PLACE MARKETING AS A PLANNING TOOL

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ABSTRACT

This study examines place marketing as a planning tool for local authorities, focusing on the type of marketing designed to attract jobs and investment to an area.

Two strands of research emerge from a literature review. Firstly a need to update a 1984 study of local authority marketing activity as place marketing has evolved and escalated since then, and secondly, a need to determine the outcomes from place marketing.

A survey of local authorities revealed a 96.5 per cent involvement in place marketing activities in 1995 and an analysis of the same local authorities’ marketing brochures demonstrates both innovative and common approaches. These brochures also show that although many local authorities are operating an equal opportunities policy, these ideals are not filtering through to all aspects of their work. Brochures reveal a distinct lack of women, people from ethnic minorities and people with disabilities depicted in responsible working roles.

A comparative study of two statistically similar areas, one which had place-marketed since the 1960s, and one which had marketed only sporadically, demonstrated that employment was rising well above the national average in the place-marketed area. A survey of firms also show that although around 35 per cent of firms’ directors could remember marketing in both areas, only five firms found the marketing to be at all influential in their choice of location.

In conclusion it is contended that marketing and planning policy should be closely linked if it is to be successful. There is no point marketing simply because everyone else does it, there must be something, in the way of development sites or properties, to sell.
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CHAPTER ONE: INTRODUCTION
CHAPTER ONE: INTRODUCTION

"In early summer began a "campaign of boosting." The Commercial Club decided that Gopher Prairie was not only a wheat-center but also the perfect site for factories, summer cottages, and state institutions." (Sinclair Lewis, Main Street, 1948).

1.1 Introduction

Why study place marketing? It is not a new phenomenon, British local governments have advertised the advantages of their areas as places of work since the turn of the century, whilst advertisements to attract visitors to an area evolved hand-in-hand with tourism (Ward, 1994).

Marketing activity to attract jobs and inward investment has been increasing in the UK and the rest of the Western World since the early 1970s (Blunkett and Jackson, 1987). There is now a vast and confusing array of overlapping institutions involved in this type of marketing, ranging from central government, under the guise of the Invest in Britain Bureau (IBB), to individual site marketing by private developers. In spite of this escalation in activity, and the increasing range of organisations involved, few academic studies have addressed the issue of whether place marketing is an effective policy tool.

Place marketing is also constantly evolving and has developed, from the rather dull town-guide type approach, to the use of world class cultural events to act as a magnet to attract businesses and visitors to an area. 1990s style place marketing is innovative, involving the use of multi-media packages and the internet.

Marketing local areas has developed along two distinct lines: for tourism and to attract economic development to an area. This separation of function is best seen in British local authorities where tourism and economic development have historically been separated into different departments. Resort local authorities have, of course, always valued the role of marketing to promote their local area and spin-offs from this type of advertising have created jobs in hotels, shops and restaurants (Harvey, 1989). Local authorities who have merged tourism and economic development strategies are in the minority, however. Law (1992) observed that few cities have incorporated tourism into their economic development strategies. Yet some cities, such as Bradford, have
always produced tourism promotion from within its economic development unit and
has been a UK leader in the field of Urban Tourism (Law, 1992).

The traditional separation of tourism and economic development is starting to change
in the 1990s as place marketers are beginning to appreciate that features of places
promoted through tourism marketing, including good restaurants, culture, heritage and
environment, also represent a certain quality of life which may be attractive to firms
and their staff when considering a business location. This recent focus on quality of
life is leading to a gradual merger of thought between traditionally separate areas in
local authorities and to mergers of economic development and tourism units. Older
industrial cities, desperate to regenerate their local economies are taking the lead in this
new approach (Law, 1992).

Place marketing then, is escalating, evolving and bridging historically unlinked
boundaries in local government. It is still relatively unmonitored, yet is praised for
leading to job creation whilst at the same time criticised for being bland, a waste of
time and money and adding to inter-urban competition (see Goodman, 1979, for
example). Yet as Burgess (1982) notes marketing approaches are wide-ranging, from
loosely targeted advertising to closely targeted public relations exercises, and the effort
put into a particular campaign will inevitably determine its results. This is why it is
important to study place marketing: to examine some of the different types of
marketing, to evaluate the efforts of campaigns and to compare these with what might
have happened in similar areas without such a campaign.

Before moving on to outline the focus of the study and the main body of text, a
working definition of place marketing will be given which will be used throughout this
study.

1.2 Definition of Place Marketing

Place marketing is an approach which takes different forms in different areas,
dependent on budgets available and the marketing message to be conveyed. Four
types of definition follow and are summarised in Figure 1.1.

1.2.1 Authentic Representation of Place

The most simple definition of place marketing is given by Burgess and Wood (1988) in
which specific types of images are used to advertise places, including a range of
environmental features and attractive settings for commercial development. Ashworth and Voogd (1994) add that place marketing relates local activities as closely as possible to the demands of targeted customers. These two definitions assume that place marketers are using existing features, albeit representing them in a way which is perceived to be appreciated by the target audience. This is a simplified approach which depicts the area realistically in an attempt to market the area successfully, hence it relies on the place itself being marketable. This will typically be a place which is already an economic success, with a vibrant cultural life and will have a high quality environment, a suitably qualified workforce and suitable properties or sites available. It is unlikely that many such places exist, therefore other types of approaches are identified which are used to sell less than perfect localities.

1.2.2 Image Boosting

This type of place marketing relies on an attempt by image makers to control external viewers' perception of a place (Barke and Harrop, 1994). It follows that the image projected may not always show the true identity of a place, but may give a distorted version of reality, dependent on the ideas being sold and to whom (Holcomb, 1994). A good example of this can be seen in the marketing approach taken by the Corby Industrial Development Centre (CIDC). This organisation has produced a marketing video which emphasises its positive features and omits any negative features of the area. Recent heavy job losses in the Steel industry are not mentioned, neither is its history of Assisted Area Status and not one view of the town itself is shown. The video goes so far as to dispute an unavoidable fact; that Corby is a designated New Town. The narrator tells us more than once that "Corby is not a place which has sprung up overnight" (CIDC, 1994).

This type of place marketing is a boosterist approach, focusing on the promotion of positive aspects of an area and disguising or ignoring its negative aspects. The main problem with this method is that it relies on the target audience having no prior knowledge about the area or, where the area is known, the images presented must be convincing enough to change hard-to-shift pre-conceived ideas.

1.2.3 Image Correction through Physical Regeneration

A more powerful and expensive way of marketing an area which may have an image problem, is to create a new and better image to focus on. This idea is based on property-led urban regeneration to re-create areas in order to make them more
marketable. A typical example of this type of approach is the shiny high tech image presented by Canary Wharf which has physically replaced the derelict docks (Brownill, 1994). Wilkinson (1992) sees this type of place marketing firmly within the consumption model of urban regeneration which relies on replacing images of old industrial areas with new urban imagery.

1.2.4 Image Correction through Cultural Regeneration

This is a newly evolving idea based on an assumption that certain sorts of industries rely on creative people, including television, film-making and the music industry. If a city is made more attractive to these sorts of people, more of these types of industries will begin to flourish. This can be seen in East Anglia where local organisations have recognised that the culture industry can generate economic wealth. Local groups are arranging song-writing workshops to bring together local songwriters and to encourage local creativity (Carlton, 1995). This is a relatively new approach which relies on people-led, not property-led, urban regeneration. Landry and Bianchini (1995) note that this approach requires visionary, lateral thinking, not the traditionally rational town planning approach. Many examples of creative planning are given by Landry and Bianchini (1995), including the re-designing of a derelict gas works into an adventure park for children and marketing Glasgow as a tourist destination for Icelanders. This latter project involved turning one of Glasgow’s weak points, its weather, into a strong feature by marketing the city to people with worse weather. This type of regeneration strategy requires creative thinking and courage to break away from traditional planning thought in order to generate economic activity.

1.3 Working Definition of Place Marketing

For the purposes of this study a definition similar to that given by Barke and Harrop (1994) will be used: that place marketing is an attempt by image makers to control external viewers' perception of a place but which also includes all related proactive activity undertaken by the organisation. For example, where a local authority is involved in economic development, the production of a brochure is a marketing activity but this alone is not enough to guarantee interest in the area. The message in the brochure needs to be communicated and sold to potential investors which will involve specialist marketing skills as with any other marketing approach.

Figure 1.1 summarises different types of place marketing approaches.
PLACE MARKETING TYPES

**Image Representation**

*Authentic Representation of Place*
- Features of place represented in a sincere manner.
- An unlikely scenario as no place is perfect.

*Image Boosting*
- Attempts to manipulate audience’s perception of place to shift pre-conceived ideas.
- Negative features of place glossed over, ignored or denied.
- Example: Corby.

**Image Correction**

*Through Physical Regeneration:*
- Property-led regeneration creates an improved image for marketing.
- Example: London Docklands.

*Through Cultural Regeneration:*
- People-led regeneration.
- Planning to encourage creativity.
- Examples: Sheffield, Glasgow.

WORKING DEFINITION FOR THIS STUDY

- An attempt by image makers to control external viewers’ perception of a place, including all related proactive activity undertaken by the organisation.

Figure 1.1: Definitions of Place Marketing

Having described different types of place marketing approaches, the focus of the study and structure of the thesis will be outlined.

1.4 Focus of Study

This study will focus almost exclusively on the place marketing efforts of local authorities to attract jobs and inward investment for the following reasons:

- As Ashworth and Voogd (1990) note it is impossible to evaluate the effectiveness of marketing until at least ten years after the start of an individual
campaign, as time is needed for projected images to filter through to the business community and to influence their location strategy. For this reason it is sensible to examine the policies of local authorities which have been involved in place marketing far longer than newer types of organisations such as the Urban Development Corporations (UDCs) and local partnerships.

- Most published statistics are given for local authority boundaries rather than for UDCs or areas covered by local partnerships. This enables a comparison of outcomes in a geographically specified area.

- This is a town planning study and, as most place marketing activity within local authorities is carried out either within planning departments or in Economic Development Units annexed to planning departments, the effects of place marketing is a planning concern. Where a marketing campaign is successful, there may be pressures on the local area for development sites or changes of use, which in turn may have a significant effect on local plan policy. Place marketing and planning are not independent activities.

1.5 Aims and Objectives of Thesis

The focus of this thesis is on the marketing activity of local authorities which aims to attract inward investment and businesses to an area. There are other types of organisations involved in marketing but the local authority is the easiest unit to study in terms of accessing published statistics. It would be almost impossible for example, to measure job changes in a local partnership area which does not fit into nationally recognised geographical boundaries.

There are three main aims of this study:

- to review previous studies of place marketing.
- to ascertain current levels and types of marketing activity amongst local authorities and to identify innovative local authorities in this field.
- to ascertain whether place marketing influences the economic development of an area.

1.6 Outline of Thesis

The study is written in seven further chapters:
Chapter 2 outlines place marketing as a policy, examining its evolution since the turn of the century.

Chapter 3 details types of organisations involved in place marketing in the 1990s and the criticisms of place marketing as a policy tool. The problems of monitoring and accountability are discussed before moving on to examine questions for research arising from the subject matter described in Chapters 2 and 3.

Chapter 4 outlines the research design and methods used in this study. Two strands of research emerge: an update of a 1984 study which assessed levels of local authority marketing activity, and a comparative study to examine economic trends in a place marketed area and a similar, non-place marketed area.

Chapter 5 details the results and analysis of a survey of local authority place marketing strategies and methods, followed by a content analysis of one aspect of their marketing approaches. Innovative methods or philosophies will be highlighted, together with a discussion of problems for equal opportunities revealed by the research. An examination of the role of consultants in the marketing process will also be covered. The main findings from this survey are that local authority marketing activity has increased from 73 per cent involvement in 1984, to 96 per cent in 1995. Marketing methods are also evolving to include use of multi-media and to develop marketing partnerships with other organisations, both nationally and internationally.

Chapter 6 is the first part of a comparative study of two statistically similar areas, one which has marketed itself since the 1960s and one which has used marketing only sporadically. This first part of the study examines the policy inputs of the two areas: land use and economic development plans and marketing policies.

Chapter 7 forms the second part of the comparative study, detailing the results and analysis in terms of economic indicators such as employment, and includes a study of business attitudes in each local area. The main findings from this survey reveal that effects from place marketing are random, although it is certainly true that the marketed area has increased employment over the study period chosen. This was not, however, in sectors where the local authority had hoped. Some positive effects were identified: executives of local firms remember marketing campaigns and they are occasionally influenced by marketing, although usually only once the area has been short-listed as a possible business location.
Chapter 8 discusses conclusions drawn from the whole study and outlines areas for further research.
CHAPTER TWO: EVOLUTION OF PLACE MARKETING
CHAPTER TWO: EVOLUTION OF PLACE MARKETING

"At Welywn Garden City a man's house will be near his work in a pure and healthy atmosphere. He will have time & energy after his work is done for leisure & recreation." (Welwyn Garden City Ltd, 1920).

2.1 Introduction

This chapter discusses the evolution of place marketing in Britain and its relevance to planning today. A brief history of place marketing is discussed followed by five overlapping arguments which explain why it has flourished as a local economic development policy since the mid-1970s.

2.2 Evolution of Place Marketing

Promotional activity prior to the late 19th century was based on local attempts to celebrate the "magic of industry" (Briggs, 1968), and national celebratory events, like the Great Exhibition of 1851, which acted as a focal point for place marketing efforts (Barke and Harrop, 1994). Local place marketing has evolved since then to promote both tourism and industrial development. The railway companies became avid marketers, devising colourful posters and guides to encourage rail travel to places as far apart as Deal and Harrogate (Sunday Times, 1994) whilst resort boosterism led by local authorities like Blackpool, used local taxes to cover advertising costs (Ward, 1994).

The development of tourism and its promotion was paralleled by separate efforts to promote local industrial development. Ward (1984) notes that between 1900 and 1939, early attempts at industrial promotion sought to attract capital which was becoming increasingly mobile due to innovations in transport and distribution technologies. During this period local governments were able to offer incentives including favourable rates for municipal electricity. This period was also the spawning ground for ubiquitous advertising phrases like "Do it in Dundee" and "Burnley means Business", triggered by the 1931 Publicity Act which allowed local authorities to advertise (Ward, 1984, p30).

Local economic development promotion became inappropriate during World War II when a national economic policy was introduced to produce goods and services for the nation and the war effort (Dearlove and Saunders, 1984). After the war tourism
gradually picked up from where it had left off, revitalised by Keynesian policy and Butlins. Local economic development, however, did not resurface in its pre-war state and, although a few areas gradually started to re-market themselves, a return to local place marketing did not occur on a wide scale until the 1970s.

There are five main arguments which combine to give an explanation of why this happened which will now be discussed:

### 2.3 The Effects of Economic Restructuring

Cooke (1989) argues that the concept of place marketing has evolved into mainly localised efforts to combat the effects of a long-term decline in British manufacturing and to adjust to the effects of global industrial restructuring. According to the Fisher-Clarke model of economic development, industrial restructuring involves nations moving away from a reliance on primary sector industries, where they cannot compete on the basis of cost and efficiency, towards secondary industries like manufacturing and tertiary industries, such as insurance, finance and distribution (Browning and Singleman, 1978). In Britain this industrial shift has been demonstrated in the loss of 2.8 million manufacturing jobs between 1971 and 1989 (35 per cent of the total), accompanied by an overall increase of 3.69 million jobs in the service sector (a growth of 32.4 per cent) over the same period (Barke and Harrop, 1994). These changes represent a continuation of long term trends as shown in Figure 2.1:

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**Notes:**

$^1$ Refers to primary sectors e.g. mining, agriculture

$^2$ Refers to secondary sectors e.g. manufacturing

**Figure 2.1:** Percentage Distribution of the Labour Force by Industrial Sectors: England 1920-91 (Source: Simmie and Sutcliffe, nd, after Browning and Singleman, 1978).
Primary extractive industries, mining and agriculture, are spatially fixed to areas which produce the highest yields, whereas secondary and tertiary industries require different types of spaces and labour skills. A distribution company, for example, needs unskilled warehouse operatives and to be situated in an area with good communications links, almost invariably on an edge-of-town site near a motorway. A high technology electronics design company, on the other hand, will be likely to be situated in an area with a good environment where highly skilled research scientists can enjoy a good quality of life (Clarke, 1987). Local governments, especially those in areas which have suffered heavy job losses, are acutely aware that they need to encourage re-training of the workforce and create these new types of spaces if they are to attract new industries and jobs.

An image change is often felt necessary to render an area more appealing to new types of secondary and tertiary industries and to footloose national and transnational companies which bring investment and jobs with them. This new image will often incorporate fresh definitions of accessibility, environment and quality of life which have become decisive factors for the location of a firm. It is important for local authorities to include a re-consideration of planning policies to support any changes in image. It is not enough to advertise motorway links and good communications generally if, when a distribution company makes an enquiry about possible sites, the local plan does not include planning policies which will support large warehousing near the motorway.

Having discussed economic restructuring as a reason for changing the image of local areas, the form that these new images take will now be examined in terms of representation of the place itself and in terms of gender implications of these changes.

2.3.1 Effect of Restructuring on Representations of Place

Economic restructuring has resulted in a revolution in the representation of places in marketing approaches. Early forms of promotion depicted the industrial town with strong and positive images: "even the smoke might be defended" wrote Asa Briggs in *Victorian Cities* (1968). During the late Victorian period however, as health risks and pollution, associated with densely packed cities increased, images of industrial towns became more negative:

"It was a town of machinery and tall mill chimneys, out of which interminable serpents of smoke trailed themselves for ever and ever and never got uncoiled. It had a black canal in it, and a river that ran purple with ill-smelling dye, and
vast piles of buildings full of windows where there was a rattling and a
trembling all day long...." (Dickens, 1987, p65).

This classic anti-urban image of "Coke Town" is one which is hard to shift,
nevertheless it is vital that perceptions of a place are changed if areas with this type of
industrial image are ever to attract new kinds of industries. It is here that the role of
place marketers can help to address the problem by depicting a traditional industrial
area in a way which disguises its past. South Tyneside, for example, has been
marketed as "Catherine Cookson Country" and Swansea as "Dylan Thomas Country"
in an effort to steer perceptions towards a more acceptable image (Barke and Harrop,
1994). Other marketers, however, may follow a deliberate policy of marketing an
industrial heritage where it is felt that this could become an outlet for tourism, which is
in itself an economic activity. Stoke-on-Trent, for example, proudly promotes its
traditional pottery based industries by organising "Do China in a day tours" which are a
celebration of its local identity, local industry and its workers (Barke and Harrop,
1994). This focus on aspects of historical or cultural heritage can also be used in an
effort to entice the new middle-classes into traditionally working-class areas by way of
sanitising industry into a form of heritage and culture (Burgess and Wood, 1988).

Not all old industrial areas are marketed in the same way. Five directions of change in
the representations of industrial towns can be identified in their marketing approaches:

1) Towns may seek to retain an industrial base and to maintain an industrial
   image.
2) Traditional heavy industrial bases may be replaced by a light industrial base.
3) Older industries may be replaced by hi-tech industries.
4) Former industrial areas may be marketed in heritage terms in a form of tourism
   promotion.
5) Industry may be replaced with the service sector (Barke and Harrop, 1994,
p102).

2.3.2 Effects of Restructuring on Representations of Gender

Accompanying these evolving representations of industrial towns has been a move
away from the use of masculine images in the promotional literature to show softer
images:

"Gone are the hard stone floors, the cold and barren assembly lines, the
canteen, the coin-operated coffee machine. Inserted are the latest in kitchen
designs, the microwaves, and dishwashers - snappy and efficient entertainment areas are a must" (Watson, 1991, p65).

These changes in portrayal have become necessary as the word "industry", and associated images, has become a "dirty" word in the place marketing world (Barke and Harrop, 1994, Watson, 1991). Selling places, therefore will often involve a distortion of reality or of identity, especially when marketing old industrial areas.

Economic restructuring is undoubtedly a major factor influencing change in the scale and form of local economic development marketing and goes some way towards explaining why marketing has increased since the late 1970s (Chandler, 1993). A different perspective on the reasons for a re-emergence in local marketing will now be discussed.

2.4 The End of Post-War Welfarism

Mills and Young (1986) argue that national government assumed responsibility for maintaining employment levels following World War II, leading to a retardation in the expansion of local economic initiatives. For thirty years following the war it was accepted that patterns of urban and regional growth would be shaped by the planning process (Ward and Gold, 1994). As the economy experienced a downturn in the mid-1970s, a new attitude to government intervention began to emerge due to political concerns over high levels of unemployment and public spending. Blunkett and Jackson (1987) note that:

"....as full employment moved from the top of government priorities, local councils began to take up the challenge. There was support for small firms; closer links between the public and private sectors; promotion of local areas to attract new business" (Blunkett and Jackson, 1987, p110).

Since then, a fragmentation of the planning process has occurred followed by moves towards an acceptance of the role of markets. Brindley et al (1989) note that this can be attributed to a questioning of the validity of traditional planning methods combined with increasing cuts in the budgets and planning powers of local authorities.

In the field of economic regeneration, urban governments have been looking to the private sector to implement change. A city now has to be sold to potential investors, residents, pensioners, employers and tourists and its image will affect levels of investment in the city by these groups (Holcomb, 1994, Watson, 1991). Thus the
redefinition of image and the creation of new forms of identity offered through place marketing becomes a useful technique to enable cities to compete with each other for this investment (Watson, 1991).

2.5 Re-targeting of National Aid: Regional to Urban

A further explanation for rises in place marketing activity lies in a shift of central government funding from regional to urban areas which accompanied moves to wind down the welfare state. The 1974-1979 Labour government started the ball rolling with their White Paper Policy for the Inner Cities, arguing that local authorities were the agencies best able to deal with inner area problems in partnership with other public and voluntary bodies (Lawless and Brown, 1986). When the Conservatives regained power in 1979, this focus on inner cities was continued, prompted by a lack of faith in regional policy in favour of promoting "indigenous enterprise, small firms and market competition in the depressed areas" (Martin and Tyler, 1991). The inner city riots of 1981 were also extremely influential in the decision to re-target aid towards helping to solve the problem of unemployment in these areas. Martin and Tyler (1991) note that the problem was seen as one of micro-economic disequilibrium caused by supply side failures and not a problem which could be solved regionally.

Both Labour and Conservative policy makers agreed that a focus on local areas could solve the problem of inner-city areas, but, whereas Labour believed that local authorities were the best agencies to tackle the problems, Conservative policy favoured new agencies under central government direction. Enterprise Zones (EZ), Simplified Planning Zones and Urban Development Corporations (UDC) were devised in order to deal with the perceived supply side failure by lifting restrictions on the development system to encourage physical regeneration in order to attract firms and hence jobs to an area.

These new types of organisations have huge budgets available to attract jobs and investment which has created a new type of inter-urban competition (see Burgess and Wood, 1988, for an account of Docklands). This has led to counter-marketing efforts by local areas trying to battle against the huge resources of the UDCs, with new partnerships being formed across local authority boundaries in order to mimic and compete with the UDCs and EZs (Burton and O'Toole, 1993).
This mimicking and competition has filtered through to the marketing practice of local authorities. This is demonstrated by a partnership of local authorities and businesses in Lincolnshire who have named their area the "Lincolnshire Heartlands" mirroring the name of the Birmingham Heartlands Regeneration Initiative which subsequently became a UDC area (Lincolnshire Heartlands Campaign Office, 1994, Jacobs, 1993). The "Lincolnshire Heartlands" partnership is not a UDC but by sounding like one they aim to attract businesses to the area.

2.6 Evolution of Economic Development

Changes in government attitudes to regional policy have been accompanied by a general widening of statutory powers to allow more local economic initiatives (Mills and Young, 1986). Eisenschitz and Gough (1993) note that local economic policy has expanded and undergone major changes since the mid-1970s. The 1974-6 recession encouraged many local authorities to become more pro-active towards attracting firms in their land use policies and to develop small firms advice centres and economic development units. Labour councils, including Newcastle-upon-Tyne, developed comprehensive training programmes, school-industry links and housing policies to encourage labour mobility (Eisenschitz and Gough, 1993). As discussed in the previous section, Conservative policy from 1979 onwards shifted towards supporting physical regeneration and training in targeted areas, but at the same time local authorities developed their own local economic initiatives. By the mid-1980s, almost all local authority areas had some kind of economic policy in place, mainly utilising powers given under Section 137 of the Local Government Act 1972 (extended under Section 137 of the Local Government Act 1982) which allowed for funds to be raised under a 2p rate which could be used for the good of the community (Eisenschitz and Gough, 1993).

