same themes as last year:

STOP

The most common response to this question among economic developers was that they planned to discontinue “nothing”. Those that did have plans to discontinue current marketing activities were targeting printed materials and paid advertising, which echos last year’s results.

START

Just like in 2009, the prominent response theme was social media. When asked what new marketing activities they would be undertaking next year, over 50% of responders identified social media or blogging as a planned initiative.

CONTINUE

The responses for activities to be continued into 2011 were varied, but the most frequently mentioned activities involved website development and newsletters. 37% of respondents indicated that their website was the single most effective marketing activity currently being undertaken.

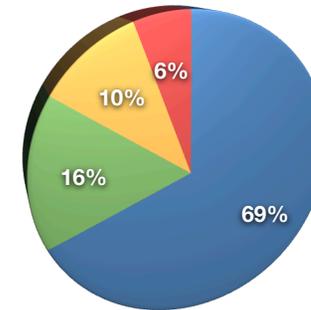
New this year: Measurement.

Measuring your marketing efforts

How do you measure the effectiveness of your marketing activities?

Popular Measurement Techniques	%
Leads generated	70.8%
Website analytics	64.0%
Event attendance	53.9%
Job creation	50.6%
Client feedback/follow up	49.4%
Moderately Used Techniques	%
Building permits	44.9%
Repeat business/referrals	38.2%
Assessment growth	38.2%
Surveys	29.2%
Labour force indicators	27.0%
Least Popular Techniques	%
Social media analytics	24.7%
Specific KPIs	21.3%
Email analytics	18.0%
Specific phone numbers	7.9%
Specific URLs or websites	4.5%
N/A - We do not measure	4.5%
Other (please specify)	4.5%

Overall, our efforts to measure our marketing activities are:

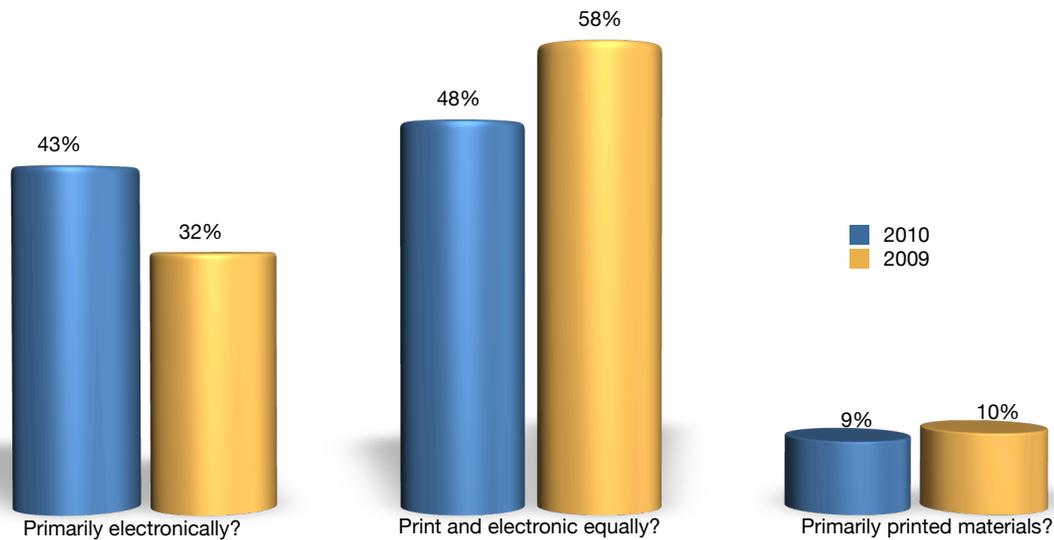


- Somewhat effective - we have some idea of our performance
- Limited and not very effective - we're not sure what's working
- Very effective - we know what's working and what isn't
- We don't measure marketing currently

What are economic developers
up to **online** these days?

Communication is moving **online**...

