

Bloom Consulting

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Development of Countries
Human Asset Management
Business Strategy

Bloom Consulting
**US State
Brand
Ranking ©**

Trade
Edition ★ 2012

Bloom Consulting US State Brand Ranking®

An Introduction

Bloom Consulting is proud to announce its entry into North America with the launch of Bloom USA, based in Los Angeles, and the inaugural “American Edition” of its Country Brand Ranking.

Bloom Consulting is the world’s leading country branding consultancy, headquartered in Madrid, Spain. Already ranking over 160 countries around the world in Tourism and 150 in Trade, Bloom is now extending the benefits of its unique, proprietary approach to branding geographies to the states, provinces, regions and cities of North America.

The Ranking measures the effectiveness of brand strategies used by each of the 50 US states to attract Trade and Tourism.

Bloom Consulting uses hard facts, such as economic indicators and an analysis of official state brand strategies, as well as soft data indicators, thus measuring the economic impact of each state’s brand strategy for trade and tourism. Bloom Consulting takes into account variables that define each state’s economic performance, as well as variables that characterize each strategy’s accuracy, market acceptance and collective online presence. This marks the first time that Online Search Demand (OSD) has been incorporated into a ranking of this type.

Bloom Consulting’s US State Brand Ranking © is live, using up to the minute data compiled from social media trends, online statistics, and quarterly financial results. All data is from authoritative sources, including the US Census, fDi Markets Database from fDi Intelligence, and the official investment and/or economic development agencies for each state.

An introductory note from the CEO

Welcome

I am proud to present you with the Bloom Consulting US State Brand Ranking© 2012.

I must confess, I am proud to launch our first edition of the US State Ranking in an election year! We sincerely hope the research and the ranking provides definitive answers for the last five years of all fifty states' branding performance. In other words, with this ranking you can finally see who has actually been doing a good job in terms of State Branding.

The results of the ranking have different variables explained later in this document. In a nutshell, we rank each state based on who was able to attract more investments due to its brand strategy.

I encourage you to use our ranking internally. And please use it as an asset, to demonstrate how important your state brand is to your economy.

Although we would have liked to give a detailed description of each state's individual brand strategy performance in this document, this is just an initial overview of our research. However, if you are interested in finding more information about your state, please do not hesitate to contact us. I would be happy to send you all the information you require.

Welcome to the Bloom Consulting US State Brand Ranking © 2012. We hope you appreciate the great results and findings as much as we do!



José Filipe Torres- CEO Bloom Consulting

A word from the USA Managing Director

A bright future ahead

I am very pleased to bring the benefits of Bloom Consulting's unique approach to strategy and branding to North America. Over the last decade Bloom has earned the reputation as the world's leading country branding consultancy, with recognition from the likes of The Economist and Forbes, and from clients like the European Commission, Poland, Portugal, Spain and Latvia. As an example of Bloom's track record of success, Bloom worked with the government of Bulgaria to bring it from dead last to first in terms of investment in all of Central and Eastern Europe.

Too often we see geographies in the US locked in a race to the bottom in terms of concessions and labor costs with little net gain realized. Bloom looks at our clients' internal resources, internal perceptions and how they are perceived from the outside. Our unique data-based approach to branding opens a window on what resources set states apart from their neighbors, and where to find the best, most receptive audience for what they have to offer. Our recommendations are not based on opinions and focus groups, but on sophisticated data analysis.

I encourage you to take a close look at our US State Ranking, I am sure you will find some surprises. If you would like to know more about how number 9 Michigan outperforms number 25 Massachusetts, for example, please contact us and take a deep dive into our methods.

In the end, our work is about bettering people's lives. By improving the economic performance of communities around the world, Bloom has had a positive effect on the daily lives of countless individuals and their families. This is why I am so excited to bring Bloom to the USA.

I look forward to hearing from you.



Tim Roberts - Managing Director, Bloom USA

Introduction to State and Destination Branding

The 3T approach ©

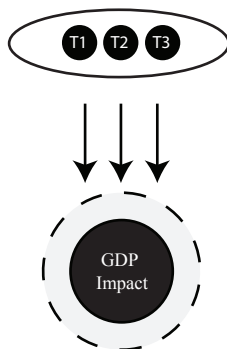
In creating a state brand strategy we focus on three main areas: attraction of trade, tourism and talent.

The traditional approach when facing the challenge of attracting trade, tourism and talent is to create, or simply improve, perceptions under one umbrella strategy. Ultimately this will fail, as we see over and over again around the world. It's impossible to communicate entertainment to investors and simultaneously communicate a qualified and hardworking workforce to potential tourists. Their messages repel each other, destroying the core objective. Most of the time agencies attempt a compromise in order to better create an overall strategy. As a result, they weaken their brand, as each factor is not branded up to its potential.