There are numerous accounts of an increasing stranglehold by central government over local government powers (see Duncan and Goodwin, 1988, for example). Local economic development powers were not curtailed by central government per se, as had happened with other forms of local government activity, however, although the balance of power was shifted from public to private sector interests. The 1989 Local Government and Housing Act gave local authorities powers to promote the economic development of their areas but there was a catch. The Act also stated that bodies created by local authorities for the purposes of economic development, which had a majority of local authority members, became treated as if they were part of the authority and hence became subject to funding restrictions (Chandler, 1993).
authorities were therefore forced to become the junior partner to private sector interests in major regeneration schemes or had to halt regeneration projects (Chandler, 1993).

This brief description of the evolution of local economic development policy has shown an increasing availability of powers to undertake projects since the 1972 Act. More recently however, this approach has been modified to give a stronger role to private sector interests. As local authorities are having to work more closely with the private sector they are inevitably becoming more used to working with market-led methods which invariably involves the use of marketing.

2.7 Developments in Marketing Science

Three main developments in marketing techniques have enabled place marketing to become more sophisticated. The ability to market non-profit making organisations was developed as a technique in the late 1960s, achieved by extending the notion of what constitutes a market and by avoiding the normal goals of marketing: sales and profits. In the 1970s the development of social marketing, aimed at enhancing the well-being of society and of consumers, rather than selling a specific product, was also an important factor. Finally, the concept of image marketing, also developed in the 1970s, enabled image to be marketed effectively, whilst products remained delimited or even non-existent (Ashworth and Voogd, 1994). This new concept of image marketing, together with an extension of the definition of a market and the introduction of social marketing, began to be applied to places. A combination of these three developments in non-profit oriented, social and image marketing, have enabled the use of more sophisticated place marketing techniques and have determined an integrated concept of place marketing (Ashworth and Voogd, 1990).

2.8 Conclusion

This chapter has examined factors which have influenced the development of place marketing. All factors have to be considered together in order to explain the proliferation of place marketing since the 1970s. Economic restructuring alone accounts for new areas being required by firms, for example to set up a distribution operation, but it does not offer a comprehensive explanation. New competition created by UDCs and EZs, new marketing methods and the involvement of the private sector in economic development planning also have a role in explaining the rise in place
marketing activity and without developments in social marketing it is doubtful whether place marketing would have evolved much further than tourism type pamphlets.

The next chapter discusses the types of organisations involved in place marketing, evaluative studies carried out in the 1980s, the criticisms of place marketing as a policy activity and details problems with its monitoring and accountability to local people.
CHAPTER THREE: MARKETING ACTIVITY AND ITS EVALUATION IN BRITAIN
CHAPTER THREE: MARKETING ACTIVITY AND ITS EVALUATION IN BRITAIN

"Relocating? Give us a call and we'll give you a buzz. We'll have you drooling over the UK's most prestigious riverside, city centre, business park and enterprise zone premises... And finally, we'll offer you a financial package brimming with generosity." (Tyne and Wear Development Corporation, 1994).

3.1 Introduction

This chapter focuses on the types of organisations involved in marketing activities; on evaluative studies of place marketing, on criticisms of place marketing as a policy and on the problems of monitoring place marketing activity.

3.2 Levels and Organisations Involved in Place Marketing

Place marketing agencies operate at many different spatial levels, often overlapping, but all praising the attributes of their particular place. There are also major differences in the amounts spent by organisations at these different levels. The UDCs and the Regional Development Organisations (RDOs) have vast amounts of money at their disposal for marketing purposes. Figure 3.1 shows income available to RDOs in 1993:

<table>
<thead>
<tr>
<th>Regional Development Offices and Their Income: 1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wales</td>
</tr>
<tr>
<td>Scotland</td>
</tr>
<tr>
<td>Northern Development Company</td>
</tr>
<tr>
<td>Yorkshire and Humberside Agency</td>
</tr>
<tr>
<td>INWARD</td>
</tr>
<tr>
<td>West Midlands</td>
</tr>
<tr>
<td>Devon and Cornwall Development</td>
</tr>
<tr>
<td>East Midlands</td>
</tr>
</tbody>
</table>

Figure 3.1: Finance Available to RDOs: 1993
(Source: Coopers and Lybrand, nd)

Most of this budget will be spent on marketing and the development and implementation of strategies designed to attract inward investment (Coopers and Lybrand, 1994). The high budgets available will result in more effective and wide-
ranging marketing campaigns which individual local authorities, constrained by budget
cuts and conflicting priorities, will find difficult to compete with.

Lord Walker, former head of the Welsh Office is noted to have voiced his belief that
investors can be fickle in their choice of business location which allows scope for
sophisticated sales techniques to sway decisions (King, 1993). RDOs are typically
staffed by sales professionals, to sell benefits of the area, accountants, to talk numbers,
and a range of international staff, to overcome language barriers. Sales tactics are
often sophisticated and expensive, including ferrying potential foreign investors from
airports to development sites by helicopter, the offer of an honorary membership to a
golf club (a social delicacy in Japan) and talking down the operations of competing
RDOs (King, 1993). RDOs also have the capacity to "head-hunt" firms: the Welsh
Development Agency (WDA) for example, was found to be very active in approaching
firms in the case study areas as will be demonstrated in Chapter 6.

Local authorities do not generally have access to such resources. Many are under
continual threat of budget cuts and capping. It is not possible to give comparative
figures for amounts spent on promotion by local authorities for reasons which will be
explained in Section 3.5.1, but a typical marketing budget for Thamesdown Borough
Council was £100,000 annually, throughout the 1980s, reducing to £20,000 in the
1990s, a figure dwarfed by the £13 million available to the WDA to attract inward
investment in 1993 alone.

A recent sea-change in place marketing activity has seen the involvement of a larger
number of different types of agencies, resulting in a marketing-led approach to urban
regeneration (Wilkinson, 1992). There is a tendency for overlaps between both the
geographical boundaries of these organisations and their policies. In the Newcastle-
upon-Tyne area, for example, there are four separate organisations involved in
marketing its various aspects, all with overlapping geographical boundaries and
emphasising different features of the area:

"For Newcastle City Council it is Newcastle; in the case of the Development
Corporation, it is the waterfront; for TNI it is a series of flagship projects in
different city centres and inner area localities; and for NDC, it is the region, the
Great North with Newcastle as its regional capital" (Wilkinson, 1992, p206).

Each agency sells a different spatial territory, resulting in fragmented and unfocused
attempts to promote inter-agency co-ordination (Wilkinson, 1992). The "Locate in
Scotland" campaign, for example, covers the whole of Scotland, yet the development
corporations of the Scottish New Towns within it compete against each other for
investment. In England, there are similar problems. The marketing wing of the
Commission for New Towns (CNT), a "Quango" based in Milton Keynes, operates
under a remit to sell off land and property owned by the English New Towns (CNT,
1994). CNT Marketing will only offer premises and sites from its own portfolio to
prospective clients, consequently an enquiry for a site in Stevenage could result in a
placement in Milton Keynes if CNT has no suitable site or building to offer in
Stevenage (CNT, 1994a). CNT therefore operates as a private property developer and
not always in the best interests of the New Towns themselves. The Audit Commission
noted these types of problems in its 1990 report, Urban Regeneration & Economic
Development Audit Guide, where it was stated that co-ordination was poor in areas
where many agencies were active. The Commission suggested that local strategies
should be set within a broader regeneration strategy for a wider area (RTPI, 1994).

The form and level of organisations involved in place marketing have been in a
constant state of flux and change throughout the 1980s. It is not possible to represent
their efforts as an interlinking network of agencies due to the complexity of the links
involved. Figure 3.2 however, shows a simplified diagrammatic representation of the
main types of agencies involved in place marketing activity in Britain in the 1990s.

The IBB at the centre of the diagram represents the central government stance,
marketing Britain as an investment location for foreign firms. Moving outwards, the
concentric circles represent lowers levels: the RDOs, local government and site specific
marketing efforts, which are often private-sector led. The public-private partnerships
"wedge" can potentially cut through the diagram at any point. These partnerships
typically consisting of local government economic development units, local businesses,
Training and Enterprise Councils (TECs) and Chambers of Commerce.

Atypical forms of marketing have not been included in Figure 3.2, but are nonetheless
important influences in areas where they operate and include:

1) The London First Centre: set up in 1994 with a mission to attract inward
investment to London. This organisation is funded by business and central
government through the IBB. Funds are also provided by the London
Docklands Development Corporation (LDDC), the Corporation of London and
Westminster City Council.
2) **Inter-regional Marketing:** collaborations of cross-regional links funded by the European Union (EU) through its INTERREG Programmes. A number of such collaborative links have been set up in the UK, linking natural trading routes, for example between Kent and Nord-pas-de-Calais and Brussels and between East Sussex and Haute-Normandie. Other cross-national links have been formed without EU funding through the town-twinning process and by ad-hoc links formed by natural trading routes, for example a link between Cleethorpes Borough Council and the Swedish and Estonian Chambers of Commerce to promote inward investment (see Chapter 5).

3) **Urban Programme Funded Promotion:** marketing and promotion form an integral part of most funding bids. City Challenge for the Deptford area, for example, includes a £6 million Saatchi and Saatchi Television advertising campaign and a City Challenge bid covering the Dalston area of Hackney, includes a consultant-led marketing exercise to boost the image of the area (Chestertons, 1995).
Having discussed the levels and types of organisations involved in marketing and demonstrated an uncoordinated and overlapping approach, previous studies of marketing activity and effectiveness will now be examined in order to determine the research content of this study.

3.3 Evaluative Studies

Few evaluative studies have covered place marketing for the following reasons:

1) **Complex relationship of variables**: There are so many factors involved in the choice of location of firms that it becomes difficult, if not, impossible to isolate place marketing as a variable in the decision-making process. The marketing package itself is an aid which can be used to view some of the positive variables offered by a place, however as noted by Watson (1991), it is difficult to evaluate the importance of the production of a revitalised image in relation to successful re-industrialisation. Negative variables are rarely mentioned in marketing packages, but nonetheless are considered by decision-makers. It is naive to believe that decision-makers will be swayed by positive images given in glossy brochures without a consideration of the firm’s location strategy.

2) **Surveys on relocation factors rarely contain questions about marketing**: Most studies of factors influencing the relocation of firms do not include questions about marketing effectiveness. This is because the motive of a researcher is often aimed at discovering client requirements in order to refine marketing packages to fit these requirements, rather than to investigate the effectiveness of a previous marketing campaign (CNT, 1994a). A study of international relocation decision-making strategies, commissioned by the IBB demonstrates this point. The report observes that the process of international relocation involves a series of narrowing down exercises, examining different priorities and a series of negotiating exercises with the relevant development agencies in order to choose a business location. In this study no questions were asked about the effectiveness of marketing (IBB, 1992).

At the local level, the Milton Keynes Development Corporation, has a long history of innovative marketing campaigns and boasts that it has attracted 3000 businesses in 27 years (Independent, 1994). The only effectiveness monitoring of its marketing campaigns have been "ad' awareness" surveys, which simply aim to discover whether
firms have seen advertisements, rather than whether these actually influenced location decision-making behaviour (CNT, 1994a).

3) Constantly changing methods of place marketing: Place marketing is a process which is constantly evolving and resurfacing in different forms, coinciding with economic conditions and perceived needs of firms. Ashworth and Voogd (1990) argue that it is impossible to evaluate the effectiveness of marketing until at least ten years after the start of an individual campaign as time is needed for the projected images to filter through to the business community and to influence location strategies. As place marketing activity also undergoes a process of continual updating, it becomes difficult to assess the outcomes of any single marketing campaign. Any judgement of the effects of marketing campaigns must therefore be viewed cumulatively over a period of time. The following two influential studies have attempted to examine the effectiveness of place marketing.

3.3.1 Mills and Young (1986)

This study determined levels of place marketing activity carried out by local authorities. In 1984, 453 questionnaires were sent to local authorities in England and Wales to determine various aspects of their marketing activities. 242 replies were received, a rate of 53 per cent. The survey required the most senior economic development officer to outline the authority's local economic development policies, or to send a strategy statement. Figure 3.3 shows the results.

A difference in approach between Conservative and Labour controlled authorities can be detected. 22.1 per cent of all responding authorities referred to having place marketing policies, yet Labour controlled authorities place more importance on place marketing policies than those controlled by Conservatives. This is an interesting finding as market-oriented methods are normally more readily associated with a Conservative ideology, although this can also be attributed to older industrial areas being traditionally Labour-held areas. These types of areas have suffered the worst effects from economic restructuring and are therefore the most likely areas to be using place marketing in an attempt to draw inward investment to regenerate their local economies.

Mills and Young discovered that 73 per cent of authorities reported being involved in promotional activities, although Figure 3.3 demonstrates that only 22.1 per cent had an actual policy on place marketing. This implies that many local authorities market out of habit, rather than resulting from a clearly defined policy objective. Regarding
marketing budgets, although one authority had a budget of over £1 million, 55 per cent of authorities had less than £100,000 a year available for this types of activity. This has to be compared with the huge amounts available to the RDOs (see Figure 3.1).

<table>
<thead>
<tr>
<th>Policy</th>
<th>Labour</th>
<th>Conservative</th>
<th>Other</th>
<th>All Authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. % of</td>
<td>No. % of</td>
<td>No. % of</td>
<td>No. % of responding</td>
</tr>
<tr>
<td></td>
<td>53</td>
<td>112</td>
<td>51</td>
<td>authorities</td>
</tr>
<tr>
<td>No strategy</td>
<td>0 (0)</td>
<td>5 (4.5)</td>
<td>6 (11.8)</td>
<td>11 2.4 5.1</td>
</tr>
<tr>
<td>No details/just appended strategy</td>
<td>28 (52.8)</td>
<td>57 (50.9)</td>
<td>16 (31.4)</td>
<td>101 22.3 46.5</td>
</tr>
<tr>
<td>Rely on/co-ordinate other agencies</td>
<td>3 (5.7)</td>
<td>14 (12.5)</td>
<td>7 (13.7)</td>
<td>24 5.3 11.1</td>
</tr>
<tr>
<td>Restrain/Manage growth</td>
<td>4 (7.5)</td>
<td>28 (25)</td>
<td>5 (9.8)</td>
<td>37 8.2 17.1</td>
</tr>
<tr>
<td>Generally supportive of econ. development</td>
<td>0 (0)</td>
<td>15 (13.4)</td>
<td>9 (17.6)</td>
<td>24 5.3 11.1</td>
</tr>
<tr>
<td>Active Support</td>
<td>5 (9.4)</td>
<td>14 (12.5)</td>
<td>8 (15.7)</td>
<td>27 6.0 12.4</td>
</tr>
<tr>
<td>Firms</td>
<td>19 (35.8)</td>
<td>44 (39.3)</td>
<td>13 (25.5)</td>
<td>76 16.8 35.2</td>
</tr>
<tr>
<td>Land/sites &amp; premises</td>
<td>15 (28.3)</td>
<td>24 (21.4)</td>
<td>11 (21.6)</td>
<td>50 11.1 23.1</td>
</tr>
<tr>
<td>Promotion/inward investment</td>
<td>12 (22.6)</td>
<td>22 (19.6)</td>
<td>14 (27.5)</td>
<td>48 10.6 22.1</td>
</tr>
<tr>
<td>Tourism</td>
<td>1 (1.9)</td>
<td>2 (1.8)</td>
<td>3 (5.9)</td>
<td>6 1.3 2.8</td>
</tr>
<tr>
<td>Employment</td>
<td>9 (17.0)</td>
<td>20 (17.9)</td>
<td>11 (21.6)</td>
<td>40 8.8 18.4</td>
</tr>
<tr>
<td>Community/ training</td>
<td>3 (5.7)</td>
<td>2 (1.8)</td>
<td>0 (0.0)</td>
<td>5 1.1 2.3</td>
</tr>
<tr>
<td>Other initiatives</td>
<td>3 (5.7)</td>
<td>1 (0.9)</td>
<td>0 (0.0)</td>
<td>4 0.9 1.8</td>
</tr>
<tr>
<td>Total No. of authorities</td>
<td>53</td>
<td>112</td>
<td>51</td>
<td></td>
</tr>
</tbody>
</table>

Note: ^ Up to 3 replies from each authority could be recorded. 216 authorities made at least one statement. 143 made 2 and 92 made 3, a total of 452 responses in all. Percentages in this column are based on this total, for example, of all the 452 responses to this question 8.8% referred to policies linked to employment, while 18.4% of the 216 authorities reported such policies.

Figure 3.3: Local Economic Policies by Party Control
(Source: Mills and Young, 1986, p100)

Figure 3.4 details marketing methods employed by local authorities. The most common methods are the use of press advertising, exhibitions and brochures. The Mills and Young study is informative and often quoted but is undoubtedly outdated being over ten years old. Marketing methods have changed and, to a certain extent, places have also developed with new property-led regeneration which may have, in turn, involved new rounds of marketing campaigns. It is therefore necessary to update this survey.
<table>
<thead>
<tr>
<th>Types of Activity</th>
<th>No. of authorities engaged in promotion</th>
<th>% of responses</th>
<th>% of responding authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Press advertisements/editorials</td>
<td>123</td>
<td>31.3</td>
<td>69.5</td>
</tr>
<tr>
<td>Exhibitions/trade fairs</td>
<td>112</td>
<td>28.5</td>
<td>63.3</td>
</tr>
<tr>
<td>Brochures/trade directory</td>
<td>84</td>
<td>21.4</td>
<td>47.5</td>
</tr>
<tr>
<td>Mail-shots/direct mail</td>
<td>22</td>
<td>5.6</td>
<td>12.4</td>
</tr>
<tr>
<td>Overseas Promotion</td>
<td>7</td>
<td>1.8</td>
<td>4.0</td>
</tr>
<tr>
<td>Promotion of tourism</td>
<td>11</td>
<td>2.8</td>
<td>6.2</td>
</tr>
<tr>
<td>Other</td>
<td>34</td>
<td>8.7</td>
<td>19.2</td>
</tr>
<tr>
<td>Not engaged in promotion</td>
<td>55</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 3.4: Forms of Local Authority Promotional Activity Since January 1980
(Source: Mills and Young, 1986, p108).

3.3.2 Burgess and Wood (1988)

This study aimed to gauge the effect of place marketing literature on small businesses located on the Isle of Dogs in London's Docklands. The Docklands development scenario arose due to policy changes emanating from the late 1970s: a switch in regional aid to urban aid; relaxation of planning controls; and considerable expenditure to make the area attractive to private investors. The Docklands advertising campaign has to be assessed against this background.

The London Docklands Development Corporation's (LDDC) marketing strategy was "one of the most expensive and aggressive advertising campaigns ever mounted on behalf of a local area in Britain" (Burgess and Wood, 1988, p97). Between 1981 and 1992 the LDDC spent £28 million on publicity and promotion with a further £8 million budgeted for 1992-94 to act as a pump-primer to lever private investment into the area (Brownill, 1994). A further £47 million was spent on environmental improvements in an attempt to challenge existing images of the Docklands as a decaying and run-down area.

Burgess and Wood were commissioned to evaluate the impact of a 1982/3 poster, newspaper and television advertising campaign on small businesses in the Isle of Dogs Enterprise Zone. All companies operating within three industrial units on the Isle of Dogs were approached; 62 companies from a target sample of 105 were questioned

35
using a semi-structured interview format. Firms were asked for details of their
decision-making strategies prior to marketing campaigns and showed flash cards
depicting story board pictures from advertisements in order to gauge reactions. 22
firms mentioned, without prompting, that advertising had attracted them to investigate
the area. Burgess and Wood (1988) note that a realistic expectation might have been
that the campaign would not have attracted small businesses to the Enterprise Zone.

When asked to enumerate decisions, two-thirds of firms felt that rate relief was an
important or a useful supplement, 60 per cent mentioned the importance of the image
created by high tech style buildings and 60 per cent the importance of business
contacts (Burgess and Wood, 1988).

The Docklands marketing campaign was seen to be successful as it countered negative
images of the East End, reduced perceptions of risk amongst small businesses and also
attracted businesses into the area. One Director said that the advertising was crucial to
his location decision-making strategy, whilst the majority of firms felt that advertising
was important in supporting their own decisions, giving them a psychological boost. It
was also felt that through the advertising campaign, clients would become aware of the
advantages of the firm's new location. Several interviewees also mentioned the
centrality of Docklands which was one of the main features of the continuing
Dockland's campaign slogan: "Why move to the middle of nowhere when you can
move to the middle of London?"

The Burgess and Wood study is also useful as it goes some way to proving that
marketing can affect business location decisions, either through investment in the
physical environment to create a more acceptable image, or by persuading business
executives to think about an area's business potential. Whether the vast amount spent
on marketing in Docklands can justify the low numbers of executives who became
interested in the area is another matter (see Section 3.5.1).

3.3.3 Other Evaluative Studies

There have been few other evaluative studies of place marketing. Watson (1991)
focused on a different angle: the symbolic representation of two de-industrialised areas
in New South Wales, Australia, in the 1980s. Watson gathered all promotional
literature for Wollongong and the Central Industrial Area of Sydney during a single
week in 1988 in order to analyse changing representations of gender in the literature.
Watson observed that promotional literature has evolved to show images of
domesticity and home life as discussed in Chapter 2, but she also found that employment created in the two areas was mainly for men, except for a few jobs for women in tourism and retailing.

3.4 Place Marketing as a Policy

Most academic writing on the subject of place marketing is unsupportive of its use. A common argument is eloquently stated by Robert Goodman, writing about inter-urban competition for jobs in the United States in the 1970s, of which marketing formed an integral part:

"The process resembles crop rotation, a farming technique where total crop yield is increased by leaving some lands fallow while others are planted for harvest. By leaving the fallow regions, business adds to the reserve of low-paid and unemployed workers and poorly maintained communities in the country. Far from being abandoned, the cities and states in these fallow regions are being put through a process of enrichment for later use on more favorable terms to business." (Goodman, 1979, p59).

This is one of the most common type of complaints against the use of marketing: that it creates a climate of inter-urban competition resulting in areas competing for the same jobs. Even if marketing is successful in attracting firms to an area, these firms invariably bring in their own management leaving lower-ranked jobs for local people (Paterson, 1991). Relocating firms may also exploit local workers by insisting on a non-unionised workforce or by offering low rates of pay. There may also be problems where branch plants or subsidiaries of international companies are attracted to an area. These types of operations rely on the parent company being a continuing economic success. If, for example, the parent company's home-base economy suffers a recession, branch plants may have to be closed even where they may be operating at a profit (Paterson, 1991). A further problem may arise where firms located to an area on the basis of costs as this same process which attracted firms is also able to pull them away to other areas. This is demonstrated in Chapter 6, where firms were attracted to Swindon from London, attracted by cheaper costs and are, in turn, are being attracted to South Wales by similar cost criteria.

3.4.1 The City as a Commodity

Barke and Harrop (1994) argue that unlike other marketable commodities, towns and cities contain different bundles of products. The Isle of Dogs, for example, contains
both Canary Wharf and run-down housing estates. Marketers have little control over these different bundles of products which may pull in different directions. Some parts of a city will be totally unmarketable over-riding attempts to create a new more marketable image.

Wilkinson (1992) notes that place marketing results in a superimposed synthetic image of the city rather than encouraging urban regeneration to come from within as advocated by writers such as Landry and Bianchini (1995) who advocate the encouragement of local creativity and culture to regenerate local areas. The use of a flagship image often presides over problems areas of a city. This is demonstrated by Canary Wharf becoming the symbolic representation of Docklands shadowing the images of the reality of local run-down housing estates which have not disappeared. Many agencies involved in image improvements favour this type of approach, but Wilkinson notes that this leads to "the continuing fragmentation of the locality" resulting in "isolated growth nodes within larger areas of decay" (Wilkinson, 1992, p206). This representation of a post-modernist city is thus presented as a series of urban fragments, splintering the urban regeneration process rather than being part of a comprehensive, city-wide regeneration programme (Wilkinson, 1992).