EDAC members communicate with their audience:

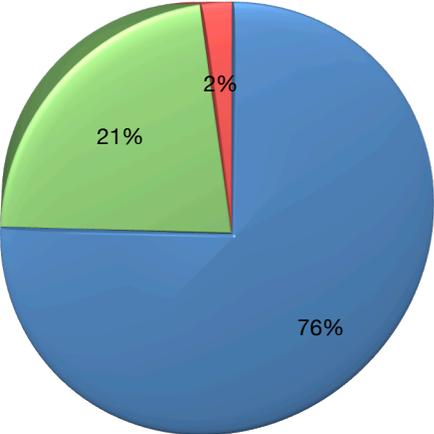


Compared to 2009:

- The number of economic developers who communicate with their audience primarily electronically increased by 11%.
- Accordingly, the number who use print and electronic communications decreased by 10%, and those that use print primarily decreased by 1%.
- 94% of respondents indicated that their online presence is “very important”.

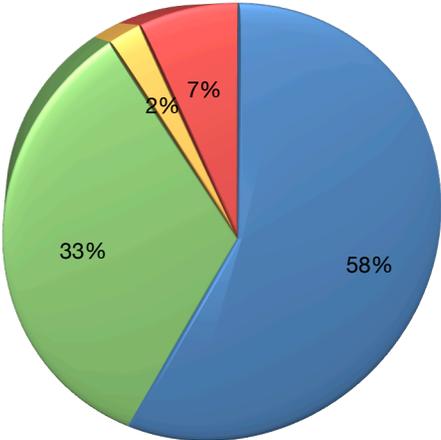
How do you manage your content?

Does your organization have its own website?



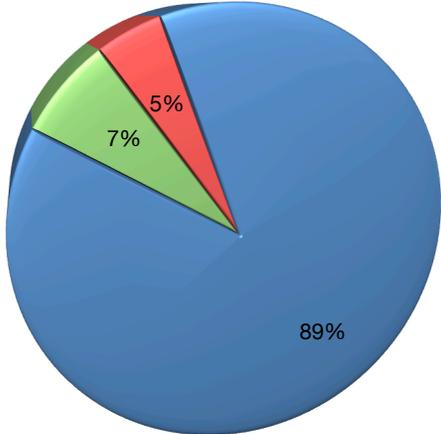
- Yes, and we update it frequently
- Yes, but it is not updated frequently
- No

Do you use a content management system to update your website?



- Yes
- No
- We do not have our own website
- Don't know what a content management system is

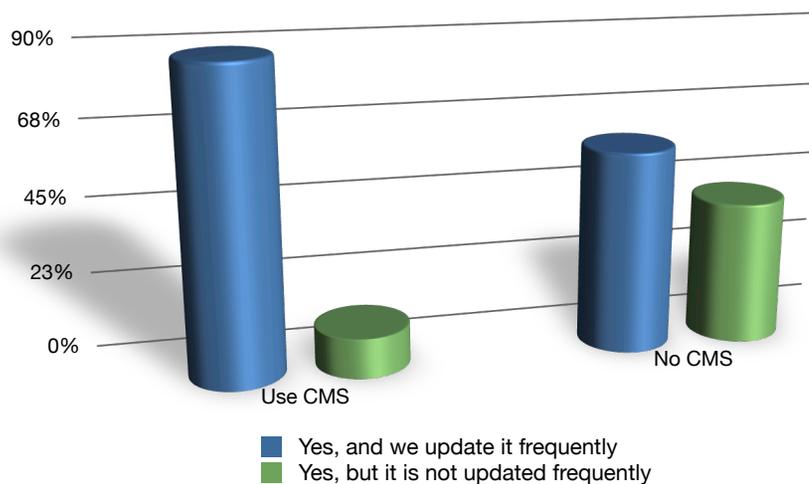
Does your organization have a blog?



- Yes, and we update it frequently
- Yes, but it is not updated frequently
- No

The content **management** advantage:

Does your organization have its own website?

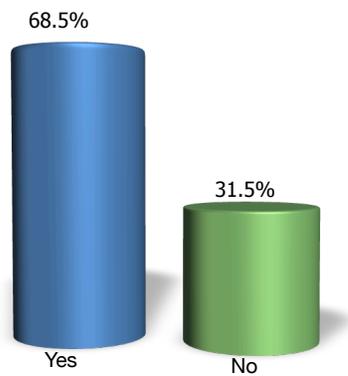


As in 2009, control over web content is correlated with greater online activity:

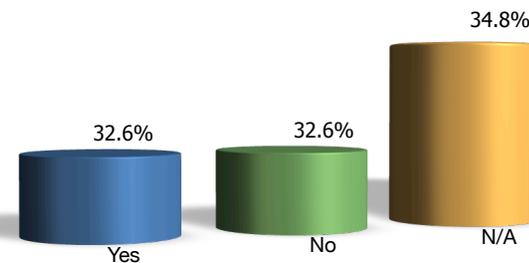
- We compared the responses of economic developers who managed their own web content against those who did not
- 88.5% of those using a CMS deliver frequent website updates to their audience, compared with 58.6% of those that do not use a CMS.
- An online presence was seen as more important among CMS users - 98.1% versus 89.7%
- CMS users were also more likely to have a blog - 15.4% versus 6.8%

Are you using email?

