Building Mastery in Place Branding

An Interview with Edward M. Burghard, Executive Director, Ohio Business Development Coalition

Edward M. Burghard

EDITORS' NOTE *Ed Burghard began his career with Norwich Eaton Pharmaceuticals as a computer programmer and proceeded to hold managerial positions in sales administration and operations research. In 1982, Procter & Gamble (P&G) acquired Norwich Eaton, and Burghard shifted his focus to marketing. Soon after, he began directing marketing strategies and tactics that doubled sales and nearly quadrupled profits of P&G's U.S. pharmaceutical business. Currently on loan from P&G, Burghard is fulfilling a four-year commitment to lead the Ohio Business Development Coalition (OBDC) as its Executive Director. Burghard holds a B.A. in theoretical mathematics from the State University of New York at Potsdam and an M.B.A. from Syracuse University.*

INSTITUTION BRIEF *The Ohio Business Development Coalition (www.ohiomeansbusiness.com) is a nonprofit organization charged with branding the state of Ohio. By developing and executing targeted, proactive sales and marketing strategies, the OBDC also helps Ohio compete for global capital investment. The OBDC aims to provide the Ohio Department of Development qualified leads and effective tools to retain and expand Ohio companies and attract new business.*

Can branding principles applied in the private sector be reapplied successfully in place branding?

Everything I learned about marketing products at Procter & Gamble can be reapplied in place branding. The execution may look different, but the principles are the same.

What impact has the global recession had on place branding?

Challenging economic times exert pressure on the ability of the private sector to invest capital. There is less profit available to fund capital projects and less liquidity in the banking system to support capital loans. However, it is when the economy is toughest that place branding is needed the most. It is critical for locations to competitively differentiate themselves in order to attract a disproportionate share of the limited capital investment dollars that are practically available. Companies that pull back on investment in branding during the tough times find they are not in as advantageous a position to recover when the market dynamics improve. Those that continue to invest reap the reward of strengthened brand perception and are able to capitalize on the recovery. Maintaining or increasing the level of place branding is not politically easy in a recession. It requires a long-term view and a willingness to invest in the future, knowing a strong place brand will pay out during economic recovery, if not before.

What have you learned in the past three years?

First, the capital investment decision process can be described as the need to win three moments of truth: The first moment is winning the opportunity to compete; the second is winning the competition; and the third is winning the repeat investment. In Ohio, we have found an opportunity to do better at each moment of truth. Second, the capital investment decision is both rational and emotional. Capital investment decisions affect people's lives, so emotion plays a very important role in differentiating locations. For example, quantitative research suggests the most important consideration is whether a location is safe for employees and families. Third, CEOs and site selection consultants are not aligned on what is most important in making the capital investment decision, which creates an opportunity for economic development professionals to provide value by ensuring the information needs of both CEOs and site selection consultants are met.

What makes a place brand truly great?

Three things make great brands: relevance, authenticity, and competitiveness. If a place brand promise is not relevant, then no amount of incentive dollars will get an investor to consider the location. Second, the promised experience must be consistently delivered; the talk and the walk must be aligned. Finally, effective place brand management is required. Decisions on public policy change and infrastructure improvement must be made with an understanding of their respective impact on the business climate. The better states are able to manage their brands, the better positioned they will be to compete for capital investment dollars.

Have you been able to measure results from the work being done by the OBDC?

A 2006 and 2008 brand survey evaluates both CEO and site selector perceptions of Ohio and a benchmark cohort of competitors on 21 attributes of importance to the capital investment decision. For Ohio-based executives, the Ohio brand was 11 percent stronger in 2008 than 2006. This is a clear indication that our communication efforts over the two-year period have been relevant, authentic, and competitive. Another group measured are active capital investors. These are executives who have either made a capital investment in the past three years or plan to in the next three years. In 2008, the Ohio brand was 2 percent stronger than in 2006. It is very exciting because it confirms private sector branding principles can be reapplied successfully.

Is place branding something all states should be investing in?

All states should be building mastery in place branding. I believe strong state brands will help strengthen brand America. I am working on an exciting new initiative called the Strengthening Brand America Project [StrengtheningBrandAmerica.com] to help states leverage place branding to become even more competitive for foreign direct investment. Success will mean higher foreign investment and an accelerated recovery of the American economy.

What has the reaction to your approach been from the economic development community?

It has been very receptive. The Ohio branding work is evolving into a real world case study on how to use branding principles to drive economic prosperity. ●