3.4.2 The Target Audience

One of the main challenges to place marketers is that a marketing campaign is often aimed at both inward investors and residents and it is often impossible to relay suitable information to both groups simultaneously. For example, the image of a town for its residents may be a historical one but relocating companies want to see newness, not a vision of an outdated past (Barke and Harrop, 1994). Wilkinson (1992) notes that the Northern Development Company avoided this problem by marketing in two stages. The first stage aimed at local people to boost pride and confidence, whilst the second stage was aimed at a national marketplace, including a campaign to change perceptions of the north east of England held by people living in the south east (Wilkinson, 1992).

Barke and Harrop (1994) note that many local authorities will produce one-off, tailor-made packages for individual potential investors, thus adapting their marketing approach, according to their target audience. This bespoke marketing approach shows one of place marketing's major contradictions: that even though all places advertise similar features, special efforts to produce a different package can be made, suggesting that an all-encompassing image is not necessary or desirable and should remain flexible according to the target audience.
3.4.3 Marketing and the Homogenisation of Place

Marketing materials often reveal striking similarities in that cities which are different in reality "become homogenised and virtually indistinguishable in their images" (Holcomb, 1994, p115). Holcomb (1994) argues that there is a tautology between image and reality: that these closely related images result in their being transposed physically into the built environment. Cities build similar features like Drive-in-MacDonalds and American Style shopping malls, rather than competing features. This leads to such cities becoming a homogenised product which detracts from the marketing notion of selling difference (Wilkinson, 1992, Holcomb, 1994).

Barke and Harrop (1994) argue that many locations differ only marginally and are highly substitutable. Promotional material produced for localities has become indistinguishable as marketing approaches have converged regardless of any uniqueness of place (Barke and Harrop, 1994). Burgess (1982) notes that places as far apart as Bolton and Bedford claimed to be at the centre of England. This consensus approach is challenged by Wilkinson (1992) who argues that it has resulted in unimaginative images of cities being used for a number of older industrial areas. If the content and packaging of towns is uniform, there cannot be an authentic sense of place emerging from the advertising, therefore the marketing strategy of stressing uniqueness is negated (Barke and Harrop, 1994). Wilkinson (1992) also warns that place marketing cannot be seen as a panacea to encourage inward investment into a region but, in the words of the Northern Development Company, can only offer a "banner to unite the region's strengths" (Wilkinson, 1992, p201).

This section has suggested that an all-encompassing marketing image, which differs only slightly from city to city, is unnecessary and undesirable. It has also argued that a uniformity amongst marketing packages denies the marketing notion of difference. The next section demonstrates that sometimes attempts to produce a unique marketing style can actually do more harm than good!

3.4.4 Great Place Marketing Disasters

Development Corporations often boast of their accomplishments based on the strength of an area's economic success, yet they do not substantiate their claims with monitoring reports. It is fairly simple, however, to identify places where marketing has made no difference to an area's economic fortune or where it may have even helped to make it
worse. Barke and Harrop (1994) cite Hartlepool as an example of failed place marketing. Here there was a determined effort to change the image of the locality, previously formed around shipbuilding, docking and steel manufacturing industries. Hartlepool still retains an industrial base in an Enterprise Zone, but its traditional industrial image has been hard to shake off. The area has been repackaged as "The Hartlepool Renaissance" using sophisticated marketing methods throughout the 1980s. Unemployment, however, remained at 22.3 per cent demonstrating that this particular marketing approach was not effective in aiding a turnaround in Hartlepool's economic fortune.

In the United States, where place marketing has a long history, a disastrous slogan: "Philadelphia is not as bad as Philadelphians say it is", required $2.5 million worth of corrective commercials before investors regained confidence in the area (Guskind, 1987). In the UK, an audio-cassette issued as part of a current marketing campaign, designed to counter an image of rustic backwardness somehow seems to reinforce it:

Narrator: "Sedgemoor in Somerset: What images does this conjure in your mind?"

LONG PAUSE:

Music: "furt-eee-li-zer, furt-eee-li-zer"
(sung in a stereotypical country bumpkin accent)

Narrator: "Haystacks and lost lanes with cider-drinking and straw-chewing rustics are not high on the agenda of pursuits in this thriving part of Somerset.

The fact is that as a business location, Sedgemoor in Somerset is second to none." (Sedgemoor District Council, 1994).

By the time the narrator tells us that Sedgemoor is to be taken seriously as a business location it is hard to dismiss the images already given of cider-swilling rustics. It would be interesting to know how much business interest has been created by such an approach. These three examples reinforce the idea that marketing cannot be relied upon to create a turnaround in an area's economic fortune. Furthermore, it is important to carry out thorough market testing to ensure that the Philadelphia example is not repeated.

The last few sections have discussed how various writers have criticised place marketing. The next section describes how place marketing can be viewed as a positive planning tool.
3.4.5 **Place Marketing and Planning**

Ashworth and Voogd (1994) argue that place marketing can be a useful tool in solving specific planning problems, such as economic development, and also forms, and is one aspect of, the philosophy of place management. Place marketing can be viewed as a planning instrument within the market-led planning process as a whole and used in preference to, or in combination with, non-market-oriented place management techniques (Ashworth and Voogd, 1994). The approach taken must be constantly reviewed as images of cities have short shelf-lives. Place marketing must also use innovative approaches in order to keep a fresh approach and to give a competitive edge over other localities (Wilkinson, 1992).

Holcomb observes that where place marketing is used, the role of the planner has shifted from a regulation of development to its promotion. This is a new style of urban entrepreneurialism, having its roots in the United States (Holcomb, 1994, Harvey 1989). This new approach is accompanied by a change in managerial style taken up by some local authorities who have implemented Japanese-style management techniques in an attempt to become less bureaucratic and more entrepreneurial (Harvey, 1989, Wilkinson, 1992).

In some areas planning has become marketing. Brownill (1994) observed that the LDDC's development control powers were translated into an integrated marketing approach. The LDDC initially divided the Docklands area into five: Wapping, Limehouse, The Isle of Dogs, The Royal Docks and The Surrey Docks. Each area was then labelled with an identity, for example the 'Future for Wapping' had potential for expensive housing, due to its proximity to the City, and for commercial development in St. Katherine's Dock. These five Docklands areas became marketing frameworks with promotions and exhibitions showing what the area could be like and what sort of infrastructure would be provided. The "plans" were seen as just an overview and were not rigid in any shape or form. As Brownill (1994) notes:

"buildings were hesitantly sketched in and transport links shown by crayoned squiggles." (Brownill, 1994, p137).

The Docklands approach to marketing and planning is an extreme example of guiding development by marketing, but nevertheless it demonstrates the implementation of a truly marketing-led planning approach.
Place marketing therefore provides challenges for the traditional planner as it implies a pro-development stance as demonstrated in the Docklands example. There is little point advertising to attract businesses unless provision has been made in local planning policies to allow development in order to accommodate these businesses. It is essential therefore that place marketing is co-ordinated with planning policy.

Section 3.4 as a whole has examined critiques of place marketing as a process and has demonstrated its links with the regeneration process and with local planning policy. The next section discusses the need for monitoring of place marketing.

### 3.5 Monitoring and Accountability

There are very few studies which have investigated the impact of place marketing, yet repeated claims are made for its successes. Barke and Harrop (1994) note that several officers commented "off the record" that "we do it because everyone else does it" even though they were not aware of any significant gain from promotional activity in the recent past. There is little hard evidence then that place marketing produces value for money or that it has positive effects on a locality. For these reasons, this section will examine a need for monitoring and current types of monitoring mechanisms which can be applied to place marketing activity.

#### 3.5.1 Monitoring Place Marketing Spending

Burgess and Wood (1988) observe that £6,574,000 was spent on promoting Docklands between 1982 and 1985, but only one Director out of 62 interviewed (1.5 per cent of the sample) stated that the advertising was crucial to his decision-making behaviour. In this case the huge amount spent on place marketing does not result in many jobs being created, and it is therefore questionable whether the money was wisely spent.

Most place marketing activity is paid for through local or central government taxation systems, yet there are no published statistics on how much is spent by local authorities on marketing or on whether this money is spent effectively. Local authorities are legally required to publish amounts spent on publicity in their annual accounts. This is an aggregate figure, however, which includes all types of local authority publicity therefore the amount spent on economic development publicity and marketing cannot be determined (CIPFA, 1994).
The Chartered Institute for Public Finance and Accounting (CIPFA) survey local authorities annually to determine spending on various activities, including economic development and promotion. CIPFA advise, however, that these figures cannot be disaggregated as they are collected in aggregate form. It is therefore impossible to isolate amounts spent on place marketing by local authorities. A County Council Economic Development Officer has also revealed that replies to these CIPFA surveys are often estimates not actual figures spent, therefore the figures published by CIPFA may be inaccurate (Hertfordshire County Council, 1994).

The Association of District Councils (ADC) also confirms a general lack of information on economic development funding:

"...we used to collect information on district councils economic development expenditure but in recent years we have stopped doing this. Basically the information is not very accurate and therefore it proved difficult to come to any real conclusions" (ADC, 1994).

Statistics on spending on place marketing are available at a local level. Under Sections 33 to 35 of the Local Government and Housing Act 1989 (The Act), local authorities are required to decide at the beginning of each financial year whether they will take steps to promote economic development. Where this is the case, they must produce a "document" setting out their aims with details of expenditure and expected income. This "document" is to be made available to commercial and industrial representatives and to bodies representing them (The Act). These "documents" have come to be known as economic development plans, yet unlike the well-established system of Planning Policy Guidance Notes for land-use planning, there is no such system for economic development plans. A spokesperson for the Department of the Environment (DoE) notes:

"....the Secretary of State has not issued any guidance for local authorities under section 35 of the Local Government and Housing Act 1989, nor am I aware of any plans to do so." (DoE, 1994).

Indeed, the content of local economic development plans have not undergone any form of monitoring by central government which was confirmed by the same DoE spokesperson: "This Department receives only the occasional report; there is no central collation" (DoE, 1994).

The Royal Town Planning Institute (RTPI) has recognised this lack of central government advice and has published its own advice in a practice guidance note
The guide reinforces advice given by local authority associations, asking local authorities to adopt a similar approach in categorising financial information. The RTPI concludes that local authorities should embrace the concept of forming partnerships, looking beyond their geographical boundaries rather than "use them as an excuse for inaction" (RTPI, 1994, p20). The RTPI sees the economic development plan as an opportunity to develop clear strategies, linkages and relationships and as a means of producing a corporate or 'green' plan where appropriate (RTPI, 1994).

3.5.2 Monitoring Place Marketing Images

Accompanying this lack of monitoring of economic development plans and spending on economic development, has been a lack of concern over the images of place presented in marketing packages. This was addressed by Watson (1991) who noted that none of the industrial real estate pamphlets in the Wollongong and central industrial area of Sydney used images of women. Watson observed:

"In the entire Wollongong City Council Development Unit report promoting investment in Wollongong, there is only one photograph of a woman in the section on tourism" (Watson, 1991, p67).

It is not only images of women in positive roles that are missing from place marketing brochures. There are few positive representations of people from ethnic minorities or with disabilities. In some areas labour is marketed as docile, for example in Peterborough’s marketing package, the number of "women-in-couples" is cited, but not men-in-couples. A common feature of marketing brochures and supplementary information is to represent labour as being plentiful and cheap. Marketing brochures often include a comparison of local wage structures with a more expensive area. These are important issues which cannot be overlooked. As an elected body, a local authority is accountable to its electorate, yet projected images in marketing packages do not appear to represent positive images of certain sections of the local labour force.

A conflict of interest is apparent between the needs of industry and the needs of the local population. These ideas have been included as questions for research and will be discussed in more detail in Chapter 5.

3.6 Conclusion

This chapter has described the types of organisations involved in place marketing, given details of studies which have attempted to evaluate local marketing and has
detailed criticisms of using this type of approach in the regeneration or planning process. Several themes have emerged: firstly that place marketing agencies cover overlapping boundaries and compete for jobs and investment. Secondly, the budgets available by the RDOs and UDCs dwarf amounts available to local authorities which may impact on the success of individual marketing campaigns, especially where local authorities compete with a neighbouring UDC. A third notion discussed was the difficulty of evaluating place marketing campaigns and the consequent lack of robust analysis. Finally a lack of monitoring of spending or effectiveness of place marketing was discussed along with the apparent lack of concern taken to show positive representations of certain sections of the local labour force.

The main question for research from the ideas expressed in Chapters 2 and 3 is:

- What are the outcomes of place marketing?

The following research questions also emerge:

- Has local authority marketing increased or decreased since Mills and Young's research carried out in 1984?
- Have place marketing methods changed since Mills and Young's study?
- Can innovative local authorities be identified?
- Does place marketing influence the economic development of an area?
- Does place marketing produce other outcomes?
- Are firms influenced by place marketing?
- Is place marketing value for money?

These questions will now be discussed in Chapter 4 in terms of creating a research design and methodology.
CHAPTER FOUR: RESEARCH DESIGN AND METHODOLOGY
CHAPTER FOUR: RESEARCH DESIGN AND METHODOLOGY


4.1 Introduction

This chapter is divided into three sections. The first looks further at the questions for research emanating from the discussion in Chapters 2 and 3. The second section deals with research design and methodology for a survey of local authority marketing approaches, followed by the final section which discusses the research design and methods used in an evaluative study of place marketing.

4.2 Questions for Research

The main question for research arising from Chapters 2 and 3 is:

- What are the outcomes of place marketing?

Seven other research questions also emerged:

- Has local authority marketing increased or decreased since Mills' and Young's research was carried out in 1984?
- Have place marketing methods changed since Mills and Young's study?
- Can innovative local authorities be identified?
- Does place marketing influence the economic development of an area?
- Does place marketing produce unforeseen outcomes?
- Are firms influenced by place marketing?
- Does place marketing represent value for money?

The questions identified above require two separate research approaches: a survey of local authorities to update Mills' and Young's 1984 study and an evaluative study of the effects of place marketing. Research designs and methodologies will now be discussed separately for each research approach.
4.3 Local Authority Study

**Hypothesis:** Local authority marketing activity has evolved and increased since Mills' and Young's study of 1984 because economic restructuring and recession has compelled local authorities to compete amongst themselves to attract scarce inward investment and jobs to their areas.

This hypothesis has developed from the literature explored in Chapter 2 where it was stated that place marketing activity increases during periods of economic recession (Barke and Harrop, 1994). As Britain has suffered economic recession since the late 1980s, if Barke and Harrop's theory is correct, it therefore follows that place marketing activity will have increased.

4.3.1 Research Design

A survey of local authorities to determine:

- Whether they have a marketing strategy.
- Types of marketing methods and media used.
- Types of groups included in the marketing process.
- Whether consultants are used and what is their role.
- Length of time authorities have been marketing.
- Political make-up of local authorities.
- Content analysis of one aspect of local authority marketing.

4.3.2 Methodology

Mills' and Young's 1984 study of place marketing activity involved a postal survey of all local authorities in England and Wales. There are two problems with their approach: firstly, the average response rate from a postal survey is 30 per cent, and may be lower from local authorities who are notoriously low responders (Howard and Sharp, 1983); secondly the final sample analysed by Mills and Young may not have been representative of different types of authorities as the results of the survey does not give characteristics of the local authorities who responded.

A method had to be devised which could overcome problems of both non-response and representativeness. Sampling has advantages over full census approaches in that it is cheaper and, where a representative sample is taken, results can be applied to the
total population (Graham, 1994). A sample of 30 taken from a population will generally conform to the normal distribution curve and can therefore be taken to be statistically significant. A sample of 10 per cent of English and Welsh local authorities (47) was chosen, stratified according to the relative numbers of London Boroughs, Metropolitan Districts, English and Welsh Counties and English and Welsh Districts in the total population. Authorities were selected using computer generated random numbers and four reserve authorities were chosen from each local authority category in order to allow for the possibility of non-response. The sample could have been stratified further into categorised areas such as resort, industrial or rural but this was felt unnecessary as the sample drawn resulted in all these types of authorities being represented (see Appendix B for full details).

The survey was conducted by telephone to overcome problems of non-response. A senior Economic Development Officer (EDO) was contacted and asked if s/he would answer six short questions about the authority's marketing approach. A questionnaire had been devised which would take no longer than five minutes to discuss including questions on marketing policy, the different marketing media used, the different types of organisations the authority might work with to promote their local area, the length of time the authority had been marketing, numbers of staff involved, whether consultants are used, and the political make-up of the authority (see questionnaire, Appendix B).

At the end of the interview a copy of the authority's marketing literature was asked for in order to perform a separate content analysis on a sample of packages. Content analysis consisted of an identification of both common and uncommon features in each brochure, evidence of any innovative or interesting approaches, which might make one local authority's brochure stand out from another, and representations of the working population, in particular of women and minority groups.

Further research was deemed necessary following the telephone surveys as a high percentage of local authorities were found to use consultants for various aspects of their marketing strategies. It was therefore decided to interview a large consultancy in order to discover:

- What sort of work is done by consultancies for local authorities?
- How a marketing strategy is devised?
A semi-structured approach was considered the best method for this interview. The two consultants interviewed were given the aims of the interview prior to the meeting. Data gathered in this interview will be woven into the analysis given in Chapter 5 when discussing the role of consultants.

4.3.3 Evaluation of Method

Telephone interviewing is a good method, especially when approaching organisations who are known to be non-responders. Information can be accessed immediately without the need to wait for postal replies. Few follow-up postal requests are necessary as data is gathered immediately. Piloting is also made easier as any ambiguity over the interpretation of questions can be corrected verbally and instantly. It was relatively simple to carry out this survey by telephone as EDOs were assured that the questions were very short. Once contact had been made, all EDOs agreed to answer questions: there were no rejections. Many EDOs also volunteered opinions and statements about how relevant they felt marketing was to their authority. This method is, however, relatively expensive as it required 65 long-distance telephone calls of up to fifteen minutes long, during the peak charging period of the day.

The response rate of the telephone survey was excellent at 100 per cent of the officers contacted. Survey forms were then sent by post to eight EDOs who were difficult to make contact with. After follow-up, two EDOs did not return forms, therefore two reserve authorities were telephoned to make the sample up to the required number.

Content analysis was a useful exercise, both to compare with Mills' and Young's study and to assess the packages in terms of equal opportunities approaches. This type of approach cannot be taken as indicative of the sum total of marketing carried out by local authorities as many marketing approaches are used concurrently by local authorities as will be shown in the analysis. It is, however, the most accessible part of a marketing strategy which can be examined by a researcher: it would not be possible, for example, to examine a local authority's total marketing effort without spending time in each authority making observations and performing in-depth interviews with the EDO concerned.

The results of the local authority survey and content analysis of marketing brochures are given in Chapter 5.
4.4 Comparative Study

Hypothesis: For the purposes of this study the null hypothesis will be used: that local authority marketing does not influence the number of firms moving to, expanding in, or staying in, their area, because firms have their own decision-making strategies and are not influenced by local authority marketing efforts.

This hypothesis was arrived at by observing results from Burgess' and Wood's (1988) study which observed that only one company director felt that marketing was influential in his choice of business location.

4.4.1 Research Design

- Set up comparative study examining two statistically similar areas, one with place marketing policies and the other without. The counterfactual area is important as it gives an indication as to what might have happened without the policy.
- Determine policy inputs from each area.
- Examine economic indicators, such as number of jobs and unemployment rates at time \( T_1 \), prior to start of marketing campaign and compare to the same economic indicators at time \( T_2 \) at the end of the 1980s marketing campaign.
- Determine reasons why firms locate to each area, why they expand/contract in each area, why they might wish to move away from the area.
- Interview/survey firms who expressed an interest in the area and decided against location.
- Analyse data and present results.

4.4.2 Methodology

Methodology design was split into three problem areas: choosing case study areas, and determining policy inputs and outcomes.

4.4.2.1 Choosing Case Study Areas

An OPCS article Which Local Authorities Were Alike in 1981? (1984) was used as the starting point for choosing case study areas. Groups of local authorities are listed in terms of similarity based on an analysis of 35 variables, including demographic, employment, household composition, housing and socio-economic structure. Degrees of similarity are expressed as: extremely similar, very similar, fairly similar or similar.
Ashworth and Voogd (1990) note that in attempting to evaluate a place marketing campaign, an area should be chosen which has been marketing itself for at least ten years in order to gauge the cumulative effects of marketing. For this reason an area needed to be chosen which had been marketing for some time. It was also felt necessary to consider areas which would have similar planning policies, similar geographical features, such as environmental quality, similar industrial histories and similar financial assistance in the form of grants or loans.

The New Towns have been most active in marketing (see *Town and Country Planning*, 1970-85, for example). It was not possible to choose a New Town as a case study area, however, as all groups of local authorities listed as similar in the OPCS study (1984) were also found to have active place marketing policies, denying the possibility of a "control" sample.

It was extremely difficult to choose areas for a comparative study, for reasons which will be expanded on in Chapter 5. Eventually Thamesdown was chosen as the area of interest with Stevenage as a counterfactual area, for the following reasons:

- **Statistically similar**: The areas are listed as similar by the OPCS (1984).
- **Marketing**: Thamesdown has marketed almost continually since its main urban focus, Swindon, was pushed by the local council towards Expanded Town status in the 1960s (Bassett and Harloe, 1988). Stevenage has been involved in comparatively little marketing, just a 40th birthday campaign (40 years as a New Town) and as part of a collaborative and brief A1 Corridor campaign.
- **Part of post-war de-centralisation programme**: Both areas have accepted decentralised population from London, Swindon as an expanded town and Stevenage as a New Town.
- **Employment Losses**: Both areas have suffered employment losses in heavy engineering and electronics, including the loss of jobs at British Rail Engineering and British Leyland car works from Swindon and jobs from British Aerospace and other defence related industries in Stevenage.
- **Employment Gains**: Both areas have gained jobs in financial services, electronics, pharmaceuticals, and distribution.
- **EU Funding**: Both areas benefit from the EU Konver Programme which attempts to tackle the effects of defence cut-backs. Stevenage has suffered well-publicised employment losses from defence-related industries, whilst Swindon forms one
corner of a triangular-shaped geographical area, covering Cheltenham and Gloucester, which has also lost defence-related employment.

- **Communications:** Both areas have good road and rail links and access to airports: Swindon is part of the M4 corridor, has good road and rail networks to the Midlands and London and is within an hour's drive of Heathrow Airport. Stevenage is on the A1 north of London, has good rail links to London and is close to Stansted and Heathrow airports. In terms of telecommunication, Swindon is on the Integrated Services Digital Network and Stevenage has a teleport.

- **Environment:** Both Swindon and Stevenage have been "islands", accepting new development within areas operating restrictive planning controls. Stevenage is surrounded by areas of Green Belt, whilst Swindon is surrounded by Areas of Outstanding Natural Beauty and small villages subject to restrictive planning controls.

- **Image:** Both areas have an image problem. In their study *Living in the Fast Lane*, Bassett et al (1989) discovered that managers felt that Swindon was in no sense a cultural centre and that it had an image problem. Similarly, in a Study of the M4 Corridor, Boddy et al (1986) found that an insurance company seeking a new business location rejected Stevenage on the grounds that the type of housing and the New Town environment were not considered desirable by staff.

- **Counterurbanisation:** both areas are situated within the geographical range of people and firms de-centralising from London (Fielding and Prism Research, 1993).

### 4.4.2.2 Determining Policy Inputs

**Land Use and Economic Development Policies:** Having chosen case study areas, and ensured that local authority officers were happy to give support where required, it was necessary to examine planning policies of each area, and to determine what types of industries each local authority were trying to attract. This could then be compared to the types of jobs and firms attracted to the areas in reality, as a measure of the effectiveness of economic development policies. This was established by talking to contacts at each local authority and examining land use and economic development planning documents.

**Levels of Marketing:** During the study period, Stevenage was involved in two short marketing campaigns, a one-off 40th birthday as a new town promotion and a collaborative A1 corridor campaign. Thamesdown has been involved in successive
marketing campaigns since the 1960s. During the study period, £100,000 a year was spent on marketing and promotion (Thamesdown Borough Council, 1994).