Do you use email campaigns to communicate with your audience?



Do you use an email reporting tool that allows you to measure things like open rates and click-thrus?



EDAC members are using email, but most don't know if it's working.

- Almost 70% of respondents are utilizing email campaigns to communicate (up 10% from 2009), but only 32.6% use a tool that allows them to measure the effectiveness of their email campaigns.

Social media use is growing...

What are your preferred social networking sites?

	2010	2009	Change
Facebook	43%	30%	+13%
LinkedIn	28%	16%	+12%
Twitter	28%	15%	+13%
YouTube	27%	15%	+12%
Other	8%	1%	+7%
MySpace	1%	1%	---

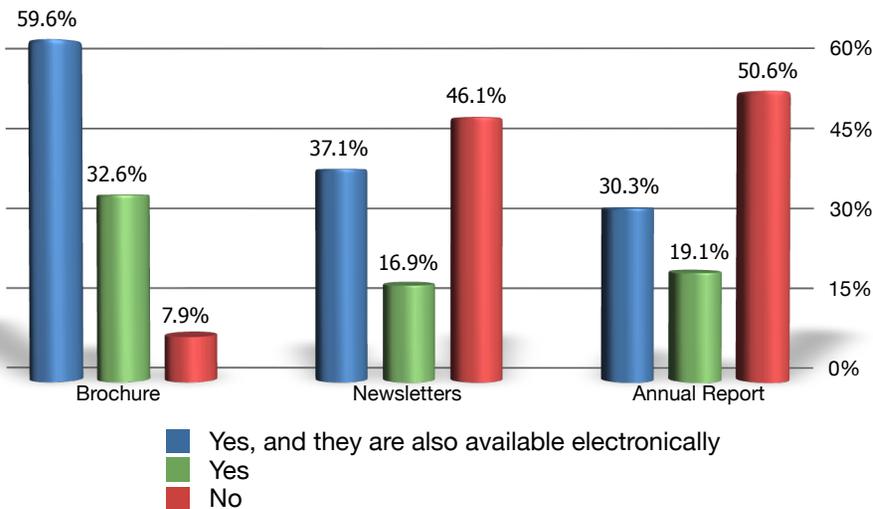
When it comes to social media

- Facebook remains the most popular social media tool with 43% of respondents using it. Over 25% of respondents are using LinkedIn, Twitter and/or YouTube in their marketing efforts.
- Of note is the jump in usage across the top platforms from 2009, and the adoption of alternative social platforms, such as Wikipedia and Flickr.

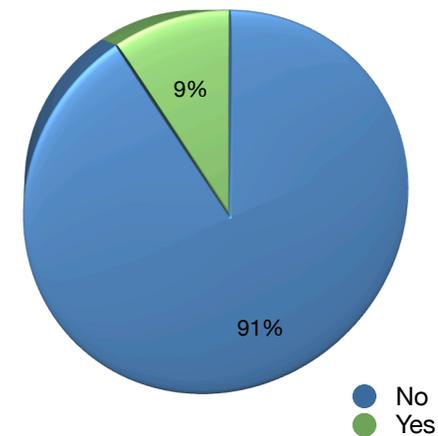
The **printed** goods.

How do you use print?

Do you print newsletters, brochures and annual reports?



Do you use outsourced direct mail campaigns?

