

Chris Chung – Marketing the State as a Business Location

As the head of an or a state organization here in North Carolina, we have as I said, five different areas that we focus on that are all designed to help economic development in North Carolina.

Probably the two that we get the most attention for, is our work in recruiting businesses in from outside the state and our work to promote the state for tourism and leisure travel visitation.

Tourism is interesting in this role at EDPNC. This is my first time really interacting this closely with the tourism marketing industry, and so I've learned a lot, not least that the tourism industry tends to have a very well-organized political lobby, which translates into fairly generous support of tourism marketing budgets at the state level.

Here in North Carolina, we're anywhere from about \$12 to \$15 million a year in normal state support for tourism marketing. So, think advertising, think PR, think digital, all those ways that we can reach those potential travelers and get them to consider vacationing in North Carolina. So, 12 to 15 million in any given year is fantastic. And then add to that some of the federal funds that have been made available to states in recent years and we've essentially been able to double up on occasion in terms of the dollars we can push out the door designed to promote North Carolina as a tourism destination.

That same degree of financial support is available for what I call business marketing. So, touting the state as a place to do business as opposed to a place to visit or vacation. And you know, very different messaging, very different types of audiences. There hasn't been that same degree of public sector funding support for business marketing in the same way that you have seen for tourism promotion and that's not unique to North Carolina. I think that's consistently true across all the 50 states.

And again, I think some of that has to do with the tourism lobby being very well organized, very well coordinated, all saying the same messaging to public policy and legislative leaders about the need to invest in tourism promotion. For whatever reason, that same degree of coordination hasn't existed when it comes to securing funding for marketing a state as a business location. And so that is 1 area where we have consistently found ourselves wanting more resources than what are available to us. We can privately fundraise some dollars, but the vast majority of the support for something like a business marketing campaign, that's really going to come from public sector appropriations through the legislature and the executive branch and I think we have tried to maybe coordinate that messaging a lot more clearly as to why it's important to invest in business marketing, like it's great for us to draw on more visitors and leisure travelers.

Let's also not forget that as many assets as North Carolina has as a business location, as great of a place as it is to do business, we can't expect the audience to just automatically know that you have to spend some amount of funds in promoting this place called North Carolina to the decision makers who are determining where their businesses will locate and grow again. You can't just expect they're going to somehow wake up one day and realize "oh North Carolina's a place I have to go". You've got to be in their face with some type of marketing effort, be it advertising, be it events, be it social, be it digital. Ways you can tout why our workforce is superior, why our educational institutions are enviable. Why our location and transportation infrastructure are so robust, why our tax climate and overall cost of doing business are so competitive. All of these different assets and attributes that make up our business climate we have, we know we've got a great business location. What we don't have is the funding that we think we need to get that message out there to companies who are in the midst of deciding where they should consider going, or where they should consider locating. And

so, we've had some success in recent years, finally getting some of that business marketing funding up from the very minimal amount that it has been in recent years. But that's going to continue to be an area where I think we're going to be wanting more resources to go out there and tout North Carolina as a business location. We're optimistic that folks will come around and see it the same way that they see the importance of tourism marketing.

But it's been very interesting to head up an organization that does both of these two things and to see so much funding be available for one, but nowhere near that same level of support for the other. Our job is try to get business marketing up to a point where it's supported in the same vein in the same way that tourism promotion is in our state.