4.4.2.3 Determining Policy Outcomes

**Economic Trends:** Trends in economic indicators were examined to compare whether there were any differences observed in the marketed compared to the counterfactual area. The start date \((T_1)\) was taken as 1981, one year into Thamesdown's 1980s marketing campaign and a date for which an employment census is published. The end date \((T_2)\) was taken as 1991 when Thamesdown significantly reduced its budget for marketing and also a year for which an employment census was published.

Robson et al (1994) observe that examining inputs and outputs to form a policy evaluation is not sufficient to be able to determine its overall impact, therefore measures other than simple policy inputs in the form of planning and economic development policies and outputs, in the form of employment trends, will be used in the analysis. In this study, the focus is on the decision making behaviour of firms in relation to place-marketed and non place-marketed areas. A survey of local firms therefore included questions on whether they had considered moving out of the area and whether they had plans to move out in the future. These answers could then be used as a measure of satisfaction of business needs of the area and of business confidence in the area.

4.4.2.4 Determining Reasons Why Firms Locate in Each Area

**Choosing a Sample:** It was necessary to sample companies in order to reduce survey costs, rather than to attempt a full census of all firms in each area. The aim of sampling was to collect a representative group of firms who had moved to the area, expanded in the area or who had performed an evaluation as to whether they should stay in the area. This information could then be used to determine whether marketing had any influence on the location choices of firms.

Choosing a sample frame in both areas was difficult because of imperfect information available about all the firms in each area. Contacts in both of the case study areas' local authorities were asked to supply lists of about 45 companies which had either moved into the area or relocated to the area since the early 1980s. Both local authorities supplied lists, one in the form of a business directory and one a computer
printout. In both cases, however, lists supplied were either incomplete, for example one list did not include certain well-known local companies, whilst the other did not contain enough information about the companies to be able to make an informed choice. The contacts themselves were blameless here as they were asked for what was felt could be realistically supplied, but extra work was required by the researcher in order to select companies for a sample frame.

The final sample frames were chosen by using a combination of local authority supplied lists, the 1994 Kompass Directory (Reed Information Services Ltd, 1993), which includes names of Managing Directors, details of activities of firms in specific localities and their size, and finally, local telephone directories were used to find known companies which did not appear in either the local authority list or in the Kompass Directory. Sample details of the responding firms and their activities are given for both areas in Appendix C.

The sample was weighted in favour of three factors:

**Newly developed sites:** By choosing firms at addresses known to be new areas such as technology parks and at identified growth areas of each town, at least some will have relocated from other localities or expanded to new sites within the area.

**Large firms:** These are important employers in any locality and have the capacity to relocate to a more profitable locality or country.

**Firms in Industrial Sectors which the local authority has been aiming to attract:** This is an important issue as it is a way of monitoring the effectiveness of local economic policy. If a local authority has policies to try to attract high tech industries but in reality distribution firms arrive, it can be argued that, although the policy attracts jobs, the policies' objectives have not been achieved. During the 1980s both Thamesdown and Stevenage were seeking to move away from a reliance on manufacturing industries and to diversify the local economy (Thamesdown Borough Council, 1994b, Stevenage Borough Council, 1984). Thamesdown policies included the aim of selling council-owned land to encourage firms to move to the area, in particular high tech and financial services firms. In Stevenage policies were implemented to attract new and expanding firms moving into new product areas (high tech firms), to support new businesses and training, and to encourage firms from the service sector, including retailing and leisure.
Sample Size: 63 questionnaires were sent to Thamesdown firms and 51 to Stevenage firms. The difference in sample size is due to the smaller geographical coverage of Stevenage local authority and a smaller number of firms located there. 15 of the larger firms from both samples also received an invitation to discuss their location strategy in more detail, by means of a tear-off slip at the foot of a covering letter accompanying the questionnaire.

Questionnaire Design: Copies of the questionnaires sent to Thamesdown and Stevenage companies are given in Appendix C. They differ only in the names of the location and more local non-governmental organisations (NGOs) are given for Stevenage as there is a local University which does not exist in the Thamesdown area. The questionnaire covered both sides of a single sheet of A4 paper as it was felt that companies would be reluctant to complete an overly lengthy questionnaire. A covering letter was sent with each questionnaire which stressed that it would take only a few minutes to complete. Care was taken to phrase questions simply to reduce ambiguity. A space was given at the end of the questionnaire for the person who completed it to give their name and telephone number in case of any queries. This approach was found to be invaluable as some points inevitably needed further clarification.

The questionnaire was split into five sections:

- Section A: covering company details and characteristics
- Section B: covering the characteristics of employees
- Section C: covering the firm's choice of location
- Section D: which asked questions about the relevance of the action of public and private bodies in their location strategy.
- Section E: covered questions about the future, including why firms might consider moving away from the case study areas.

Many questions involved ticking boxes to aid speedy completion. Open questions were also favoured to encourage the firms to give their own views rather than to accept spoon-feeding from the researcher. Open questions were especially useful for qualitative information, adding meat to the bones of the tick-box type answers.

Avoiding Bias: The questionnaire was designed to ask the same questions of companies in both areas, despite one area having been involved in more marketing than the other. This was in order to eliminate bias from the results. A covering letter was deliberately vague as to exactly what was being measured, for example it said "that the
effects of public policy on location decision-making strategies of firms were being studied" rather than stating that the effects of marketing policy were being investigated. It was felt that if the companies knew the focus of study, they might put more effort into that part of the questionnaire, or dismiss the questionnaire altogether. This would not only bias the results, but may also have encouraged them to overlook other parts of the questionnaire which were just as important to the researcher.

**Piloting and Despatch:** Bell (1993) notes that it is important to design questionnaires to take account of knowledge and memory factors. As the aims of the survey were to determine factors affecting location, which may have occurred over thirty years ago, memory was an acknowledged problem. The knowledge problem could be partly overcome by addressing the questionnaire to the Managing Director who would be in a position to have access to full knowledge about the firm and would possibly have been with the company at the time of location. If s/he could not complete the questionnaire, it was hoped that they would distribute it to the appropriate person.

The questionnaire was piloted on four companies from each locality who offered comments and minor suggestions for changes. A stamped return envelope was enclosed. After two weeks of initial posting, a follow-up request was sent.

Firms who agreed to further discussion were telephoned. These firms were asked to outline their location strategy. If they had also indicated on the survey form that they had expanded operations, either in the case study area, or elsewhere, or that they had ever thought about moving away from the area, they were also asked to discuss this process.

The data were then analysed, and the results of this analysis are given in Chapter 7.

**4.4.3 Evaluation of Method**

**Use of Local Authorities as Case Study Areas:** There are problems with using local authority districts, as the functional regions of cities are not constrained by the geographical boundaries of local authorities and many place marketing efforts are operated by public-private partnership organisations spanning more than one local authority district. It also does not enable a comparison with the marketing efforts of UDCs, RDOs or partnership organisations.
**Economic Indicators Chosen:** Examining details of employees in employment allows a researcher to examine total numbers of jobs in an area, but only in a net form. It does not allow a comparison of jobs lost and new jobs created. It also makes no allowances to measure jobless growth. This would have involved a more in-depth study examining company accounts over the time period of the study, and was not possible under the scope of this study. Using figures from the employment census does not give access to numbers of self-employed. The Employment Census categorises jobs according to the main activity of a firm into Standard Industrial Classifications (SIC). This classification relates to the main activity of the site in question not the firm, therefore a head office of a computer firm may be listed under offices rather than as computer software firm (Hall et al, 1987). The SIC classification system is outdated, for example it does not have a high tech sector, yet both case study areas sought to attract high tech jobs. A measure of high tech jobs will therefore be inaccurate.

**Comparability of Samples:** The work of multi-variate analysis to find statistically similar areas had been done by OPCS and most statistical information required to establish economic trends could be accessed in local authority format. The pitfalls of relying on a comparison based on the OPCS data is that it does not allow for differences between the places themselves, their local cultures or environments. The comparative study can therefore only give an indication as to what might have happened had a place marketing policy not existed and cannot be taken to represent what would have happened.

**Response Rate:** The drawback of postal surveys are well-documented, the main problem being non-response (Howard and Sharp, 1983). When visiting or telephoning a company, a researcher can, at least, determine why a person may decide not to respond. Unless a postal survey is followed up by telephone, there is little hope of ever finding out reasons for non-response. In addition, when writing to top-level executives, such as in this survey, it is often difficult to contact the person to whom you have addressed the survey form. There may also be a problem with "questionnaire fatigue": managing directors receive many requests for information from various sources: one managing director replying from Thamesdown said that he is asked about his location strategy on a monthly basis!

**Questionnaire Design:** Two problems were identified with questionnaire design which had not been detected at the piloting stage. Firstly, some company executives could not remember why they had located in the area. Secondly, Section C required
respondents to rank the five most important influences in choosing the area as a business location. A small number of companies did not rank features but simply ticked five boxes. The analysis of the results therefore had to be slightly amended to feature frequency of response as a ranked correlation between the two areas, rather than a comparison of the scores given to each factor.

Occasionally, rather than not respond, some firms sent company reports or press releases, which although not ideal, in some cases proved adequate and gave the same information as required by the questionnaire.

**Response Rate:** The response rate from the survey of firms in both study areas is given in Figure 4.1.

<table>
<thead>
<tr>
<th></th>
<th>No. of firms approached</th>
<th>No. of responses</th>
<th>% Response rate</th>
<th>No. of firms agreeing to further discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thamesdown</td>
<td>63</td>
<td>53</td>
<td>87.3%</td>
<td>8^1</td>
</tr>
<tr>
<td>Stevenage</td>
<td>51</td>
<td>39</td>
<td>76.5%</td>
<td>1</td>
</tr>
</tbody>
</table>

^1 includes information take from two comprehensive press release packs

**Figure 4.1: Response Rate From Firms in Comparative Study Areas**

The survey received a very good response rate, the difference between the two areas can be explained by a larger number of smaller firms in the Stevenage sample. Larger firms may have more resources for dealing with requests for information, for example they may have a separate Public Relations function or "press packs" readily available to send out to enquiries.

Both case study areas had also agreed to release lists of firms which had enquired about possible moves to the area. This would have enabled a comparison of reasons why firms thought about setting up business in the case study areas but decided against this. It would have also acted as a counterbalance against those surveyed who did decide to locate in the area. One case study area withdrew from this offer, therefore this comparison could not be included in the final results.
4.5 Conclusion

Research questions from the literature review given in Chapters 2 and 3 have resulted in the design of a two-pronged investigation: firstly to determine whether the results of Mills' and Young's 1984 survey of local authority marketing are still relevant in the 1990s, and secondly to determine the outcomes of place marketing. Research design has allowed for the use of both quantitative and qualitative methods in both research approaches. Both research approaches relied on quantitative data to confirm trends. Qualitative data was combined with statistical data to provided in-depth information. For example, in the local authority survey, telephone discussions with EDOs allow for further discussion of unusual marketing approaches which might not have been picked up in a postal survey where there was no direct contact with the EDO. In the comparative study qualitative data was also gathered by allowing room for long answers in the design of the questionnaire and by interviewing companies by telephone.

Chapter 5 will now discuss the results and analysis of the local authority survey and Chapters 6 and 7 will detail results and analysis of the comparative study.
CHAPTER FIVE: LOCAL AUTHORITY SURVEY
CHAPTER FIVE: LOCAL AUTHORITY SURVEY

"...seven Edwardian arcades
six multi-storey car parks
five department stores
four indoor shopping centres
three high streets
two food courts
and a partridge in a pear tree..."
(Cardiff Marketing Ltd, 1994).

5.1 Introduction

This Chapter details the results and analysis of the local authority survey described in Chapter 4. This survey involved contacting Economic Development Officers (EDOs) to discuss their authority's marketing methods. Full details of methodology are given in Chapter 4, whilst details of the 47 local authorities contacted, and a copy of the questionnaire discussed with EDOs, are given in Appendix B.

5.2 First Impressions

Three of the local authorities approached were felt to show an initial response which may be considered to be unhelpful to potential enquiries. Two of the three told the researcher that they were not involved in any marketing, even though the researcher had personally seen posters advertising the areas. One of these two authorities referred the researcher to another telephone number which appeared to be constantly unmanned. Where local authorities have implemented a marketing policy it is vital that they have a system in place to deal with such enquiries efficiently. This idea will be discussed further in Section 5.7.

5.3 Tourism and Economic Development as a Joint Strategy

The first question asked of EDOs was whether their authority marketed for tourism or for inward investment/economic development and whether this was done separately or together in one package and/or or department. The results are given in Figure 5.1.

Only 4.2 per cent of the sample stated that they are involved in no marketing activity at all which is a significant reduction from the 31 per cent identified in Mills' and Young's study carried out in 1984. It is also interesting to note that the two authorities which stated that they are not involved in place marketing, North Hertfordshire District Council and Tonbridge and Malling Borough Council are both in affluent areas. They
both stated that they were not anti-marketing *per se* but felt that they did not need to attract further employment due to high local employment rates and restrictive planning policies. This supports the belief that place marketing activity increases during periods of recession (Barke and Harrop, 1994). The finding that place marketing activity has increased was to be expected as this recession started five years after Mills' and Young's study.

![Figure 5.1: Local Authority Marketing Approaches](image)

Results given in Figure 5.1 are compared with the finding of Mills' and Young's 1984 study in Figure 5.2, to show changes in levels of local authority marketing which have occurred over the last decade.

![Figure 5.2: Comparison of Levels of Place Marketing in 1984 and 1995](image)
In Mills' and Young's 1984 study only 6.2 per cent of responses indicated that they promoted tourism as part of a local authority economic development strategy compared with 6.4 per cent in this study. This figure demonstrates that any moves towards integrating tourism and economic development into one strategy as observed by Law (1992) are slow, if progressing at all. Law discussed the notion of increasing "Urban Tourism" as a way of creating economic regeneration, especially in older cities (see Chapter 1).

Interestingly, some of the largest and smallest authorities responding to this survey have a joint marketing approach for entirely different reasons. Larger authorities such as Cardiff, recognise that image is the first thing that must be tackled in a marketing campaign and are working to promote a revamped image through tourist attractions. They are currently advertising on large billboards at strategic waiting points in London's tube stations, with advertisements such as one showing a picture of a large white mansion building, set in parkland, with the accompanying text:

"We even had Clinton fooled for a minute... Cardiff has its own White House...It's just one of the many magnificent buildings you'll discover in Wales' cosmopolitan capital....." (Cardiff Marketing Ltd, 1994).

Other posters advertise film festivals, music festivals, opera and leisure activities. The aim of this campaign is for new images of Cardiff to be evoked in the minds of business people as they wait in stations. As they wait, the pleasant images of Cardiff will contrast with crowded, dirty tube stations. When the second stage of Cardiff's marketing campaign begins, promoting the city as a business location, it is hoped that these same business people will associate these images with the previous images of Cardiff as a cultural centre.

Smaller authorities which have a joint tourism and economic development function have often done so because of a lack of staffing resources and because tourism is the mainstay of their economy. Penwith, in Cornwall, Aberconwy, in Wales and Boothferry, in Humberside, are examples from this survey. Penwith has used its best known feature, its striking scenery and craggy coastline, to promote the area as a location for the film industry. The council has produced a *West Cornwall Film Production Directory* and employed a Film Liaison Officer to co-ordinate enquiries and offer advice on anything, from types of locations and hiring of props, to underwater filming and character cottage hire. Thus by focusing on what has made the area successful as a tourist centre, Penwith District Council have taken an innovative
approach to economic development. According to the EDO spoken to this has proven to be both successful in attracting film-makers and in creating local employment.

Despite findings in this survey not showing increases in the use of tourism as part of an economic development strategy, it is contended that some of the local authorities who are doing this are using innovative approaches to place marketing. The examples given show three different approaches:

- the amalgamation of tourism and economic development due to lack of resources.
- the use of tourism features to develop an economic strategy, an example of which from this survey is promoting the film industry in Penwith, Cornwall.
- the use of attractive images of a city, more often associated with tourism, to attract businesses to an area with a better quality of life, for example, Cardiff.

This section has outlined increases in marketing activity amongst local authorities since Mills' and Young's 1984 study. The next section outlines changes in marketing methods.

5.4 Local Authority Marketing Methods

The second question asked of EDOs was designed to establish the types of marketing media used by the local authority. A list of different marketing methods was given to the EDO who was asked to indicate whether the local authority used the particular method. The EDO was then asked whether there were any other methods which had not been covered. Results are given in Figure 5.3.

![Figure 5.3: Types of Marketing Media Used by Local Authorities](image-url)
The most common methods used by local authorities were found to be similar to those found by Mills and Young: brochures, press advertising and exhibitions. Mills' and Young's survey showed that the "Other" category was quite high at 19.2 per cent of responding authorities (Figure 3.4, p35) and was found to be 31.9 per cent this year. This "Other" category was examined here in closer detail in order to determine what kinds of methods could have been hidden in this category in Mills' and Young's survey. The "Other" category in this study revealed a high number of authorities using multi-media marketing, 29.8 per cent of responders, for example have used video as a marketing method, which is surprisingly high considering its cost. A high number of authorities also stated that they use communications nodes, such as train stations and airports, for advertising. One local authority took full advantage of a captive audience in transit by advertising on taxi seat-backs. This year's "Other" category also revealed innovative marketing approaches, including advertising on the internet and using telemarketing techniques actively to seek inward investment.

**Hypothesis Testing:** The Hypothesis given in Chapter 4 that local authority marketing activity has evolved and increased since Mills' and Young's study of 1984 has now been shown to be correct due to:

- Higher numbers of local authorities involved in place marketing in the 1990s: 95.7 per cent, compared with 68.9 per cent in Mills' and Young's 1984 study.
- Different approaches used including a higher use of multi-media, use of the internet and telemarketing.
- Almost no change in numbers of authorities marketing tourism as part of an economic development strategy: 6.4 per cent in the 1990s, compared with 6.2 per cent in Mills' and Young's 1984 study.
- Combined or co-ordinated tourism and economic development strategies in some areas.

There are other features revealed from this study which were not addressed by Mills' and Young which will now be discussed.

**5.5 Local Marketing in Practice**

A list of different types of organisation operating both within local government and within the locality was given to the EDO, including organisations such as the local Training and Enterprise Council (TEC), Local Community Groups and Local Businesses. The EDO was asked to indicate which groups they had worked with in
order to promote economic development for their particular area and to name any others which had not been mentioned on the list. The results are given in Figure 5.4.

![Bar Graph](image)

**Figure 5.4: Links Formed Between Local Authorities and Other Groups to Promote the Local Area**

Most local authorities stated that they worked with local businesses, with community groups being the least mentioned. This was to be expected as businesses are the most obvious people to consult when trying to discover what attracts businesses to an area. Local authorities are also required, under terms of the 1989 Local Government and Housing Act, to consult local businesses when producing an economic development plan. The question of whether community groups were ever consulted sometimes caused a problem for some EDOs who could not imagine why local community groups should be consulted on economic development, either to express views, or to join forums on proposals. Local authorities offered a wide ranging set of opinions on working with local community groups, from not believing that there could ever be a need to consult community groups about economic development, to considering it vital to liaise with such groups, for example in order to discuss issues of training and worker skills.

Newman (1994) notes that investment in economic development policies which result in inward investment may be accompanied by an inward migration for work, therefore it is necessary to consider how economic development policies affect local people. A well documented failure to consider the needs of local people was demonstrated at
Canary Wharf, where thousands of jobs were created, but the majority were taken by people from outside the area (Brownill, 1994). Here it was evident that people living on the Isle of Dogs did not have relevant skills to work in the majority of jobs created. As Brindley et al (1989) note, at a time when the LDDC claimed to have created 1400 jobs on the Isle of Dogs, only 28 of these were found to be filled by local people. One way of addressing this problem would have involved including community groups in the decision-making process at the outset to address their needs within the area.

The "Other" category was quite high at 83 per cent. This category almost exclusively included partnership relationships formed with local private sector groups to promote the area in an attempt to attract inward investment. Some local authorities were also involved in international partnerships for example, Cleethorpes with the Estonian and Swedish Chambers of Commerce.

5.6 Start-date of Marketing Activity

EDOs were asked for the start-date of their place marketing activity. The answers are shown in Figure 5.5.

![Figure 5.5: Duration of Place Marketing Policy in Local Authorities](image)

This chart also helps to explain why there is such a wide discrepancy between levels of marketing activity found in Mills' and Young's 1984 study and this survey as 60 per cent of respondents had started marketing since 1984.
5.7 Use of Marketing Consultants

57.4 per cent of local authorities stated that they have used marketing consultants for various aspects of their marketing approach. Types of work which consultants are used for are given in Figure 5.6, which represents 29 uses given by 18 out of 27 local authorities who stated they had used consultants.

There was no relationship found between staff levels working on marketing in local authorities and the use of consultants. This high level of use of consultants was unexpected therefore it was decided to contact a large London company, Chestertons Consulting, who were known to be involved in working with local authorities on developing and implementing place marketing strategies. Two consultants were interviewed who described how a typical marketing strategy is developed for a local area.

Figure 5.6: Types of Marketing Work Carried Out by Consultants

Chestertons believe that there are two main reasons for using a consultant to develop a marketing strategy: they are both independent and apolitical. Both factors may be important for local authorities trying to develop an economic development strategy which may not coincide with political views of the council. Chestertons have found that officers and councillors are more successful in implementing marketing strategies if it is perceived to have been devised by "outside experts" rather than by insiders who
are often perceived to be biased or political. Chestertons believe that the process becomes de-politicised when a consultant is used.

5.7.1 Development of a Marketing Strategy

A typical marketing strategy involves a preliminary survey of existing perceptions about an area. This typically involves telephoning 300-400 businesses nationally and asking for their opinion on a specific area. A recent example involved the setting up of a Development Agency to cover the Brighton and Hove area. A business perception survey revealed that many executives thought that the Brighton and Hove area suffers from poor air communications. This contrasts with the reality of Gatwick Airport being only half an hour's drive away on motorway standard roads. The business community, however, perceives Gatwick as a passenger airport and not a business airport, which is not correct. The most important message evolving from the Brighton and Hove business perception study, therefore, is that this misconception needs to be corrected by a marketing strategy. This issue had never been considered by Brighton and Hove Councils as they obviously knew that Gatwick airport was very close and were not aware that the business community held these views.

Another technique usually employed by Chestertons is a SWOT style analysis which examines strengths, weaknesses, opportunities and threats. This is not always carried out by local authorities, or where it is, it is not always a full analysis as it is felt that local authority officers are often, as with the Gatwick Airport example, too close to the issue to be able to analyse issues fully. Industrial sector studies are also carried out to examine features of the local economy, again something which is not always carried out by local authorities.

Before any marketing is embarked on, messages, audiences and marketing media are considered, all of these will vary depending on the budget available. When starting a marketing campaign it is also important to have implemented procedures to follow up enquiries. A data base is always suggested by Chestertons, together with a responsive and professional approach to dealing with telephone enquiries and a commitment to keeping to deadlines and following up contacts. In short, the staff who will eventually be managing the campaign will have to act like sales people and not like bureaucrats. This may involve re-training of staff and must be considered if a marketing campaign is to be a success. Results given in Section 5.2 have shown that not all local authorities have a system implemented to deal with enquiries in a responsive way. The first point of contact spoken to in the local authority economic development unit was not
immediately made aware that the person they were talking to was a post-graduate student. I could have been a managing director of a company seeking to relocate but in these three cases the first impression would not have been favourable.

Chestertons also promote the idea of monitoring enquiries and tracking them by following-up with mailshots where applicable. Setting inward investment targets is also recommended, using measurements such as jobs created or floorspace filled to determine success rates. Large amounts of expenditure on marketing will often not be continued indefinitely by a local authority, unless it can be proven to have attracted jobs to the area.

5.8 Number of Staff Involved in Promotion Activity

Numbers of staff varied immensely from half a person to 12 people working on marketing and related work. The average number employed by the 47 local authorities was 2, with 6 authorities taking a flexible approach, employing more people or seconding people as and when required.

Sections 5.1 to 5.8 have discussed results of the local authority survey. The next sections relate to a content analysis of the same local authorities' marketing brochures.