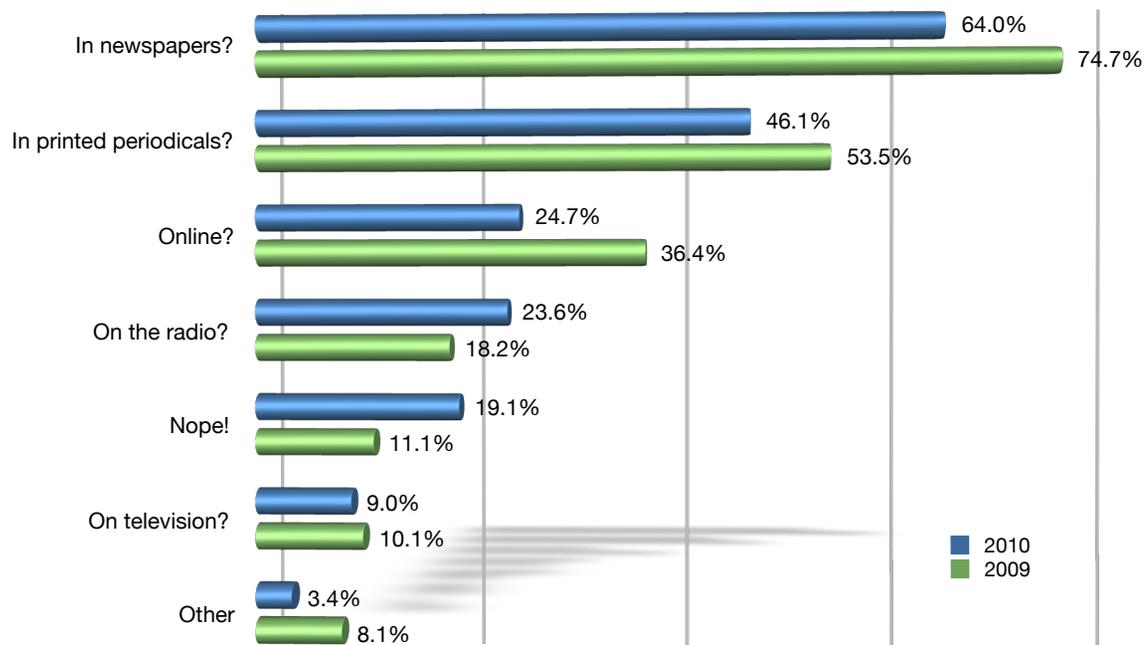


- Interestingly, despite plans to discontinue printed materials year over year, and a consistent rating of “somewhat effective”, the responses to the above questions show little change from 2009.
- Even with a trend towards electronic communication, printed materials are still seen as an important tool for economic developers, although a preference for providing both print and electronic options is evident.
- As in 2009, the majority of respondents spend less than 5% of their marketing budget on printing.

Do you advertise?

Where do EDAC members advertise?

Do you buy advertising?



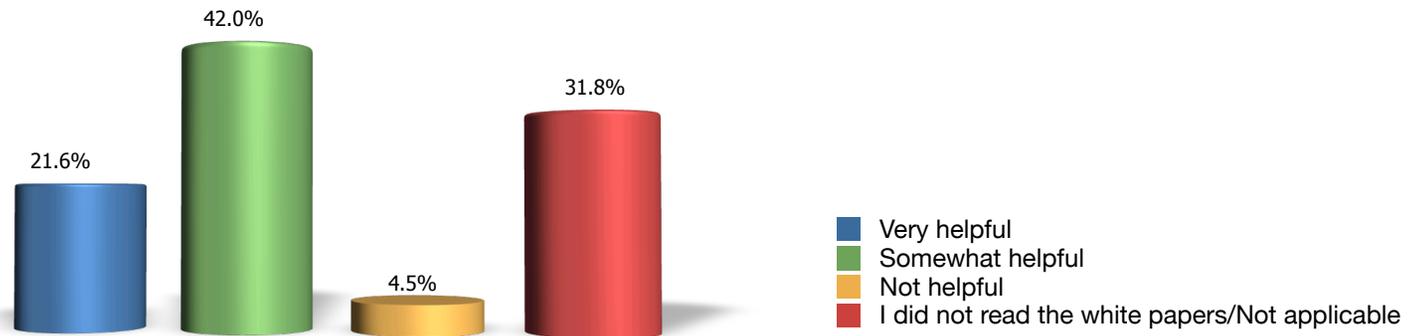
With the exception of radio, advertising has declined since 2009:

- Economic developers are doing less advertising in newspapers, printed periodicals, television and online compared to 2009.
- Those that indicate they aren't doing any advertising has increased by 8% over last year
- The only advertising channel that saw an increase was radio, with a 5.4% jump since 2009

Marketing support for
EDAC members.