5.9 Content Analysis of Marketing Brochures

32 marketing literature packages were received from the total sample of 47 local authorities. 12 authorities did not send packages for the following reasons:

- 3 due to non-response.
- 6 because the economic development package was currently being updated.
- 3 as packages are too expensive to be sent free of charge. Bradford's marketing literature for example, is tailor-made for individual clients, each costing at least £30.

Content analysis was performed on the 32 literature packages received by looking for common features, both in the text and in visual images. Figure 5.7 shows the results.
Figure 5.7: Content Analysis of Local Authority Marketing Brochures

Figure 5.7 shows features which are either depicted and/or written about in marketing packages. It follows from these findings that these features are perceived by local authorities to be the most attractive location factors for businesses or perhaps ones which distinguish one local area from another at the short-listing stage. In fact, the results given in Chapter 7, where businesses are asked what features affect their location decision, show a different order of priorities. This idea will be returned to in Chapter 8.

5.10 Implications for Equal Opportunities

A common, but worrying feature of most of the marketing packages analysed, was that they showed a distinct lack of women, people from ethnic minority groups, especially women, and an apparent total lack of people with disabilities in a positive role, whereas the opposite is true for white able-bodied males. Judgements made about race and disability in this section are highly subjective as it is inaccurate and dangerous to speculate about race, simply by looking at the colour of skin, and about disability, purely by looking for physical characteristics. It is true to say, however, that an Intercity train is more likely to be found in a marketing package than a person from an ethnic minority group. Out of 30 packages with images of people in them 18 (60 per
cent) featured women at work and only 6 (20 per cent) showed people from ethnic
groups. No people with visible disabilities were featured in any of the packages.

To a certain extent this finding is not unexpected as images in most place marketing
brochures concentrate on the representation of an area in terms of its physical
attributes, rather than focusing on the people who live and work there. However, the
figures given above are a concern as many local authorities claim to be operating an
equal opportunities policy, yet this attitude is not filtering through to all aspects of the
way they work. Leeds City Council for example produces a brochure *Positive News*
which details how the council is taking a pro-active equal opportunities approach in
planning (Thomas and Krishnarayan, 1993). In its marketing package, the same
council announces:

"Today Leeds is home to over 75 different nationalities. This rich mix of
people and skills contributes to the success of the city, creating a diverse
cultural life." (Leeds City Council, 1994).

Yet not one person from an ethnic group is shown in a responsible working role in its
marketing package. It appears then that even though some local authorities have
implemented an equal opportunities policy in land use planning and other aspects of
their policy approaches, this idea appears not to be filtering through to all aspects of
economic development policy.

The two consultants from Chestertons Consulting were asked to offer an opinion on
this observation. They felt that minority groups and women do not feature strongly in
marketing packages because they are aimed at executives who are not at all interested
in photographs of people, but are only interested in what the area can do for their
business. Facts and figures, therefore, are what they are looking for, not photographs
of people (Chestertons, 1995). The issue of role models should also be considered in
the context of marketing brochures. Gilroy (1993) writes about employment problems
faced by people from ethnic groups and people with disabilities:

"The lack of high ranking black people and disabled people serves to flash a
warning to these groups that this level of work is not suited to them." (Gilroy,
1993, p143).

It seems logical that if this lack of role models reinforces a belief that high-ranking jobs
are off-limits, then a similar message conveyed in marketing brochures by their lack of
role models, might also influence business executives in a similar way, creating a circle of discrimination.

Over recent years research into equal opportunities and the planning system has been carried out (Thomas and Krishnarayan, 1993a, Gilroy, 1993, for example), but these documents do not address peripheral areas of planning such as economic development policy. The relationship between equal opportunities and economic development approaches should be included on a research agenda, however, as this study has discovered, certain sections of the local population are not being represented positively, even where there is a definite commitment to equal opportunities.

The last two sections have discussed a content analysis of 32 local authority marketing brochures in order to examine key features which local authorities perceive to be important to businesses. Chapter 7 will relate these findings to features that businesses state are important, but before moving on, the next section will offer conclusions and questions for further research from this local authority survey.

5.11 Conclusion

This survey of English and Welsh local authorities has demonstrated significant increases in activity since the Mills and Young study, from 73 per cent in 1984 to 95.6 per cent in 1995. Much academic writing quotes figures given in the Mills and Young article even though it is clearly out of date. Increases can be explained by local authorities using marketing in an attempt to create employment-generating activities in times of recession. This phenomenon was observed by Barke and Harrop (1994) and to a certain degree by Mills and Young (1986), who noted a peak in activity following recession in the early 1970s. It now seems clear that marketing has reached a higher peak following the recent recession, suggesting that place marketing activity can be linked to peaks and troughs in economic cycles. The two authorities which stated that they do no marketing at all are both in affluent areas with low unemployment rates and restrictive planning policies. EDOs in both of these authorities felt that it was not necessary or desirable to market the local area as they have no need to market their areas since they have nothing to sell.

This survey has also found that numbers of local authorities combining economic development and tourism has hardly changed at all at 6.4 per cent in 1995 compared with 6.2 per cent in 1984. Of those who have combined tourism and economic development, three different approaches emerged: an amalgamation due to a lack of
resources, the use of tourism features to develop an economic development strategy, for example promotion to attract the film industry, and the use of attractive images of the city, more often associated with tourism, to attract businesses to an area, for example Cardiff City Marketing's approach.

Analysis of questionnaire replies demonstrated the same basic marketing methods as in the 1980s: brochures, press advertising and exhibitions. An examination of other methods, however, revealed some authorities to be taking new and innovative approaches, for example using the internet or telemarketing in order to attract inward investment.

Asking local authorities about the types of organisations they worked with to promote their area demonstrated that businesses were invited to forums on economic development. This was to be expected as the 1989 Local Government and Housing Act requires that local authorities consult prominent local businesses before publishing their economic development plan. Groups least likely to be consulted were found to be local community groups and education establishments. A range of varying opinions on consulting community groups was found: from it being always unnecessary to being vital to the decision-making process.

Barke and Harrop (1994) argued that local marketing activity increases during recession. Results from this survey support this view as 24 per cent of the sample started marketing during the period 1985 and 1989 and a further 36 per cent since 1990. This also accounts for differences between the results found in this survey results and those found in Mills' and Young's study.

57.4 per cent of authorities stated that they used consultants for various aspects of their marketing strategies, therefore a major consultancy was approached to determine what type of work is carried out for local authorities. This revealed an apolitical independent approach involving the use of business perception studies, SWOT-style analysis and sectoral studies in order to develop a marketing strategy which might not have come from local authority councillors or officers who are often too close to be able to identify potential problem or opportunity areas.

Local authorities were also asked to give the political make-up of their authority in order to compare with Mills' and Young's findings that the majority of authorities who market themselves were Labour controlled. As 96.5 per cent of local authorities in the 1995 sample were found to be involved in marketing activity and most councils were
“hung” with no overall control by one party, the political element was felt to be irrelevant. Place marketing is not related to party politics then, but is linked to periods of economic recession.

The final research element involved a content analysis of marketing brochures to identify features which local authorities perceive to be important to investors and to examine how people and places are portrayed. It was discovered that local authorities generally place the most importance on environmental features and good roads rather than emphasising other features such as housing. Also arising from the content analysis was a recognition that local authority marketing packages do not generally show positive images of women at work (18 out of 30) or of ethnic minorities (6 out of 30) with no obvious representations of people with disabilities at all. Although it is recognised that business executives are not really interested in looking at photographs of people it is felt that any photographs in these brochures should represent certain sections of the local population in a more positive way. This issue is not addressed directly in recently published documents on equal opportunities and planning. It therefore needs further research to determine whether representations of the working population in this way are more widespread, whether it is perceived to be a genuine problem area for equal opportunities which needs to be addressed, and whether advice on place marketing and economic development should be drafted by organisations like the RTPI.

Results given in this survey reveal features perceived to be important location factors to businesses. Chapter 7 will determine whether these features are actually attractive to businesses in a comparative study of two similar areas.
CHAPTER 6: COMPARATIVE STUDY:
POLICY INPUTS

"SWINDON: CITY FOR THE TWENTY-FIRST CENTURY
Location, lifestyle and business opportunity are the key features which has made Swindon's development and expansion one of Britain's greatest success stories." (Thamesdown Borough Council, 1994).

6.1 Introduction

This chapter is the first of two designed to determine the effects of place marketing. In this chapter the policy inputs of two statistically similar areas, Thamesdown and Stevenage are described. Full details of research design and methodology are given in Chapter 4. A summary of the aims of this comparative study are:

- to compare economic indicators in a place marketed area and a similar non-marketed area, over a specified time period, to compare policy outcomes in each area.
- to compare the aims of economic development policies in both areas and, where similar, to determine whether place marketing influences policy outcomes.
- to determine firms' reasons for location in the case study area and, if they have expanded there, why this option was chosen rather than relocation.

The main hypothesis is that place marketing does not influence the location strategies of firms as they implement their own procedures regardless of place marketing. Local authority place marketing can, however:

- bring an area to a firm's attention either directly or through agencies and commissioned studies.
- demonstrate a local authority's planning regime and give details of available sites.
- establish points of contact at a local authority.

Land use and economic development plans are examined as policy inputs in order to determine:

- Areas within each local authority boundary where new employment generating activities are to be located during the study period 1981 to 1991.
- What types of industries were to be encouraged during the study period 1981 to 1991.
Place marketing efforts in both case study areas will also be determined along with the aims of marketing campaigns.

6.2 Land Use and Economic Development Plans and Policies

The location of the two case study areas is shown in Figure 6.1. Both areas are on good transport networks and fall within limits of firms and population de-centralising to the west and north of London as identified by Prism Research (1993) and Fielding (1993). The Thamesdown local authority area covers Swindon and surrounding rural villages to the north and east, whilst the boundary of Stevenage local authority area covers a smaller, mainly urban area.

![Map of Case Study Areas](image)

**Figure 6.1: Location of Case Study Areas**

Both Stevenage and Swindon feature in *The South East Study* as areas targeted for possible expansion to receive firms and population de-centralising from London (Ministry of Housing and Local Government, 1964). Swindon is outside the South East regional boundary but was included in the study with the aim of shifting the focus of new development to areas bordering the South East in order to relieve the demand for space in the region. At this time Swindon had already been noted as:
"...the outstanding example of a successful town development scheme. The fact that it has been able to do this, at a distance of 80 miles from London, and with its own problems of declining employment in the railway workshops, is an indication of its economic potential." (Ministry of Housing and Local Government, 1964, p74).

At Stevenage, the Development Corporation had considered that original estimates of 80,000 residents could be expanded to a maximum of 140,000. *The South East Study* noted "the machinery is there, and the preliminary planning has been done" yet Stevenage was not chosen for further expansion beyond limits already laid down in its original development plan (Ministry of Housing and Local Government, 1964, p79).

Balchin (1980) notes that hostile reactions, from both local authorities and the public, resulted in a rejection of proposals by the Stevenage Development Corporation to expand in line with *The South East Study*.

### 6.2.1 Thamesdown

Bassett and Harloe (1988) note that Swindon was steered towards expansion from 1945 onwards by a Labour-led growth coalition. The council had been involved in negotiations to take population from Tottenham prior to the passing of the 1952 Town Development Act. By the late 1950s the council had built up land banks in order to influence future development (Bassett and Harloe, 1988). This targeting of Swindon for expansion in the early 1960s, combined with the routing of the M4 past the southern edge of the town in 1971, and the scheduling of high speed trains through the town, acted as a magnet to relocating firms and came like manna from heaven to boost the council's growth programme.

Firms started to de-centralise from London to Swindon in the 1960s but as communications were enhanced, more firms sought to move to the area. From the early 1970s to the mid-1980s, planning policies explicitly encouraged the development of edge-of-town campus sites, taking advantage of stocks of council-owned land to pump-prime development to the west of the town. With the blessing of the Secretary of State for the Environment, Thamesdown councillors were able to over-ride the fears and planning appeals of the County Council, who sought a more restrained level of growth, in order to meet the demands for infrastructure provision (Bassett and Harloe, 1988).

Edge-of-town campus-style developments were favoured in an attempt to attract high tech firms and financial services headquarters, thereby furthering the council's overall
aim, to diversify the local economy away from its traditional manufacturing base (Bassett et al, 1989, Thamesdown Borough Council, 1994b). The western expansion area of Swindon also became the focus for a planned population increase of 30,000 based around urban-village style development.

Figure 6.2: Swindon

Bassett et al (1988) observe a sea-change in Swindon's post-war history in the mid-1980s resulting from a questioning of the consensus towards further growth which had been firmly in place since the 1950s. Swindon had been dubbed the "fastest growing micro-economy in Europe" (Financial Times, 1983, quoted in Bassett et al, 1988) but there were rumblings of discontent expressed against what appeared to be continuing unfettered growth. A New Vision for Thamesdown, a consultative document, written by Thamesdown Councillors, called for planning controls to influence the direction of
future growth, partnership arrangements and a strengthened negotiative role between the council and central government (Bassett et al, 1988). This prophetic document was followed by an "over-heating" of the local economy in the late 1980s as supplies of development land began to dry up, labour supplies became tight due to low unemployment, and increasing traffic levels raised concerns that further growth would reduce the quality of life for residents (Thamesdown Borough Council, 1994). A continuing focus on out-of-town leisure facilities fuelled the decline, and eventual closure, of town-centre restaurants, night-clubs and the cinema. Bassett et al (1989) observed that new facilities were directed at satisfying incoming residents rather than improving the quality of life for existing residents.

In the 1990s a period of consolidation is under way. Economic development policy now focuses on building up contacts with existing companies and encouraging local supply linkages between them. Research is also being carried out to identify strengths and weaknesses of the local economy (Thamesdown Borough Council, 1992, 1994a).

Marketing and promotion have played an important policy role in Thamesdown's economic development approach which will be discussed in Section 6.2.3 after reviewing land use and economic development policies in Stevenage, the comparative area.

6.2.2 Stevenage

Breheny et al (1993) observed that in the post-war years Hertfordshire was an example of not just job creation, but job creation in new industries. By the 1960s the industrial base of the town was already dependent on manufacturing and attempts were made to divert the local economy away from any industries reliant on national policy, especially those in the defence sector. Manufacturing industries which required unskilled labour were to be encouraged in order to be able to offer jobs to school-leavers and women, along with service sector industries (Balchin, 1980). Stevenage became a highly successful area, but by the late 1970s there were concerns that firms seeking to decentralise from London were putting pressure on the area, causing a demand for labour which could not be met. A commitment to expansion might have helped to solve the labour problem but Balchin (1980) observed that the County Council was concerned that Hertfordshire should not become another Middlesex which had seen explosive growth in the post-war years.
The Stevenage Development Corporation had already faced an embarrassing defeat when proposed growth of the town, in line with population figures given in *The South East Study*, was rejected. In 1972 further expansion proposals were also dismissed and reduced to meeting local needs only, rather than expansion by 3600 acres suggested by the Corporation (Balchin, 1980). When the local plan was to be updated in 1978, an employment policy was proposed which would help to increase the local population from 71,000 to 80,000 by 1991. The County Council was against plans for expansion but this time agreed for the plan to be implemented as unemployment rates were starting to rise.

Figure 6.3: Stevenage
The recession of the 1980s affected Stevenage badly. Many manufacturing industries either closed down completely or reduced their operations resulting in the production of the *Stevenage Employment Action Plan* in 1984 (Stevenage Borough Council, 1984). This report noted that the overall success of the Hertfordshire economy had obscured the particular problems in Stevenage, whose local economy was especially vulnerable, as it relied on a few major industries mainly in the defence sector which was now in deep decline (Stevenage Borough Council, 1984). The report noted:

"the town is being held back and is unable to build on its success as a new town, its sub-regional importance, its extensive infrastructure and human resources" (Stevenage Borough Council, 1984, p7).

All development land had been transferred to the Commission for New Towns when the Development Corporation was wound up in 1980. This left few options available to the Borough Council who could have used the land to encourage employment-generating activities as Thamesdown were able to do. The Action Plan believed that new jobs could be created by relocating and expanding firms and by the creation of new firms, but there was little land earmarked for new development.

Firms did move to Stevenage, however. Confederation Life's headquarters relocated from central London and Glaxo negotiated the development of a £700 million research centre to be fully operational by 1995 (Stevenage Borough Council, 1994b). By the end of the 1980s, unemployment had fallen to 2.7%, (Figure 7.9, p97) new firms had moved in and speculative office and industrial premises had been developed, whilst interest from the financial services sector companies continued (Stevenage Borough Council, 1994b).

### 6.2.3 Thamesdown and Stevenage in the 1990s

Both Thamesdown and Stevenage appeared to be in strong positions in the late 1980s as both had low unemployment rates (see Figure 7.9, p97) and faced continuing interest from firms wishing to relocate there. The recession which followed, and continuing cut-backs in the defence sector, however, have offset some of the employment gains in Stevenage. These effects have also to be combined with restrictive planning policies and a short supply of space available for new development (Stevenage Borough Council, 1994a).
Summary of Land Use and Economic Development Policies for the 1980s in Thamesdown and Stevenage:

- Both areas aimed to divert the local economy away from a reliance on manufacturing.
- Both areas sought to attract high tech firms through their land use and economic development plans.
- Thamesdown sought to attract financial services firms.
- Stevenage aimed to attract service sector employment, focusing on retailing and leisure. They also hoped to attract new and expanding firms.
- Thamesdown used its land stocks to attract firms during the early to mid-1980s, shifting towards consolidation in the late 1980s as land stocks became depleted and concerns about the rate of growth and quality of life issues began to be expressed by local people and councillors.

There have been advantages and disadvantages for both areas in following their chosen strategies as will be demonstrated in the employer surveys in Section 7.3, but first the marketing strategy used in each case study area will be discussed.

6.3 Marketing Policies

This section describes place marketing activity in the two case study areas. Thamesdown has been involved in more or less continual marketing campaigns since the early 1960s whilst Stevenage has been involved in only sporadic marketing campaigns.

6.3.1 Thamesdown

The first signs of local marketing were carried out by the Swindon Corporation which published a brochure aimed at the management of firms in London in the 1960s. Swindon was marketed as an area with:

"Room to Breathe.....ideally situated for setting up administration offices, light industrial premises, research laboratories and firms transferring from London would gain many advantages." (Swindon Corporation, nd, p2).

Images of the crowded City of London were contrasted with spacious modern trading estates. Once firms had decided to move, some, such as W H Smith Ltd and Burmah
Castrol, produced their own advertising brochures about the area in an attempt to convince hesitant staff of the advantages to be gained by moving to Swindon.

From the 1970s onwards, the aims of successive marketing campaigns paralleled the economic development policies of the Borough Council. 'Swindon Enterprise' a semi-autonomous marketing agency, headed by a former director of Plessey was created in 1977. The aims of this body closely mirrored that of the Council: to keep local unemployment to a minimum and to encourage small businesses, self-employment and training and to promote the attractiveness of the area to these types of firms (Thamesdown Borough Council, 1984a).

In the early 1980s these aims shifted as the council responded to the increasingly competitive nature of the relocations market both from within the UK and from abroad (Thamesdown Borough Council, 1984a). Swindon was now to be sold as a business location and the Council's considerable land banks were to be used to further this aim (Thamesdown Borough Council, 1994). From 1980 onwards a new marketing campaign focused on selling positive aspects of the labour force, environment, access, communications and room for expansion, using television advertising and interviews, trade exhibitions and brochures as primary marketing methods. The marketing logo "SWINdon" epitomised the approach taken, selling the successes of the town (Thamesdown Borough Council, 1984, 1994a). The strategy taken was demonstrated in the first sentence of the marketing brochure which emphasised a sympathetic planning regime:

"Modern premises; low overheads; a sympathetic business environment and superb quality of life. These are undoubtedly assets your company would look for in a proposed site." (Thamesdown Borough Council, nd, p1).

Bassett et al (1989) observe that high tech and financial services businesses were to be attracted by selling Swindon as a town:

"fifty minutes by high speed train from London, one hour from Heathrow, next to the M4 in the golden corridor but cheaper than rival towns, surrounded by stunning countryside with lots of old rectories for executives to live in." (quoted in Bassett et al, 1989, p64).

In the late 1980s marketing efforts were reduced in line with a shift in planning and economic development policy. Marketing now concentrated on building contacts with existing companies and on the promotion of linkages between companies and the
purchase of local goods and services (Thamesdown Borough Council, 1992, 1994a). At the same time tourism began to be included in the overall development strategy, exploiting the potential of the town's railway heritage.

In the 1990s marketing is now performed within a partnership formed with the Chamber of Commerce and Industry. This partnership has been successful in attracting resources from private sector companies to produce an economic development brochure, a 3-day exhibition in London and an audio-visual show. The local authority marketing budget has been cut from a 1980s level of £100,000 a year to £20,000 annually (Thamesdown Borough Council, 1994). The Chamber of Commerce is an avid lobbier for an increased budget, however, as they believe that a reduced budget leads to a narrower definition of marketing and what it can hope to achieve (Thamesdown Borough Council, 1994).

The current marketing campaign for Thamesdown is now merely a profile-raising exercise, incorporating:

- Campaigns for city status for Swindon and for unitary status for Thamesdown Borough Council.
- Refurbishment and renewal of the town centre.
- Regional profile-raising.
- Promotion of arts and leisure facilities.
- Promotion of tourism both for visitors and for business and conference customers.
- Encouragement of improved higher education facilities for Swindon.
- Development of a new Railway Heritage Centre (Thamesdown Borough Council, 1994).

**Monitoring:** In 1987 a Thamesdown Borough Council consultative report stressed the need to monitor the effectiveness of spending on promotion as highlighted in the Auditor's value for money review of industrial promotion and economic development (Thamesdown Borough Council, 1987). The council's report stated that steps had been taken to implement improved monitoring although no hard evidence of this was discovered. A 1992 report demonstrates that employment in the town increased by almost 14,000 during the 1980s, but no attempts have been made to link this directly to marketing policy (Thamesdown Borough Council, 1992a).
6.3.2 Stevenage

Small, mainly one-off, marketing campaigns have been carried out in the Stevenage area. Planning policies were restrictive throughout the 1970s which was reflected in little need for marketing. Stevenage was involved in two campaigns during the study period: a 40th birthday as a New Town promotion in 1986 and as part of a collaborative A1 corridor campaign in the late 1980s (Stevenage Borough Council, 1994). A new campaign "Stevenage: Brighter for Business" started in January 1995 in partnership with the Hertfordshire Development Organisation in order to attract businesses to the area. This campaign is part of a policy response to combat rising unemployment (to be discussed in Section 7.2.3) and to fill vacant and derelict sites in the area (Stevenage Borough Council, 1994a).

Summary of Marketing Activity:

Swindon has been involved in a series of successive marketing campaigns since the early 1960s when both firms and the council marketed the area. The focus of campaigns has shifted as:

- Swindon began to be marketed as a business location in the 1980s.
- Council-owned land stocks available for development have been depleted.
- Environmental concerns have been expressed by local people and councillors.
- Budgets for marketing have been reduced.

An average of £100,000 a year was spent on marketing throughout the 1980s.

Stevenage has been involved in comparatively little marketing:

- a 40th Anniversary as a New Town promotion in 1986.
- an A1 corridor campaign in the late 1980s.
- a "Brighter for Business" campaign (from January 1995).

6.4 Conclusion

This chapter has shown that Stevenage and Thamesdown have taken different approaches to land use and economic development since initial expansion as a new or expanded town in the 1950s. County Councils in both areas had been against expansion but Hertfordshire County Council was more successful at restricting growth than Wiltshire County Council. The successful expansion of Swindon was due to other factors, including improved communications, central government support for expansion and a lack of opposition from local interest groups. Bassett and Harloe (1988) argue that this latter factor was due to a veil of secrecy surrounding the
council's expansion plans: people could not protest about what they did not know about. Harloe (1975) also notes that there were no strong interest groups operating in Swindon which could successfully be mobilised to protest against expansion. A one-class town society developed with a small middle-class section who were opposed to expansion (Harloe, 1975). This was a far cry from the picture emerging in Stevenage, where Balchin (1980) observed the successful lobbying of residents groups and others, including the local farming interest who were vehemently opposed to urban expansion of any kind.

This chapter has set the policy background for Chapter 7 which examines policy outcomes in the form of employment trends, changes in the gender structure of the workforce and in levels of part-time working. A business survey is also used to demonstrate location choice factors in each area and to determine levels of satisfaction with each area as a business location.
CHAPTER 7: COMPARATIVE STUDY: POLICY OUTCOMES
CHAPTER 7: COMPARATIVE STUDY: POLICY OUTCOMES

"WELCOME TO THE £700M HOUSE THAT ZANTAC BUILT...In 1988, Sir Richard Sykes, deputy chairman and chief executive of Glaxo, was seen careering round a 100-acre wasteland on a mechanical digger. Eight years and £700 million later, the Stevenage site has been transformed into a state-of-the-art research centre, which will house 1,000 scientists intent upon discovering a new generation of drugs." (The Times, 1995).

7.1 Introduction

Chapter 6 examined policy inputs as part of a comparative study, whilst this chapter analyses the outcomes of these same policies. Trends will be compared between an area which has marketed for more than thirty years and one which has marketed sporadically in order to determine differences between the two areas. Summary boxes will be used intermittently to condense data to key points.

7.2 Policy Outcomes

The outcomes resulting from policies described in Chapter 6 are used to examine the overall impact of place marketing. This section outlines trends in employment and unemployment in both case study areas, from 1981 to 1991, and compares them, both with each other, and with national trends. Other indicators including a business survey are used to determine location-choice factors in each area and the relevance of public policy, including place marketing, to location choice.

7.2.1 Employees in Employment


Figure 7.1: Total Employees in Employment: GB, Thamesdown and Stevenage, 1981-1991 (Source: DoEmp, Census of Employment).
Figure 7.1 shows trends in numbers of employees in employment. It is noticeable that Thamesdown has shown increases consistently above relative national figures, whilst in Stevenage, numbers have, for the most part, remained below national figures.

Figure 7.2 shows trends given in Figure 7.1 broken down into Standard Industrial Classification (SIC) categories 0-9 for Great Britain (GB) 1981 to 1991. The same categories are shown for Thamesdown in Figure 7.3 and for Stevenage in Figure 7.4.

![Diagram of Figure 7.2](image)

Key:

0. Agriculture, forestry, fishing
1. Energy & water supply industries
2. Extraction/ manufacture: minerals/ metal
3. Metal goods, vehicle industries
4. Other manufacturing industries
5. Construction
6. Distribution, hotels, catering, repairs
7. Transport & communication
8. Banking, finance, insurance, leasing
9. Other Services

Figure 7.2: Relative Growth of Employees in Employment in GB: SICs 0-9: 1981-1991 (Source: DoEmp, Census of Employment, Employment Gazette).

Figure 7.2 shows an overall decline in numbers of employees in employment in Great Britain and the changing numbers of employees in each sector in relation to 1981 figures. The only sectors showing increases during the study period are in the service sectors: SICs 6, 8 and 9. All other SICs show decline. These patterns of decline in manufacturing and extractive industries, combined with rises in service sector industries, coincide with shifts from primary to tertiary industries, for example from agriculture to financial services as observed by Browning and Singleman (1978) and described in Section 2.3 (p19).
Figure 7.3: Relative Growth of Employees in Employment in Thamesdown: SICs 0-9: 1981-1991 (DoEmp, Census of Employment).

Note: There are no employees in employment in Sector 0 throughout the study period.

Figure 7.4: Relative Growth of Employees in Employment in Stevenage: SICs 0-9: 1981-1991 (Source: DoEmp, Census of Employment).

Key for Figures 7.3 and 7.4:
0 Agriculture, forestry, fishing
1 Energy & water supply industries
2 Extraction/ manufacture: minerals/ metal
3 Metal goods, vehicle industries
4 Other manufacturing industries
5 Construction
6 Distribution, hotels, catering, repairs
7 Transport & communication
8 Banking, finance, insurance, leasing
9 Other Services
Figure 7.5 shows percentage change in numbers employed in each SIC in GB, Thamesdown and Stevenage over the study period.

Note: There were no jobs in SIC 0 in Stevenage from 1981 to 1991.

Key:

0 Agriculture, forestry, fishing
1 Energy & water supply industries
2 Extraction/manufacture: minerals/metal
3 Metal goods, vehicle industries
4 Other manufacturing industries
5 Construction
6 Distribution, hotels, catering, repairs
7 Transport & communication
8 Banking, finance, insurance, leasing
9 Other Services

Figure 7.5: Change in Employment by SIC Category in GB, Thamesdown and Stevenage: 1981-1991 (Source: DoEmp, Census of Employment).

Certain trends emerge from Figures 7.2 to 7.5 as follows:

**SIC 1: Energy & Water Supply Industries:** Both Thamesdown and Stevenage show rates of growth above the national average. In Thamesdown the huge percentage change between 1981 and 1991 can be attributed to the relocation of National Power’s HQ in 1989.

**SIC 4: Other Manufacturing Industries:** Decreases in this SIC Class are shown nationally. Stevenage also follows this trend but at a faster rate. This is not the case in Thamesdown, however, where numbers increased until 1989, followed by a dip in 1991. As described in Chapter 6, both case study areas hoped to divert their local economy away from a dependence on manufacturing. This has partially been achieved in Stevenage which has shown a decline in numbers of employees in this sector since
1981. In Thamesdown the number of employees in this sector actually increased until 1989 when levels started to decrease. Thamesdown has also shown an overall percentage increase as seen in Figure 7.5.

**SIC 6: Distribution, Hotels, Catering, Repairs:** This sector shows increases both nationally and in the case study areas, reflecting general moves from primary industries such as agriculture towards service sector industries as described in Section 2.3 (p19). Both Thamesdown and Stevenage show higher rates of growth than national figures.

**SIC 8: Banking, Finance, Insurance, Leasing:** This sector shows the most dramatic rates of growth, with national levels of employment increasing by 54 per cent, 108 per cent in Thamesdown and 176 per cent in Stevenage. Again these changes are explained by the Fisher-Clarke model described in Chapter 2. In the case study areas, rises in employment can be explained by the activities of a few large firms: Nationwide Building Society consolidating its operations in Swindon resulted in 2,300 jobs in this company alone, and in Stevenage, the relocation of Confederation Life's headquarter offices increased local employment in this sector.

### 7.2.2 Outcomes of Case Study Areas' Economic Development Policies

By examining the types of jobs which Thamesdown and Stevenage Borough Councils hoped to attract, it can be established whether policy aims were realised. As discussed in Chapter 4, the SIC system labels all jobs within a firm as being in its principal operating sector, regardless of the type of job. Any attempts to determine whether policy aims were achieved, will therefore be based on estimates of the types of employment attracted to an area, rather than actual employment as figures are not broken down into types of job, for example, technical staff, management or administration.

**High Tech:** Both areas stated that they were trying to attract high tech jobs. A number of different writers have attempted to define high tech, most incorporating various combinations of producers and consumers of high tech products, such as computers and electronics. There is no standard definition of high tech in the Standard Industrial Classification (SIC) of firms. Furthermore, there are problems using SIC classifications to identify high tech employment as firms are classified according to the main activity at the site, rather than of the parent group. The head office of a computer firm, for example, may be listed as a central office rather than as a computer firm (Hall et al, 1987).
SICs are categorised according to different layers of detail. The lowest amount of
detail is given in Divisions 0-9 (as shown in Figures 7.1 to 7.4). There are three
further levels of detail given in two-digit Classes, three-digit Groups and four-digit
Activity Headings. In their 1987 study of the M4 corridor, Hall et al used a
combination of standard definitions from Activity Headings within SICs to determine
high tech industries as shown in Figure 7.6.

<table>
<thead>
<tr>
<th>Activity Heading</th>
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<tbody>
<tr>
<td>2570 pharmaceutical products</td>
</tr>
<tr>
<td>3302 electronic data processing equipment</td>
</tr>
<tr>
<td>3441 telegraph &amp; telephone apparatus &amp; equipment</td>
</tr>
<tr>
<td>3442 electrical instruments &amp; control systems</td>
</tr>
<tr>
<td>3443 radio &amp; electronic capital goods</td>
</tr>
<tr>
<td>3444 components other than active ones, mainly for electronic equipment</td>
</tr>
<tr>
<td>3453 active components &amp; electronic subassembly</td>
</tr>
<tr>
<td>3454 electronic consumer goods &amp; other electronic equipment</td>
</tr>
<tr>
<td>3640 aerospace equipment manufacture &amp; repair</td>
</tr>
<tr>
<td>7902 telecommunications (excluding P.O, broadcasting &amp; cable)</td>
</tr>
</tbody>
</table>

Figure 7.6: 1980 SIC Definition of UK High Technology Industries (Source: Hall et al, 1987, p19).

Data at this level of disaggregation was not available to compare high tech employment trends between Thamesdown and Stevenage. A combination of higher-level SIC Classes is used, however, to give a crude measure of jobs in high tech firms as shown in Figure 7.7.

<table>
<thead>
<tr>
<th>Class Heading</th>
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<tbody>
<tr>
<td>25/26 Chemicals and Man-made fibres</td>
</tr>
<tr>
<td>33 Office Machinery</td>
</tr>
<tr>
<td>34 Electrical Engineering</td>
</tr>
</tbody>
</table>

*Note: There are no employees in employment in man-made fibres (SIC 26) in Thamesdown or Stevenage.*

Figure 7.7: 1980 SIC Classes used to Compare Thamesdown and Stevenage (Source: DoEmp, Census of Employment, Employment Gazette).
Figure 7.8 compares relative growth of jobs in SIC classes identified in Figure 7.7 in the two case study areas. In terms of attracting these types of jobs, Thamesdown has fared better than Stevenage during the 1980s, with rises from 1981 to 1984, and from 1987 to 1989. Increases in employment in these types of firms appear to have been unsustainable, however, as a decline in employment is evident since 1989, almost down to 1984 levels. Stevenage shows a different trend with job losses between 1981 and 1984, stabilising until 1987, when slight gains followed.

Note: There are no employees in employment in man-made fibres (SIC 26) in Thamesdown or Stevenage.

Figure 7.8: Relative Growth in Employees in Employment in SIC Classes 25/26, 33, 34: GB, Thamesdown and Stevenage: 1981-1991 (Sources: DoEmp, Census of Employment, Employment Gazette).

Figure 7.9 shows changing percentages of employment in these SIC classes within total numbers of employees in employment. Both case study areas show a higher proportion of jobs than nationally, but between 1981 and 1991, Thamesdown has gained slightly whereas Stevenage has lost employment. If the period 1984 to 1991 is examined, however, a different picture emerges, one of proportional decline in Thamesdown compared to a slight gain in Stevenage.

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<tbody>
<tr>
<td>GB</td>
<td>5.2</td>
<td>5.2</td>
<td>4.6</td>
<td>4.4</td>
<td>4.1</td>
<td>-1.1</td>
<td>-1.1</td>
</tr>
<tr>
<td>Thamesdown</td>
<td>7.6</td>
<td>10.0</td>
<td>9.5</td>
<td>9.7</td>
<td>8.1</td>
<td>+0.5</td>
<td>-1.9</td>
</tr>
<tr>
<td>Stevenage</td>
<td>8.2</td>
<td>6.9</td>
<td>6.9</td>
<td>6.9</td>
<td>7.2</td>
<td>+1.0</td>
<td>+0.3</td>
</tr>
</tbody>
</table>

Figure 7.9: Percentage Change in Employees in Employment in Firms in SIC Classes 25/26 33, 34: GB, Thamesdown and Stevenage: 1981-1991 (Sources: DoEmp, Census of Employment, Employment Gazette).
Leisure: Stevenage sought to attract jobs in leisure and retailing. Data to examine the retailing sector was unavailable but leisure employment trends in SIC 97: Recreational and Other Cultural Services, were examined and are shown in Figure 7.10. This graph shows that both case study areas have attracted jobs in this sector, but Thamesdown at a higher rate than Stevenage. Thamesdown has also increased its percentage of total employees in employment in this sector, and at a higher rate than Stevenage, as shown in Figure 7.11.

![Figure 7.10: Relative Growth in Employees in Employment in Recreational and Other Cultural Services (SIC 97): GB, Thamesdown and Stevenage: 1981-1991 (Sources: DoEmp, Census of Employment, Employment Gazette).](image)

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>GB</td>
<td>2.0</td>
<td>1.9</td>
<td>2.4</td>
<td>2.2</td>
<td>2.4</td>
<td>+0.4</td>
</tr>
<tr>
<td>Thamesdown</td>
<td>1.4</td>
<td>1.6</td>
<td>1.8</td>
<td>1.8</td>
<td>2.2</td>
<td>+0.8</td>
</tr>
<tr>
<td>Stevenage</td>
<td>1.0</td>
<td>0.8</td>
<td>1.4</td>
<td>1.4</td>
<td>1.5</td>
<td>+0.5</td>
</tr>
</tbody>
</table>

Figure 7.11: Percentage Change in Employees in Employment in Recreational/Other Cultural Services (SIC 97): GB, Thamesdown and Stevenage: 1981-1991 (Sources: DoEmp, Census of Employment, Employment Gazette).

Financial Services: Thamesdown sought to attract jobs in Financial Services. SICs 81, Banking and Finance, and 82, Insurance, were therefore combined to show trends in this sector as shown in Figure 7.12. The percentage change is shown in Figure 7.13.
The overall picture emerging is that both case study areas show higher rates of growth in employees in employment than nationally and higher proportions of local employment in financial services than nationally. Thamesdown's economic development policies aimed to attract jobs in this sector yet relatively more jobs were attracted to Stevenage without a policy to attract such jobs. This can partially be explained by the relatively few numbers of large firms in the Stevenage area. One large firm moving into the area will create a surge in local employment in this sector. The increase between 1989 and 1991 in Stevenage shown in Figure 7.12 will almost exclusively be due to one Head Office relocating there in 1988.

**Success of Local Authority Policies:** Figures 7.6 to 7.13 have been used to show trends in SIC classes where either, or both, local authorities were aiming to attract jobs during the 1980s. In the case of leisure and financial services, both sets of statistics show that the area not trying to attract this type of employment actually fared better. Trends in high tech employment are not so clear-cut, partly due to difficulties in
obtaining data at a fine level, and in classifying high tech industries. Thamesdown appears to have fared well, with higher relative numbers and a higher percentage of total employment in this sector, but from 1984, although numbers of employees were increasing above the national growth rate, employment in these SIC Classes started to decrease. In Stevenage, numbers of employees in this sector started from a lower base, falling slightly to a low in 1984, then increasing slowly but steadily to 1991. This trend looks set to continue following the recent opening of a £700 million Glaxo Research Campus in Stevenage, which will eventually employ 1400 scientists (Times, 1995).

7.2.3 Unemployment

There are well-documented problems in using government statistics to show unemployment rates as many people are excluded from the figures by their ineligibility to claim state benefits. For this study, Travel to Work Area (TTWA) data is used to compare local "official" unemployment rates, covering all employees who may live outside the case study but travel to work inside the area. Figures for the local authority area are not used as they only cover residents who "sign-on" at the case study area employment offices and not those who may live outside the town, but would normally work there.

![Figure 7.14: Unemployment Rates, UK, Swindon and Hitchin and Letchworth TTWAs: 1981-1991 (Sources: Derived from DoEmp, Employment Gazette).](image)

As can be seen from Figure 7.14, both Swindon and the Hitchin and Letchworth TTWAs (covering the Stevenage area) follow similar patterns, although Swindon started from a higher rate of unemployment in 1981. Unemployment in the Swindon
TTWA reduced between 1986 and 1990, faster than both the national rate and the rate for the Hitchin and Letchworth TTWA. The Swindon area appears to have fared much better than Stevenage at reducing unemployment rates. The percentage change rates, from 1981 to 1991, show a 4 per cent reduction in unemployment rates in Thamesdown TTWA compared to a drop of 1.2 per cent at the Hitchin and Letchworth TTWA.

This success at reducing unemployment rates has to be set against the lower starting rates at Hitchin and Letchworth TTWA, which kept relatively low unemployment rates throughout the greater part of the 1980s. Hertfordshire County Council's objections to development on the grounds of unavailability of labour are also reflected in these unemployment levels. Towards the end of the 1980s, however, this policy seems to have backfired for the Hitchin and Letchworth TTWA as recession and further job cuts in the defence sectors have not been balanced by enough new employment in the area.

Summary of policy aims and their successes:

- Thamesdown was not as successful as Stevenage in diverting the local economy away from manufacturing.
- Initial growth rates in high tech SIC Classes of employment in Thamesdown were unsustainable, showing decreases from 1989, whilst Stevenage has achieved slight gains since 1989.
- Policy objectives to increase jobs in leisure and recreation in Stevenage were exceeded by Thamesdown where there was no such policy aim and objectives to increase jobs in financial services in Thamesdown were exceeded by Stevenage where there was no such policy aim. This indicates that local economic policy made little difference to outcomes in terms of job increases in the case study areas.
- Unemployment has remained lower than the national average in the Hitchin and Letchworth TTWA throughout the study period.
- Unemployment has decreased rapidly in the Swindon TTWA from 1981 to 1990.

7.2.4 Changes in Gender, Full-time and Part-time Employment

Figure 7.15 shows the percentage change in numbers of employees in employment broken down into male and female total employment and part-time employment.
Figure 7.15: Percentage Change in Numbers of Male and Female Employees in Employment, GB, Thamesdown and Stevenage: 1981-1991 (Sources: DoEmp, Census of Employment, Employment Gazette).

Figure 7.10 shows that all types of employment have increased in Thamesdown. Interestingly Thamesdown has also shown the highest percentage change increases in numbers of part-time workers whilst Stevenage has shown a loss in female employees in employment, which is against the national trend.

7.2.5 OPCS Multi-variate Analysis

In spite of various differences in employment trends since 1981 in the two case study areas, 1991 Census analysis shows the two case study areas still to be statistically similar (OPCS, 1995).

Summary of outcomes not identified by policy aims:
- Thamesdown differs from national trends showing increasing male employment rates both full and part-time.
- Stevenage differs from the national trend as it does not show increases in part-time employment.
- Thamesdown and Stevenage still found to be statistically similar by OPCS in 1991.
Having examined policies and their outcomes in both areas, a number of trends have emerged as given in the summary boxes. The most obvious of these trends show increasing employment levels in Thamesdown as opposed to an overall decline in employment in Stevenage. It is difficult to determine at this stage whether place marketing has influenced employment growth in Thamesdown. It is, however, possible to determine that policy outcomes were not exactly as intended. In some respects, Stevenage has fared better, for example in attracting relatively more jobs in the financial services sector and by diverting the local economy away from manufacturing.

The only way to determine whether place marketing has actually influenced the location decisions of firms is to ask the decision makers themselves. The next section therefore, documents a survey of firms in both areas to determine whether the managing directors of firms believe that place marketing influenced their firm's location choice.

7.3 Survey of Firms

The method for this survey is given in Chapter 4. A list of companies which responded to the survey and their activity in the case study area is given in Appendix C. The first part of the analysis will examine the responses to each section of the questionnaire, before drawing conclusions about the location strategies and effectiveness of place marketing policy in each area.

7.3.1 Activities of Firms in Case Study Areas

Figure 7.16 shows the range of activities of firms in the case study areas. 53 firms in the Thamesdown sample gave a total of 90 activities whilst 39 Stevenage firms gave a total of 42 activities. This can be attributed to the larger size of companies with an average of 451 employees per firm in Thamesdown compared to 182 in Stevenage. Larger firms, both in terms of numbers of employees and square footage covered, are able to provide scope for more company activities to be located in one area.
From Figure 7.16 it can be deduced that firms in both samples cover the same types of activities, except for management which only features in the Stevenage sample.

**7.3.2 Characteristics of Employees**

The characteristics of staff are shown in Figure 7.17.

There is little variation between characteristics of staff between the areas, except for a higher percentage of professionals and managers in the Stevenage sample of firms. This can be explained by high levels of scientists and project managers included in the professional category in the Stevenage sample. In Thamesdown, higher levels of administrative staff result from high numbers of administrative headquarters offices and
higher levels of skilled-manual workers are employed in the large Honda and Rover car plants in Swindon.

### 7.3.3 Length of Time Firms have been in Case Study Areas

![Graph demonstrating the length of time firms have been in Thamesdown and Stevenage](image)

**Figure 7.18: Period when firms located in Thamesdown and Stevenage**

Figure 7.18 demonstrates that firms in the Stevenage sample had generally been in the area a shorter time than those in Thamesdown. It is also noticeable that the peak period for firms locating in Thamesdown was the decade prior to the study period. This was also when "Swindon Enterprise", a marketing function organised managerially and physically separate from the Borough Council, was in operation. The peak period for firms locating in Stevenage was during the study period itself. Figure 7.1 (p91) demonstrated that higher numbers of jobs were created in Thamesdown during the study period, therefore the higher numbers of firms locating in Stevenage in the study period must be small firms rather than large.

Figure 7.19 gives a breakdown of firms in the study areas which were new to the area or had expanded during the period 1981 to 1991. The first thing of note is a balance between endogenous and exogenous growth in Stevenage as opposed to only exogenous growth shown in Thamesdown. None of the firms from the sample were formed within the Thamesdown area, as opposed to 11 in Stevenage. Seventeen firms relocated to Thamesdown as opposed to 10 to Stevenage. These findings can be related to the planning and economic development policies of each area. Stevenage aimed to increase new firm formation whereas Thamesdown made land available which has been taken up by relocating and expanding firms as shown in Figure 7.19. Exogenous growth is also an expected feature of a marketed area as the aim of place marketing is to draw in firms from other areas and countries.
### Firms in Case Study Areas 1981 to 1991

<table>
<thead>
<tr>
<th>Firms in Case Study Areas</th>
<th>Thamesdown</th>
<th>Stevenage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>New Venture in the Area</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>New Venture &amp; Expansion</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Relocation</td>
<td>3</td>
<td>10.3</td>
</tr>
<tr>
<td>Expansion</td>
<td>12</td>
<td>41.3</td>
</tr>
<tr>
<td>Relocation &amp; Expansion</td>
<td>14</td>
<td>48.3</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>22</td>
</tr>
</tbody>
</table>

*Note: Not all firms answered the questions on starting business, relocation and expansion.*

#### Figure 7.19: New Ventures, Relocations and Expansions in Case Study Samples

#### Summary of Characteristics of Firms

- Larger average size of firm in Thamesdown sample.
- Higher numbers of functions in the Thamesdown sample.
- No management function in the Thamesdown sample.
- Higher percentage of professionals and managers in Stevenage sample.
- Firms in the Stevenage sample had been there less time than those in Thamesdown.

During the study period 1981 to 1991:

- Thamesdown showed signs of exogenous growth.
- Stevenage showed signs of balanced growth.

#### 7.3.4 Influences in Choosing Business Location

Most of the firms who were new companies or who had relocated, and/or expanded during the study period, gave reasons why the location was chosen or why they had chosen to expand without relocating. For Thamesdown, reasons given for relocation were overwhelmingly due to its location on the M4. A few companies who had factories in South Wales and Head Offices in London, stated that this was the optimum location. In Stevenage three of the newly formed firms stated that they were in Stevenage as it was close the founder's home. It is interesting to note at this point that not one firm has mentioned marketing or the significance of local policy as an important location factor.
Figure 7.20 shows the frequency of location factors mentioned by firms in both case study areas in answer to the tick-box type question 12 (see Appendix C).

The "Other" category in Figure 7.20 contains one-off replies, including the welcome of local people, location of an airport site for prototype testing and take-over of an existing company. One firm stated that they moved to Thamesdown because of its "geological structure which was particularly suited to the manufacture of video discs". This firm is no longer involved in this type of production but has now settled and expanded in Swindon as sites were available for expansion.

**Correlation between factors:** The most common factors given are a good road system, availability and cost of site and the quality of workforce. The response frequencies can be ranked by using the Spearman's Rank correlation to determine the relationship between location factors in the two areas. The coefficient of correlation ($r'$) is calculated to determine the relationship between the importance of location factors in the two areas where:

$$r' = 1 - \frac{6\sum d^2}{n(n^2 - 1)}$$

where $n = \text{batch size}$, $6\sum d^2 = \text{sum of squares of differences in ranks}$

$r'$ is calculated to be 0.96. The relevant statistical tables show that there is a less than 1 per cent chance of such a high level of $r'$ occurring by chance. The appropriate
conclusion therefore is that firms in both areas attach similar importance to each of the location factors.