EDAC White Paper Series

How helpful do you find the EDAC White Paper Series?

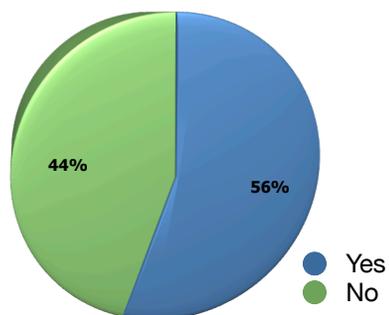


Topics for future white papers

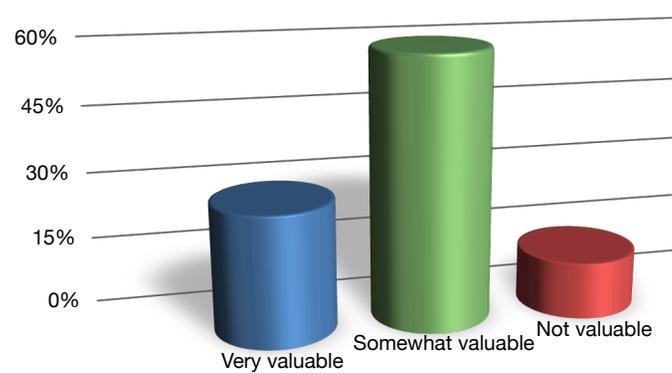
- When asked to provide desired topics for future white papers, the responses were varied, but common themes identified were: 1) social media and 2) measuring marketing effectiveness

EDAC Marketing Awards

Have you ever submitted an entry to EDAC's Marketing Canada awards?



How valuable do you find EDAC's Marketing Canada awards?



Conclusion

The 2010 survey reveals that Canadian Economic Developers are actively engaged in marketing activities, with various levels of financial resources and scope. Some of the key findings are summarized below:

- Business attraction is the top ranked marketing objective. Business retention is a distant second.
- 31.7% spend less than 5% of their overall budget on marketing, followed by 28.8% who spend 5-10%.
- More marketing budgets were decreased than expected in 2010: In the 2009 study, only 10.6% predicted decreases in 2010 marketing budgets. In actuality, when surveyed about the current 2010 budget, 23.1% of respondents had seen decreases, compared with more their modest predictions.
- Those that increase their marketing budgets are planning further increases. Those that have decreased in 2009 and 2010 are planning more decreases. The gap continues to widen.
- Half of EDAC members are marketing without a single dedicated staff member.
- The adoption of social media is increasing, and continues to be the top planned activity identified for 2011.
- 37% of respondents say their website is the single most effective marketing technique they are using, and 70% have a dedicated, frequently updated web presence.
- Almost 70% of respondents are utilizing email to communicate (up 10% from 2009), but only 32.6% use an tool that allows them to measure the effectiveness of their email campaigns.

Conclusion cont'd...

- Despite sentiments in the 2009 survey among respondents to move away from printed materials, the frequency of use and types of publications printed has seen little change in the 2010 survey. Print is still seen as an important tool for economic developers.
- With the exception of radio, advertising has decreased overall. Those that indicated they aren't doing any advertising at all has increased by 8% over the 2009 survey.
- This year's study asked EDAC members for the first time about marketing measurement: Lead generation, website analytics and event attendance are the top measures used by Canadian Economic Developers. 69% say that their measurement efforts are somewhat effective, but 22% have no idea if their marketing is working at all.

Looking forward, we will continue to conduct this survey on an annual basis and make it available free of charge through EDAC. Marketing is critical to our profession, and sharing our practices, ideas and attitudes strengthens economic development organizations across the country. Please feel free to reproduce this study in whole or part, with credit to the original source.

We welcome feedback, questions and suggestions. Please send inquiries to info@onthree.ca.



About On Three Communication Design

On Three is a marketing and communications agency specializing in promoting places, not products. We are the only creative agency in Canada that focuses exclusively on economic development marketing. Visit us at www.onthree.ca or blog.onthree.ca.



About EDAC

The Economic Developers Association of Canada (EDAC) is Canada's national organization of Economic Developers pursuing excellence in the field since 1968. For more information about EDAC, contact Penny A. Gardiner, Ec.D. Executive Director @ 905.689.8771 or admin@edac.ca.