**Differences Between Areas:** It is also interesting to note where there are differences between choice of location factors in the two case study areas. Categories applying to only one area include management buyouts of existing companies, being close to the founder's home and proximity to universities in Stevenage. These type of location choice factors indicate the different features that the area has to offer, which were therefore of no importance to firms in the other area. Other differences include availability and cost of site being more important to firms in Stevenage. These differences are expanded on by qualitative answers which revealed that many firms found it extremely difficult to find a suitable site within the South East region in the 1980s. Confederation Life, for example, stated that their Stevenage site was the only one available and suitable at the time when they were seeking to relocate. The cost of the workforce was also an important influence for firms setting up in the area: many of these had come from London and were seeking cost reductions. Others, who were seeking to locate in the expensive South East region, felt that anywhere in the region which was suitable for business needs, but which was also slightly cheaper, should be favoured.

7.3.5 **Relevance of Local Support Agencies to Location Strategies**

A list of local public and private agencies was given to firms who were asked to state whether contact with any of them was helpful to their decision to locate or expand in the case study area. At this point a specific question was also asked about the relevance of local marketing.

Twenty Thamesdown companies (36 per cent of the sample) stated that they had seen marketing for the area, one company executive drew the logo SWINdon on the questionnaire and one even named the council executive who helped with relocation in 1979. A surprisingly high number of companies in Stevenage (34 per cent of the sample) also said that they had seen marketing about the area, even though there had been only brief campaigns compared to the marketing effort at Thamesdown. In the Stevenage sample, two executives quoted the marketing slogan which was introduced in January 1995, "Brighter for Business".

This surprising finding reveals that business executives generally take note of marketing campaigns, whatever the level of advertising. Executives were also asked
whether they felt that any of the local agencies listed, or any relocation consultants, had been useful in influencing their decision-making strategies to locate or expand in the area. The results for those who were new to the area, or who had expanded during the study period, are shown in Figure 7.21.

<table>
<thead>
<tr>
<th>Helpfulness of:</th>
<th>Thamesdown No.</th>
<th>Stevenage No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Council</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>Marketing</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Relocation Consultants</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>3</td>
</tr>
</tbody>
</table>

Figure 7.21: Relevance of Local Agencies to Location Strategies

Figure 7.21 shows that local agencies were of little help to the location-decision-making strategies of firms in Stevenage. Some firms in Thamesdown found the local council supportive, but from comments made on questionnaires this has been mainly because the council has taken a positive stance towards the development of sites and the physical expansion of firms once they have started business in the area. Eight of the largest firms stated that they had located in Thamesdown with later expansion in mind. The Norman Foster designed Renault building in Swindon, is of modular construction. One of the major reasons for its location here is because initial negotiations with the council included the assurance that expansion would be acceptable.

7.3.5.1 Marketing Effectiveness

Figure 7.19 (p106) demonstrated that 29 firms were either new to Thamesdown or had expanded during the study period and Figures 7.21 have shown that only 5 of these firms felt that place marketing was helpful in aiding their location choice. It cannot be assumed from these figures however, that marketing had any significant influence on location choice for these firms as when they had been directly asked why they had located or expanded in the area, none of them mentioned that marketing had attracted them.

So why, when specifically asked about marketing, did these five firms apparently change their minds? It is possible that mentioning place marketing prompted them to
think about it more carefully. Four out of the 5 firms who felt that marketing was influential had located to Thamesdown with expansion in mind. Marketing brochures which were in circulation at the time when they may have been considering relocation, featured strong messages about a sympathetic planning regime, which also linked to their own expectations from the area. Therefore, it is possible that, in these cases marketing may have influenced their decision, as its main message and their own location needs coincided. The other firm stated that the marketing literature brought "Swindon to their attention as a possible site" (Bible Society, Swindon).

It is difficult to determine whether these findings are significant. One of the prime purposes of advertising is to increase product awareness. It is therefore possible that the firms who claimed not to have been influenced by marketing might not have heard of Swindon had they not seen marketing just once. It is also possible, however, that these firms would have arrived at the same location choice without seeing any of the marketing literature. This idea will be enhanced in Section 7.3.6, where the location strategies of larger firms are discussed.

7.3.5.2 Relocation Agents

Figure 7.21 (p109) shows that 4 firms from Thamesdown used relocation agents to aid their location choice. These firms were all large (over 500 employees) and this idea will be returned to in Section 7.3.6 where the location strategies of larger firms are discussed.

It was discovered that firms from both areas are continually bombarded with information about relocation from these types of agency, from both the public and private sector, and from other countries including Greece and Barbados. Interestingly both case study areas have been approached by the Welsh Development Agency (WDA). One Managing Director in Swindon said that he had expressed a "slight interest" in relocating to South Wales when labour supply was becoming tight in the late 1980s. After a lengthy evaluation process, the firm decided to stay in Swindon but they have been barraged with phone calls from WDA agents ever since.
**Summary of Location Factors:**

- There is a significant correlation between location choice factors considered by firms in both case study areas.
- Higher numbers of firms in the Thamesdown sample stated that they found the local council or relocation consultants helpful for their location choice.
- Executives in both areas had absorbed some of the marketing messages, 36 per cent in Thamesdown, 34 per cent in Stevenage.
- Only 5 Thamesdown firms who located or expanded during the study period 1981 to 1991 felt that marketing was helpful to their location choice.

Sections 7.3.4 and 7.3.5 have examined factors which affected the location choice of firms in the case study areas. The next section gives details of semi-structured telephone interviews with larger firms from each area in order to determine location strategies in more detail.

### 7.3.6 Interviews with Firms

Nine firms were interviewed and press packs from two firms examined to determine further information about the location strategies of firms. A list of firms and their activities is given in Figure 7.22.

<table>
<thead>
<tr>
<th>Name and Location of Firm</th>
<th>Activity at Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confederation Life, Stevenage.</td>
<td>UK HQ</td>
</tr>
<tr>
<td>Galileo International, Swindon.</td>
<td>European HQ</td>
</tr>
<tr>
<td>Honda Ltd, Swindon.</td>
<td>R&amp;D, Manufacturing</td>
</tr>
<tr>
<td>Intel UK, Swindon</td>
<td>Sales, Marketing, Design</td>
</tr>
<tr>
<td>National Power Plc, Swindon.</td>
<td>UK HQ</td>
</tr>
<tr>
<td>PHH Europe, Swindon.</td>
<td>Relocation &amp; Vehicle Mgt</td>
</tr>
<tr>
<td>Reader's Digest, Swindon.</td>
<td>Distribution, Customer Services, Computing</td>
</tr>
<tr>
<td>Renault UK, Swindon.</td>
<td>UK Distribution Centre</td>
</tr>
<tr>
<td>W H Smith Ltd, Swindon.</td>
<td>UK HQ &amp; Distribution</td>
</tr>
</tbody>
</table>

Figure 7.22: Large Firms Interviewed about their Location Strategy

Three out of the nine firms in this sample group were constrained to locate near to other premises which affected their choice of location. Honda, for example needed to...
be close to Rover, its collaborative partner, therefore Swindon or Cowley, where Rover already maintained large plants, were obvious choices. Swindon was favoured because of a large greenfield site being available, on an old war-time airport. This site was particularly useful as the run-ways, which were still in place, could be used to test prototype production models. Good communications, proximity to Honda's European Headquarters at Reading and the welcome of local people were also mentioned as being significant factors affecting the choice of the Swindon site (Honda, 1995). Like Honda, Renault UK was also constrained to be close to Reading to be near to its UK Headquarters. The third firm, Confederation Life, was not so much constrained to be near other companies, but to be within an hour's drive of London. At the time they were seeking to move from London, the only site available within an hour's drive radius was the site which they now occupy at Stevenage.

The remaining six firms had moved the whole of their UK, or regional, operation to the case study areas and were not constrained to being close to other premises. The firm with the least constraints was Galileo, formed by a consortium of nine European and one US airlines. This group of airlines sought a European site with good access to a hub airport. After a series of narrowing down exercises, Swindon was chosen as the consortium's European site, where the development and marketing of computerised ticket reservation systems would take place.

Narrowing-down exercises emerged as the main method of choosing a location where there were no constraints on location. Some firms hired consultants to perform this exercise within a set of given parameters. Milton Keynes and Peterborough were named by four firms (one from Stevenage and three from Thamesdown) as other areas considered. These towns were considered for relocation because of their known pro-development stance although the cost criteria of cheaper labour and sites has persuaded many firms to choose Swindon over Milton Keynes or Peterborough.

All firms were asked if they felt the activities of the local council were of particular use to their decision-making. All said that they produced their own short list of areas to locate to. It was not until then that the actions and attitude of the local council became relevant, and sometimes crucial, to where the firms chose to locate. For example, PHH was interested in moving to Bristol but "Bristol was not interested in us" (Managing Director, PHH Plc).

Once past the initial negotiative phase, firms interviewed found the local council to be generally supportive of their aims. Eight of the nine firms in this sample have
expanded their operations since initial location. All those based in Swindon chose their particular sites with expansion in mind. All the Swindon firms stated that council's attitude to allowing expansion without protracted planning negotiations was crucial to their choice of location and also determined why they had expanded in the town rather than looking elsewhere for larger premises.

Figure 7.23 shows a diagrammatic representation of the location strategy for the firms in this sample.

![Diagram of Location Strategies of Interviewed Firms]

**Figure 7.23: Location Strategies of Interviewed Firms**

This diagram represents the decision-making process of the sample of firms interviewed, some of whom faced location constraints, for example, Honda to be near to Rover, and Galileo to be near to a major hub airport. Once any constraints have been considered, a series of narrowing down exercises begins to determine a short-list of firms. It is only then that the local council becomes involved and their responsiveness will be crucial to the firms' location choice.

Two of the five Swindon Managing Directors interviewed stated that an abundance of golf courses and attractive villages in the area was an important feature when considering whether managers would be happy to relocate. The Managing Director of

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PHH, employing 288 managers (40 per cent of staff) believes that a lack of cultural facilities offered in Swindon itself was not a drawback as only 15 per cent of managers live in the town. The majority of managers live in surrounding towns and villages such as Cirencester, Marlborough and Bath.

None of the Directors of this group of companies said that marketing had any influence on their decision-making strategy, although the Managing Director of Galileo International said that "it helped to alert us to Swindon as a possible location" but the literature received came from a consultancy, not from the Borough Council. This highlights an important aspect of marketing for local authorities: as consultancies are used to produce relocation studies, then it is vital that these types of organisations are targets of marketing campaigns as well as the type of firms hoped to be attracted. One director also said:

"the marketing did not help us directly in our choice of location, but gave an indication of whether the council was likely to be supportive to our needs." (Managing Director PHH Plc, Swindon).

This statement is interesting when considering that other short-listed areas named by firms were Milton Keynes and Peterborough, areas which have also been involved in long-term marketing campaigns.

**Summary of Interviews with Large Firms:**
- All firms use a series of narrowing-down exercises to produce their own location strategies.
- Large firms will often seek out areas where they can expand as and when required.
- A lack of cultural facilities in a town is not necessarily a drawback as executives tend to live out-of-town, although golf-courses and attractive villages are influential in location choice.
- Local Authorities are not approached until an area is short-listed.
- Most large firms use a consultancy to produce a short-list, therefore marketing literature must be aimed at these types of agency.
- Local Authority marketing is not considered to be influential by the vast majority of firms.
7.3.7  Future Strategies

Sections 7.3.1 to 7.3.6 demonstrated location factors affecting firms in each area and has focused specifically on the study period 1981 to 1991. This section examines the future strategies of all firms in both samples in order to assess their levels of satisfaction with the area where they are based. It is important to consider this aspect as it is not sufficient for an area to focus on the attraction of new firms if existing firms are dissatisfied with the area and are seeking to move out.

A certain level of dissatisfaction was shown by 7 firms in Thamesdown (12.7 per cent of the sample) and 11 firms in Stevenage (28.2 per cent of the sample) who stated that they have considered moving away from their respective areas. Reasons for being in the case study areas correlate strongly as already discussed, but firms which have considered moving away gave very different reasons for this, as shown in Figure 7.24. The only factors common to firms in both areas was a need to move operations to consolidate with other parts of the company.

<table>
<thead>
<tr>
<th>Reason why firm has considered moving away</th>
<th>Number of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Thamesdown</td>
</tr>
<tr>
<td>Lack of sites for expansion</td>
<td>0</td>
</tr>
<tr>
<td>Difficulty in recruiting labour</td>
<td>4</td>
</tr>
<tr>
<td>Consolidation with other parts of group</td>
<td>1</td>
</tr>
<tr>
<td>Inner-city decline</td>
<td>1</td>
</tr>
<tr>
<td>Lack of affordable parking</td>
<td>1</td>
</tr>
<tr>
<td>Costs</td>
<td>0</td>
</tr>
<tr>
<td>Grants offered elsewhere</td>
<td>0</td>
</tr>
<tr>
<td>Inconvenient for UK-wide distribution</td>
<td>0</td>
</tr>
<tr>
<td>Total Responses</td>
<td>7</td>
</tr>
</tbody>
</table>

Figure 7.24: Reasons Why Firms Have Considered Moving out of Case Study Areas

**Thamesdown:** Reasons for dissatisfaction with the Thamesdown area stem indirectly from land use planning policies. Inner city decline and lack of parking indicates that a focus on the planning of expansion areas in Swindon has been accompanied by general decline and lack of investment in existing areas. Bassett et al (1989) observed that...
residents in older areas of the town had suffered from a lack of new facilities compared with those in the new areas of the town. Findings in this survey also confirm that businesses suffer in a similar way, but to a degree sufficient for them to consider moving out of the town. The two firms which showed this level of dissatisfaction employ 3600 staff between them and if they actually did decide to move out, their loss would cause a considerable dip in local employment statistics and may create further decline in the town centre where the larger of the two firms is based. One of these two firms has also purchased land to expand in another area, not in Thamesdown.

Problems with recruiting labour also featured as a reason for considering moving out of the Thamesdown area. One large firm stated that it was hesitant about relocating elsewhere, but labour supplies were so low in the late 1980s that it had commissioned a study to determine whether it would be better off moving elsewhere. Another firm having trouble recruiting labour is currently investigating a site in South Wales. It is possible that these problems in recruiting labour may also be indirectly related to land use policies, if further research found that there was insufficient housing or the wrong type of housing to attract the appropriate workers to the town. It is also one reason why Hertfordshire County Council was against further development in the County as it believed that demands for labour, caused by industrial development, could not be met. This is precisely what has happened in the Thamesdown area: by allowing almost unfettered development the balance between labour supply and demand has not been regulated.

Stevenage: Five firms (12.8 per cent of the total sample) stated that they have considered moving elsewhere due to a lack of space for expansion of any kind. This level of concern over a single issue should also be a consideration for those formulating planning policy at both District and County level. Can an area suffering badly from cut-backs in the defence industry afford to lose more local firms due to either restrictive planning policies or lack of development land?

Firms which have invested heavily in an area show less signs of dissatisfaction. Honda in Swindon and Glaxo in Stevenage are examples from this survey. Both stated that it is highly unlikely that they will ever consider moving out of their respective areas. A Director at Glaxo said it would take a:

"...nuclear bomb explosion. We have spent £700 million on this site so would move reluctantly" (Director of Human Resources, Glaxo Research and Development Ltd).
Nothing is certain, however, and although companies may invest heavily in an area, the same forces which attracted them there in the first place may also cause them to look elsewhere if conditions become a barrier to successful operation. It is important that local authorities monitor the effects of growth on existing infrastructure. Thamesdown Borough Council has now entered a period of consolidation to renew and replace existing infrastructure, to refurbish parts of the town centre and to foster an approach to town centre management (Thamesdown Borough Council, 1994a). It is contended that this may have come too late for the firm which has already bought land to expand its operations elsewhere and to the town centre firm which is complaining of a lack of parking facilities for its staff. This can also be added to the impact which marketing has on an area. It can create an attitude towards growth which is not counterbalanced by a need to balance infrastructure needs for existing firms.

### Summary of Employer Concerns about Case Study Areas:

- 12.8 per cent of firms in the Thamesdown sample and 28.2 per cent of firms from the Stevenage sample showed levels of dissatisfaction with their respective areas.
- Reasons given in both areas can be indirectly linked to land use policy:
  - Lack of space for expansion in Stevenage
  - Difficulties in recruiting labour in Thamesdown.
  - Lack of investment in existing infrastructure to satisfy existing businesses in Thamesdown.

### 7.4 Conclusion

This chapter has examined outcomes from policies designed to attract employment to the case study areas in order to discover whether the marketed area has fared better than the non-marketed area. This last section links some of the ideas and research findings given throughout this chapter to draw conclusions about the effectiveness of place marketing.

The first point of note is that Thamesdown has shown overall increases in levels of employment during the study period whilst Stevenage has shown an overall decline in levels of employment. Specific SIC Classes were examined to determine whether policy aims, to attract certain types of employment, had been met. In both case study areas, it was discovered that attempts to attract certain types of jobs were unsuccessful. This was demonstrated by examining employment statistics in both areas. In the case of both financial services and leisure the area without an explicit
policy to attract such jobs performed relatively better than the area which sought to
gain jobs in these sectors (Section 7.2.2). Both case study areas were also striving to
divert their local economies away from a reliance on manufacturing, but this type of
employment actually increased in Thamesdown. If place marketing influences growth
in employment, it therefore follows that it works in a random fashion and does not
attract targeted types of industry.

Firms in both areas were asked to state whether local place marketing influenced their
location choices and just five firms, from the Thamesdown sample only, stated that
marketing influenced their location choice. Interviews with large firms helped to
explain why this was so. Firms have their own criteria for location choice and do not
approach a local authority until an area has been short-listed. Consultancies are often
used to produce this short-list. Large firms are also interested in locating in areas
where they can expand when required.

A certain level of dissatisfaction with the business location chosen was demonstrated
by 12.8 per cent of firms from the Thamesdown sample and 28.2 per cent of firms
from the Stevenage sample. In both areas the reasons given can be indirectly linked to
land use policy: a lack of space for expansion in Stevenage, and difficulties in
recruiting labour and lack of local authority investment in existing areas in
Thamesdown.

The findings in this chapter cannot determine accurately whether place marketing
influences location choice due to:

- the small number of firms stating that place marketing influenced their location
choice and even these five did not list place marketing within their top five reasons
for locating in the area.
- marketing may have increased firms' awareness of Thamesdown and Stevenage,
regardless of whether firms say they were influenced by it.
- firms may have arrived at their location choice regardless of the marketing.

This does not necessarily exclude a role for place marketing in the planning process.
The research has shown that executives in both areas had absorbed some of the
marketing messages, 36 per cent in Thamesdown, 34 per cent in Stevenage, although
only five firms in the Thamesdown sample say that it influenced their location choice.
What elements of Thamesdown's marketing approach were considered attractive to firms? One Swindon Managing Director observed that the marketing messages and the attitude of the council went hand in hand, therefore it is impossible to isolate the effects of marketing and the attitude of the council. The marketing message conveyed was, in effect, the voice of the council. Brochures hinted at a planning regime which was likely to be conducive to business needs and subsequent contact with the council confirmed this attitude. Marketing is however, unlikely to influence the business location strategies of firms involved in the first stages of a location strategy, as this research has discovered that firms have their own agenda. Section 7.3.6 has shown that large firms apply a series of narrowing-down exercises, often using consultants at this stage, to short-list an area as a business location. It is not until an area is short-listed that the local council is approached to negotiate a site and it is at this stage that marketing and/or the role of the council becomes important. As one managing director explained, if a local area is short-listed as a possible business location, and the local authority is indifferent or unhelpful, the company is likely to look elsewhere for a more welcoming and responsive area. Chapter 5 showed that 96.5 per cent of local authorities are involved in marketing, yet some local authorities are perceived as unhelpful or unresponsive to firms' needs. It is therefore vital that local authorities are both specific in their marketing messages and that they give a good impression when approached by a firm.

A combination of employment trend statistics, employer surveys and interviews have been used to demonstrated that there is no direct relationship between policy intentions and outcomes in a place marketed area. Thamesdown's economic development team proudly announce that 14,000 jobs have been attracted to the Swindon area in the 1980s (Thamesdown Borough Council, 1992b) but the research in this study finds little hard evidence to show that marketing has influenced much of this employment increase. A 1994 Thamesdown Borough Council document also reveals that their Economic Development Team has no prior knowledge about the majority of relocations (Thamesdown Borough Council, 1994).

It is not deniable that firms have been moving to Swindon throughout the 1980s, so if it was not the marketing campaign which attracted firms what was it? Section 7.3.4 showed that the most common location factors included good communications links and the availability of a suitable site. Interviews with larger firms also revealed that sites are often chosen which can be expanded at a later date. During the 1980s Thamesdown Borough Council had land banks available for development and local plan policies which explicitly encouraged expansion of the town. These policies were a
continuation of the town's expansion in the 1960s following its designation of an expanded town under the 1952 Town Development Act. In Swindon's case it can also be argued, then, that its continuing economic success throughout the 1980s has stemmed directly from central government's post-war de-centralisation policies.

The availability of land was an important factor in attracting so many firms to the area but how did they get to know about Thamesdown's policies? The marketing literature, as has been shown, has stressed these features of local plan policies but as relocation consultants sometimes performed the short-listing of possible locations for firms, it is they who should be made aware of marketing information about places as well as firms.

Figure 7.25 shows a summary of the main features displayed in the marketed and non-marketed area.

<table>
<thead>
<tr>
<th></th>
<th>Thamesdown</th>
<th>Stevenage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy Inputs:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Policy</td>
<td>Attract high tech and financial services employers.</td>
<td>Attract high tech, leisure, retailing and small firms.</td>
</tr>
<tr>
<td>Marketing Strategy</td>
<td>Successive Marketing campaigns since 1960s.</td>
<td>Sporadic Marketing.</td>
</tr>
</tbody>
</table>

| **Policy Outcomes:**  |                                                 |                                                |
| Marketing             | 36% remembered marketing. 5 firms influenced by marketing. | 34% remembered marketing. no firms influenced by marketing. |
| Business Satisfaction | 13% considered moving away - resources put into new areas at expense of existing areas - difficulty in recruiting labour | 28% considered moving away - no space for expansion |

Figure 7.25: Summary of Policy Outcomes in Thamesdown and Stevenage During the 1980s
Figure 7.25 shows what has happened in the two case study areas over the study period 1981 to 1991. Chapter 8 will now summarise all the research findings and suggest further research to follow on from these findings.
CHAPTER EIGHT: CONCLUSIONS
CHAPTER 8: CONCLUSIONS

"In stressing advertising, states and cities are entering the realm of psychoeconomics." Robert Friedman, president of the Corporation for Enterprise Development, Washington.

8.1 Introduction

This chapter will review the material and main research findings given in this study before moving on to make suggestions for further research.

8.2 Summary of Findings

The first chapter of this study defined four different approaches to place marketing: where places are represented authentically; where images of a place are boosted to emphasise good points or to gloss over negative aspects; or where images are corrected through physical or cultural regeneration (summarised in Figure 1.1, p13).

The main aims of the study were then outlined, which were to review previous studies, to ascertain levels and types of local authority marketing and to determine whether place marketing is an effective policy tool.

Chapter 2 outlined the history of place marketing from the turn of the century to the 1990s. Early local authority place marketing, as has been shown, offered incentives such as cheap electricity to attract firms to an area and an impetus to advertise places was enabled by the passing of the 1931 Publicity Act. This event also marked the birth of "Do it in Dundee"-type slogans which have prevailed to this day. A national economic policy in place during World War Two quashed the need for local economic policy and place marketing which did not re-surface in anything like their pre-war levels until the mid-1970s. Five overlapping arguments were discussed, detailing why this happened. Economic restructuring was the main reason for a revival of place marketing as it brought about a need for places to attract new types of industries. It was contended that economic restructuring was a triggering factor in creating a need for new representations of places as edge-of-town, greenfield locations and quality of life issues became more important to firms. Watson (1991) also added to these ideas by stating that images of places also became feminised: from male-dominated factories to softer images of offices. Another factor identified as being causal to the resurgence of place marketing in the mid-1970s, was the redistribution of central government funding from regions to targeted areas, including to new areas like UDCs, resulting in local authorities having to compete against these areas for inward investment and jobs.
Chapter 2 also argued that changes in both economic development and in marketing science have enabled an increase in the use of place marketing as a policy tool.

Chapter 3 examined the different types of organisations involved in place marketing and the variance between the budgets available for marketing. Reasons why there have been so few evaluative studies were outlined and the two major published studies were discussed. Mills and Young's study involved a survey of all local authorities to determine levels and types of marketing. They found 73 per cent of local authorities involved in some kind of marketing activity and this figure has been much quoted by writers on the subject ever since. It was contended here, however that this survey needed to be updated as, at over ten years old, the information given would be out of date. Another influential place marketing study by Burgess and Wood on the effects of LDDC's advertising on small businesses on the Isle of Dogs was described. Here Burgess and Wood found that although marketing only directly influenced one company director, other affects were found to be evident. These included giving businesses on the Isle of Dogs a psychological boost and advertising the advantages of the firms' location to their customers.

Chapter 3 then described various criticisms of place marketing, ranging from it adding to inter-urban competition, to it creating a worse situation for the local economy as demonstrated by the Philadelphia example. Finally place marketing organisations were criticised for their lack of concern for monitoring of outcomes or the images projected in marketing materials. Two strands of research emerged from the literature reviewed in Chapters 1 to 3. The first part was designed to determine whether local authority place marketing activity had increased and/or evolved since Mills' and Youngs' 1984 study and the second, to determine the outcomes of place marketing.

The main finding from this first piece of research was that levels of local authority place marketing activity have risen from 73 per cent in 1984 to 95.7 per cent in 1995. Other findings revealed that the three joint tourism and economic development units in the survey are as a single unit for different reasons:

- tourism is the mainstay of the local economy and they have limited resources for separate departments.
- to market environmental features in order to promote the film industry.
- to market environmental and cultural features to attract businesses.
An analysis of marketing methods showed the same basic approaches as in 1984: press advertising, brochures and exhibitions, but also some new approaches including use of the internet, video and advertising aimed at attracting the business traveller.

A high percentage of local authorities use consultants for various aspects of place marketing and an interview at Chestertons Consulting plc revealed that this is because they are able to offer an independent and apolitical service. Consultants also use a variety of techniques, including the use of a business perception study, SWOT-style analysis and sectoral studies, which they feel are not always carried out successfully within local authority departments.

A content analysis of 32 marketing brochures revealed that factors most often emphasised are a high-quality environment, good roads and plentiful sports and leisure facilities (in that order). This analysis also demonstrated that equal opportunities policy is an issue which needs to be considered more by local authorities when designing marketing brochures. Women and people from ethnic minorities are under-represented in responsible working roles and there were no examples of any visibly disabled people in any of the brochures.

The second strand of research examined policy inputs and outcomes in a comparative study in order to gauge the impact of place marketing. Thamesdown and Stevenage were examined, which were demonstrated to be statistically similar by OPCS multivariate analysis, and also had similar environmental qualities, image problems and both had been affected by post-war overspill policies. The main difference between the two areas were successive place marketing policies since the 1960s in Thamesdown compared to very little marketing in Stevenage. Planning policies have also differed in the two areas: Stevenage operated restrictive planning policies in the early 1980s compared to growth-oriented planning policies in operation in Thamesdown throughout the early to mid-1980s.

**Marketing Impact:** Policy outcomes identified in the two areas were random in that although both areas attracted targeted types of employment, the area without such targeting attracted relatively more of such employment. Thamesdown attracted more than both the national rate of employment growth and that in Stevenage, but only five firms stated that they were influenced by the marketing. When the same firms had previously been asked to choose the five most important reasons for locating in the area, none of them listed marketing as being important. Therefore it can be assumed that marketing is not in these firms' top five location choice factors.
Interviews with firms revealed similar location strategies which did not involve any contact with the council until an area had been short-listed as a possible business location. If marketing is to be of any influence it is contended that it should be introduced to firms at this stage of their decision-making process. As some of the larger firms use consultants to produce their short-list it is also important to ensure that marketing information is disseminated to this type of agency. This short-listing stage is when local authorities are first approached and their responsiveness is crucial to the firms' location choice.

The overall impact of marketing in Thamesdown was shown to be limited even though the area has been highly successful in attracting employment. It is contended that much of this employment would have been attracted to the area without such a marketing policy as firms implement their own location strategies regardless of marketing and are only influenced by the efforts of local authorities once they have a short-list of areas in mind. It is at this stage, then, that marketing efforts should be concentrated. Local authorities should have an efficient and responsive strategy for dealing with enquiries. Some, unfortunately, do not. There was some evidence provided by the research given in Chapter 5 to show that although almost all local authorities are now marketing their areas, staff answering the telephones are not always aware of this. This is a crucial area which needs to be addressed by all local authorities: if first impressions of the authority are not good, firms may look elsewhere as with the Bristol example given in Chapter 7.

Marketing Messages and Firms' Needs: Marketing messages and planning policies have always been strongly linked in Thamesdown. A correlation of location choice factors between the two case study areas showed that firms are looking for similar features in their choice of location. The top five features which appeared in marketed brochures, however, does not match these features. Figure 8.1 shows major discrepancies between what local authorities perceive firms want to see and what firms are actually attracted by.

Quality of environment, the most common feature of brochures, is the 9th most important location choice factor for Thamesdown firms and 12th for Stevenage firms. For marketing to be more effective, then, it seems logical that local authorities should determine what attracted other businesses to the area and market those features, rather than concentrate on features which are not overly important to firms.
Finally, an overarching message stemming from the research in Chapter 7, reveals that both case study area has found problems with the particular planning policy-style adopted. Stevenage was not as successful as Thamesdown in pushing for growth policies. Research in Chapter 6 revealed that the council attempted to expand the town but was over-ruled at county level and by vociferous resistance demonstrated by local people and interest groups. Because of the restrictive planning approach taken, and the lack of development land available, Stevenage could not enable much in the way of employment generating development. It has also suffered rising unemployment rates towards the late 1980s as the effects of economic restructuring have taken hold and cuts in defence-spending have forced redundancies in these types of industries.

In Thamesdown different effects were seen as almost unfettered growth put strain on local infrastructure and labour supplies. Marketing has undoubtedly influenced some of the employment increases and economic growth in Thamesdown, as has been shown in the research given in Chapter 7. One of the firms stated that the marketing message and planning policy were closely linked so that, in effect, the marketing brochure became the voice of the local authority. This is one of the most important aspects of place marketing: it is not enough to simply market an area just because everyone else does it, there must be something to sell. This could also explain why none of the 34 per cent of firms who had seen Stevenage’s occasional marketing campaigns, felt it to be helpful: planning policies were restrictive and little development land was available. Marketing and planning policies, in this case, were not linked.

In Thamesdown, planning policy seems to have been too market-oriented, whereas in Stevenage it was too restrictive. Both areas are now implementing policies to correct the imbalances created: Thamesdown is going through a period of consolidation, with
reduced marketing levels and a commitment to update infrastructure and Stevenage is now marketing its redundant or new sites to attract jobs to the area. This highlights the types of problems which can be created when policy impacts are not monitored as they progress. Reacting to policy outcomes when firms or local residents begin to protest, as has been shown in chapters 6 and 7, may be too little too late.

8.3 Suggestions for Further Research

This study has been able to evaluate place marketing in a limited way by examining some of the outcomes in one particular area. Another way to tackle this problem would be to involve more authorities and to compare different levels or types of marketing with policy outcomes. For example, the local authority survey revealed that many authorities are setting up development agencies jointly with the private sector. A worthwhile research approach could be designed to determine whether these types of agencies are successful.

It would also be interesting to investigate the relationship, if any, between local planning policies and marketing strategies. Thamesdown and Stevenage both appear to have got their strategies right by marketing where development land is available and not where planning policies are restrictive. What happens in other local authorities is less clear. If 95.7 per cent of all local authorities are marketing their local areas, does this mean that they all have development land available?

Another option for further research would be to investigate the implications of marketing for equal opportunities in an area. As has been shown in the Thamesdown sample, employment growth was mainly from outside the area. What types of jobs are available for local people in these companies? Equal opportunities was an issue which also surfaced in the local authority survey as some groups were under-represented in brochures. Does this fact add to the circle of discrimination discussed in Chapter 5?

The literature review described in Chapters 2 and 3 demonstrated problems in obtaining data to determine levels of spending on place marketing within local authorities. This money is spent on an activity which is unmonitored. If levels of spending could be determined, by surveying local authorities this information could be used as a starting point to question the validity of place marketing and to formulate government guidance and monitoring.
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADC</td>
<td>Association of District Councils</td>
</tr>
<tr>
<td>CIDC</td>
<td>Corby Industrial Development Centre</td>
</tr>
<tr>
<td>CIPFA</td>
<td>Chartered Institute for Public Finance and Accounting</td>
</tr>
<tr>
<td>CNT</td>
<td>Commission for New Towns</td>
</tr>
<tr>
<td>DoE</td>
<td>Department of the Environment</td>
</tr>
<tr>
<td>DoEmp</td>
<td>Department of Employment</td>
</tr>
<tr>
<td>EDO</td>
<td>Economic Development Officer</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>EZ</td>
<td>Enterprise Zones</td>
</tr>
<tr>
<td>IBB</td>
<td>Invest in Britain Bureau</td>
</tr>
<tr>
<td>LDDC</td>
<td>London Docklands Development Corporation</td>
</tr>
<tr>
<td>NDC</td>
<td>Northern Development Company</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental Organisation</td>
</tr>
<tr>
<td>OPCS</td>
<td>Office of Population Censuses and Surveys</td>
</tr>
<tr>
<td>RDO</td>
<td>Regional Development Organisation</td>
</tr>
<tr>
<td>RTPI</td>
<td>Royal Town Planning Institute</td>
</tr>
<tr>
<td>SIC</td>
<td>Standard Industrial Classification</td>
</tr>
<tr>
<td>T&amp;CP</td>
<td>Town and Country Planning</td>
</tr>
<tr>
<td>TEC</td>
<td>Training and Enterprise Council</td>
</tr>
<tr>
<td>TNI</td>
<td>The Newcastle Initiative</td>
</tr>
<tr>
<td>TTWA</td>
<td>Travel to Work Area</td>
</tr>
<tr>
<td>UDC</td>
<td>Urban Development Corporation</td>
</tr>
<tr>
<td>WDA</td>
<td>Welsh Development Agency</td>
</tr>
</tbody>
</table>
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APPENDIX A

DATA SOURCES

Census of Employment
- All Figures which list Census of Employment as a data source contain information
gathered via the National On-Line Manpower Information System (NOMIS).
- 1980 format data were used (CE80).
- 1981 Local Authority District data sets or TTWA sets were used.
- Data given is for September of each year.

Employment Gazette
- Used to gather employment data for Great Britain and unemployment figures for
  Great Britain, Thamesdown and Stevenage.
- September figures were used to be consistent with Census of Employment data.
- Seasonally adjusted unemployment figures used.
APPENDIX B

SURVEY OF LOCAL AUTHORITY MARKETING MATERIALS

1. Does your local authority market itself?
   [ ] For Inward Investment/Economic Development?
   [ ] For Tourism?
   If both: [ ] In one package or [ ] separately?

FROM HERE ON QUESTIONS REFER TO ECONOMIC DEVELOPMENT/INWARD INVESTMENT ONLY

2. What materials are used for promotion purposes? (plse tick/circle)
   [ ] Brochure
   [ ] Town Guide/Business Directory
   [ ] Trade Magazines
   [ ] Newspaper advertising - local/national/regional/international
   [ ] International Marketing
   [ ] Exhibitions/Trade Fairs
   [ ] Direct Mail/Mailshots
   [ ] TV/Radio/Video/Audiocassette/Computer disc
   [ ] Airports/Railway Stations/Tubes/Buses
   [ ] Other

3. Do you work with other organisations to promote your local area?
   (Plse tick & circle as appropriate)
   [ ] Local businesses
   [ ] Community groups
   [ ] Education establishments
   [ ] TECs/DTI
   [ ] Other local authorities (Co level? District level?)
   [ ] Departments within your own local authority (2 please)
   [ ] Chamber of Commerce/CBI
   [ ] Other (inc Partnerships)

4. How long have you been marketing your local area?

5. Do you use outside consultants? [ ] What for?

6. How many staff are involved in promotion activities? [ ]

7. Is the council?
   [ ] Labour [ ] Cons [ ] Liberal [ ] Hung [ ] Other

8. Can you send me a copy of the package that you send in response to enquiries?
APPENDIX B

LOCAL AUTHORITY SAMPLING DETAILS

455 Local Authorities (a) - 10% sample = 47 (b), Stratified into:

<table>
<thead>
<tr>
<th>Type of Authority</th>
<th>No. of each type of authority (c)</th>
<th>c as % of a = (d)</th>
<th>d% of b = e rounded up = no. of authority in sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>33</td>
<td>7.2%</td>
<td>3.4</td>
</tr>
<tr>
<td>Met District</td>
<td>36</td>
<td>7.9%</td>
<td>3.7</td>
</tr>
<tr>
<td>Welsh Co.</td>
<td>8</td>
<td>1.8%</td>
<td>0.8</td>
</tr>
<tr>
<td>Welsh Dist.</td>
<td>37</td>
<td>8.1%</td>
<td>3.8</td>
</tr>
<tr>
<td>English Co.</td>
<td>39</td>
<td>8.6%</td>
<td>4</td>
</tr>
<tr>
<td>English Dist.</td>
<td>296</td>
<td>65.0%</td>
<td>30</td>
</tr>
</tbody>
</table>

Sample chosen with computer generated random numbers:

LONDON AUTHORITIES:  Bexley  Wandsworth  Barking & Dagenham  Brent
METROPOLITAN DISTRICTS:  Leeds  Bradford  Bolton  Wolverhampton
WELSH COUNTIES:  Gwynedd
WELSH DISTRICTS:  Aberconwy  Dinefwr  Ynys Mon  Cardiff
ENGLISH COUNTIES:  Cumbria  Berkshire  Oxfordshire  Kent
ENGLISH DISTRICTS:
- Wansdyke  Cleethorpes  Broadland
- Wycombe  Thanet  Kingston upon Hull
- Mendip  Ribble Valley  Torridge
- St Edmondsbury  Wear Valley  Southend on Sea
- Penwith  Basingstoke & Dean  North Hertfordshire
- Boothferry  Darlington  West Lindsey
- Newcastle-u-Lyme  Hyndburn  Blackburn
- Tonbridge & Malling  Hove  Carlisle
- Derbyshire Dales  St Helens  Lancaster
- Tendring  South Wight  }

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# APPENDIX C

## STEVENAGE FIRMS

<table>
<thead>
<tr>
<th>Firms</th>
<th>No. of Employees at this site</th>
<th>Activities at Stevenage site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acer Environmental</td>
<td>30</td>
<td>Industrial treatment processes, landscape, architectural &amp; contaminated land studies</td>
</tr>
<tr>
<td>Admiral Training Ltd</td>
<td>35</td>
<td>Training material development</td>
</tr>
<tr>
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<td>Management &amp; Accounting</td>
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<td>Design &amp; Sales Software</td>
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<td>Design &amp; Manufacture of electronic test equipment</td>
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<td>Consultants - ceased trading in Stevenage</td>
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<td>Ridgemond Training</td>
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<td>Electronics Manufacturing.</td>
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<td>Manufacture PCBs</td>
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<td>Tatra Plastics Ltd</td>
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<td>Plastics Injection Moulding</td>
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<td>Titan Converting Equipment</td>
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<td>Machine Manufacturing</td>
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<td>Walters Associates</td>
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<tr>
<td>Workplace Technologies Ltd</td>
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<td>Network Integration</td>
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## APPENDIX C

### THAMESDOWN FIRMS

<table>
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<tr>
<th>Firms</th>
<th>No. of Employees at this site</th>
<th>Activities at Thamesdown site</th>
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<td>HQ Financial Services</td>
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<td>Anchor Foods</td>
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<td>Importers of Dairy Products</td>
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<td>Administration for Scientific Research</td>
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<td>Blick Plc</td>
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<td>Manufacturing &amp; Distribution</td>
</tr>
<tr>
<td>Bluebird Toys Plc</td>
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<td>Sales &amp; Marketing, Administration, Research</td>
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<tr>
<td>British and Foreign Bible Society</td>
<td>125</td>
<td>Trading, Fund-raising, Education</td>
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<tr>
<td>Burmah Castrol Plc</td>
<td>800</td>
<td>Administration &amp; HQ</td>
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<td>Clarion Shoji Ltd</td>
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<td>Marketing &amp; Manufacturing of in-car entertainment systems</td>
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<tr>
<td>Dana Ltd</td>
<td>150</td>
<td>UK HQ, Sales, Marketing, Administration</td>
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<tr>
<td>DeVer Hotel</td>
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<td>Hotel</td>
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<td>Early Learning Centre</td>
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<td>HQ &amp; Distribution centre</td>
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<tr>
<td>Economic and Social Research Council</td>
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<td>DoE Research &amp; Funding</td>
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<td>EMI Compact Disc (UK)</td>
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<td>Forward Industries Ltd</td>
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<td>Nuclear &amp; Hydraulic Engineers</td>
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<td>Galileo International Ltd</td>
<td>620</td>
<td>Development and marketing of airline reservations systems</td>
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<td>GEC Plessey Semi-conductors</td>
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<td>Manufacture &amp; Design microelectronics</td>
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<td>Glaseal</td>
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<td>Manufacture toughened safety glass</td>
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<td>H &amp; T Components (Swindon) Ltd</td>
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<td>Plastic injection moulding</td>
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<td>Henkel-Ecolab Ltd</td>
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<td>Manufacture &amp; R&amp;D</td>
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<td>Non-ferrous metal manufacturing</td>
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<td>Sales, Marketing, Distribution, Repair, Management, Systems Design</td>
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<td>Industrial Sterilisation</td>
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<td>Head Office &amp; Administration</td>
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<td>Kembrey Wiring Systems Ltd</td>
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<td>Manufacture of electronics for aerospace</td>
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<td>Kinesis Computing Ltd</td>
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<td>Company Name</td>
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<td>Nokia Consumer Electronics (UK) Ltd</td>
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<td>Ohmeda</td>
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<td>PHH Europe Plc</td>
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<td>Praxair Surface Technologies Ltd</td>
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<td>Ralton Group Ltd</td>
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<td>Raychem Ltd</td>
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<td>Readers Digest Association</td>
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<td>Renault UK</td>
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<td>Rover Group</td>
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<td>R P Scherer Ltd</td>
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<td>Schneider Ltd</td>
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<td>Sierra Semiconductor Ltd</td>
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<td>Sir William Halcrow</td>
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<td>Spectrol Reliance Ltd</td>
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<td>Stralfors Plc</td>
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<td>Triumph International Ltd</td>
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<td>Water Research Centre</td>
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<td>W H Smith Plc</td>
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<td>Yuasa Battery Sales (UK) Ltd</td>
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<tr>
<td>Zimmer Ltd</td>
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</table>

APPENDIX C

- **Manufacture of Electrical Components**
- **Manufacturing & Engineering HQ**
- **HQ & Administration Centre**
- **Distribution audio-visual equipment**
- **Manufacture of medical devices**
- **Relocation & Vehicle Management**
- **Manufacture & Sales of electronics**
- **UK HQ & coatings service**
- **Direct Marketing and Mailing**
- **Research, Manufacturing, Sales & Administration**
- **HQ, Admin & Distribution**
- **UK Distribution centre vehicle parts**
- **Design & Pressing Cars**
- **Pharmaceuticals**
- **Manufacture of Cable Management Systems**
- **Manufacture of hydraulic pumps & motors**
- **Distribution Electrical Equipment Sales & Technical Support**
- **Consulting Engineers**
- **Manufacture of Electronic Components**
- **Software Manufacturing**
- **HQ, Design, Sales, Distribution**
- **Research & Consultancy**
- **HQ, Administration, Distribution**
- **Sales & Distribution**
- **Manufacture & Distribution of Orthopaedic Implants**
A. COMPANY DETAILS
1. Name of organisation.
2. Is this organisation: a) Plc b) Ltd c) Govt d) Quango e) Other.
3. If part of a group, which group?
4. Places where the organisation has other sites (if applicable):
5. Main business activities at this address:

B. CHARACTERISTICS OF EMPLOYEES
6. How many employees are based at this address?
7. Approximately what percentage of staff at this address are:
   Professionals/Managers [ ] Administrative/Clerical [ ]
   Skilled manual [ ] Semi-skilled manual [ ]
   Unskilled manual [ ] Others (please specify) [NB: SHOULD TOTAL 100%]

C. CHOICE OF LOCATION
8. How long have you been located in Stevenage?
9. Did you relocate here from elsewhere, if so from where?
   Why was Stevenage chosen?
   Were any other options considered? If yes, what were they?
10. Have you expanded your operations in Stevenage? If yes, why was this option chosen
    rather than relocation?

11. If you have always been in Stevenage why was the decision taken to start business here?

12. Please choose five of the following which were the most important influences in choosing
    Stevenage as a business location. Please number 1 to 5 (1 being the most important and 5
    the least).
    Environmental quality [ ] Proximity to London [ ]
    Leisure & recreation facilities [ ] Proximity to similar organisations [ ]
    Quality of workforce [ ] Cost of workforce [ ]
    Availability of grants/loans [ ] Cost of site [ ]
    Availability of site [ ] Support of local agencies [ ]
    Proximity to ports [ ] Good road networks [ ]
    Proximity to colleges/universities [ ] Good rail networks [ ]
    Proximity to airports [ ] Other (please specify) [ ]

P.T.O.
APPENDIX C

D. STRATEGY FOR LOCATION CHOICE
(please complete parts a) of the following section even if you have not expanded in, or relocated to, Stevenage)

13a). Has your organisation had any contact with any of the following organisations?

- Department of Trade & Industry [ ]
- Confederation of British Industry [ ]
- Hertfordshire County Council [ ]
- Stevenage Borough Council [ ]
- Hertfordshire TEC [ ]
- Stevenage Chamber of Commerce [ ]
- Hertfordshire Development Organisation [ ]
- University of Hertfordshire [ ]
- Others (please specify).................................

b). How was this helpful in aiding your decision to locate or expand in Stevenage?............................

14a). Have you attended any seminars/presentations organised by any of the above? If yes, please give details...................................................................................................................

b). How was this helpful in aiding your decision to locate or expand in Stevenage?............................

15a). Have you ever seen any advertisements or marketing literature about the area? If yes, please give details..................................................................................................................................

b). How was this helpful in aiding your decision to locate or expand in Stevenage?............................

16a). Have you ever contacted, or been contacted by, any relocation consultants? If yes, please give details...........................................................................................................................................

b). How was this helpful in aiding your decision to locate or expand in Stevenage?............................

E. THE FUTURE

17. Has your organisation ever considered moving out of Stevenage? If yes, why...........................

18. Under what circumstances would your organisation consider moving away from this area or contracting operations here?.................................................................

19. If further sites are to be invested in - will they be in this area or elsewhere? If elsewhere, why?.................................................................................................................................

THANK YOU FOR YOUR CO-OPERATION AND HELP

It would be useful to have your name and telephone number in the event that any answers require clarification.

Name................................................................. Telephone No. .............................................

Please return in the enclosed stamped addressed envelope to: Jane Goodenough, 33A Delancey Street, London NW1 7RX

(NB: THIS QUESTIONNAIRE HAS BEEN REDUCED FOR BINDING PURPOSES)
LIST OF INTERVIEWS

Face to Face

Michael Hayden, Stevenage Borough Council.
Chris Worthington, Thamesdown Borough Council.
Emma Jones, CNT Marketing.
Sheila Cooper and Clive Tritton, Chestertons Consulting Plc.
Chris Wilson, CIPFA.

Telephone

39 Local Authority Economic Development Officers (see App B for complete list).

Mr K. Chapple, Intel Corporation (UK) Ltd, Swindon.
Mr G. Willman, Confederation Life, Stevenage.
Mr J. O'Keefe, Galileo International (UK) Ltd, Swindon.
Mr Easterman, Readers Digest, Swindon.
Ms B. Komisarek, Renault UK, Swindon.
Mr Brian Hirst, National Power, Swindon.
Mr Simon Cartwright, PHH Consultants, Swindon.