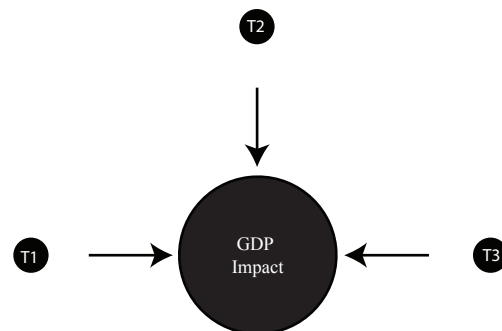
In order to solve the problem of having a single multi-dimensional strategy, Bloom Consulting has developed a 3T approach to state branding that separates each T.

- T1. Attraction of Trade
- T2. Attraction of Tourism
- T3. Attraction of Talent

Traditional “Umbrella” Strategy













Bloom Consulting's 3T Approach ©



This way, we're able to calculate growth projections and calculations individually, in order to better define the objectives of an overall strategy.

Bloom Consulting US State Brand Ranking ©

2012 TRADE - Ranking

Rank		SBS Rating ©
1.	 Texas	AAA
2.	 Florida	A
3.	 New York	BB
4.	 California	CCC
5.	 Georgia	AAA
6.	 Ohio	B
7.	 North Carolina	BB
8.	 Illinois	A
9.	 Michigan	A
10.	 Colorado	AA

Rank			SBS Rating ©
11.		Indiana	C
12.		South Carolina	BBB
13.		Louisiana	AA
14.		Tennessee	A
15.		Arizona	CC
16.		Virginia	BBB
17.		Maryland	AA
18.		Washington	AAA
19.		Oklahoma	B
20.		Pennsylvania	B
21.		Missouri	BB
22.		Kansas	A
23.		New Mexico	AA
24.		West Virginia	BBB
25.		Massachusetts	B
26.		Nevada	BBB
27.		Mississippi	BB
28.		Kentucky	CC
29.		Idaho	AA
30.		Utah	BB
31.		Minnesota	B
32.		Alabama	CC
33.		New Jersey	CCC
34.		Arkansas	A
35.		Washington DC	A

Rank			SBS Rating ©
36.		Wisconsin	C
37.		Oregon	D
38.		Connecticut	B
39.		Iowa	C
40.		Nebraska	B
41.		Alaska	CC
42.		Hawaii	A
43.		Delaware	CCC
44.		Wyoming	BBB
45.		North Dakota	D
46.		New Hampshire	BB
47.		South Dakota	B
48.		Maine	B
49.		Montana	BB
50.		Vermont	B
51.		Rhode Island	B

* Washington DC has been evaluated as a separate state.

Bloom Consulting US State Brand Ranking© Highlights

The overall results of the ranking indicate that although economic performance is crucial, an accurate brand strategy as measured by the SBS Rating © can make or break a state.

In the first Bloom Consulting US State Brand Ranking ©, Texas finished on top. Aided by outstanding economic performance, its equally outstanding AAA rating indicates that the Texas trade brand strategy is extremely accurate when focused on investor demand and has a very strong positive impact on its economy.

While finding Texas and New York (3) at the top of the ranking in terms of trade and industry is no surprise, it is surprising to find Florida (2) in the top 3. Florida was a breakout player in the ranking; an A rating, strong job creation statistics, and outstanding online presence pushed it ahead of a pack that had performed better economically.

In contrast, California is not on the top three despite its huge economic dominance. With a weak CCC rating, California only finished fourth, indicating its strategy is hampering its potential connection with investors.

The top ten includes a AAA performance from Georgia and a superb showing from the Great Lakes States. Illinois, and especially Michigan, turned in great SBS Ratings © that gave them an edge over other states. Washington, DC also joins the list of winners. Although Washington, DC was evaluated as an individual state and was thus at an economic disadvantage, the AAA rating rocketed it into the top 20, truly displaying the economic impact of an accurate, effective brand strategy.

Bloom Consulting US State Brand Ranking® Highlights... Continued

On the other hand, Ohio (6), Massachusetts (25) and New Jersey (33) were notable underperformers. Despite having good or decent economic performances, these states are simply not maximizing their state brand potential. Middle to low ratings (B, B, and CCC respectively) contributed to rankings below expectations. Especially surprising is Massachusetts, which even internationally has a strong reputation for innovation and excellence. However, this perception is not being translated into an effective brand strategy, resulting in an unexpectedly mediocre finish.

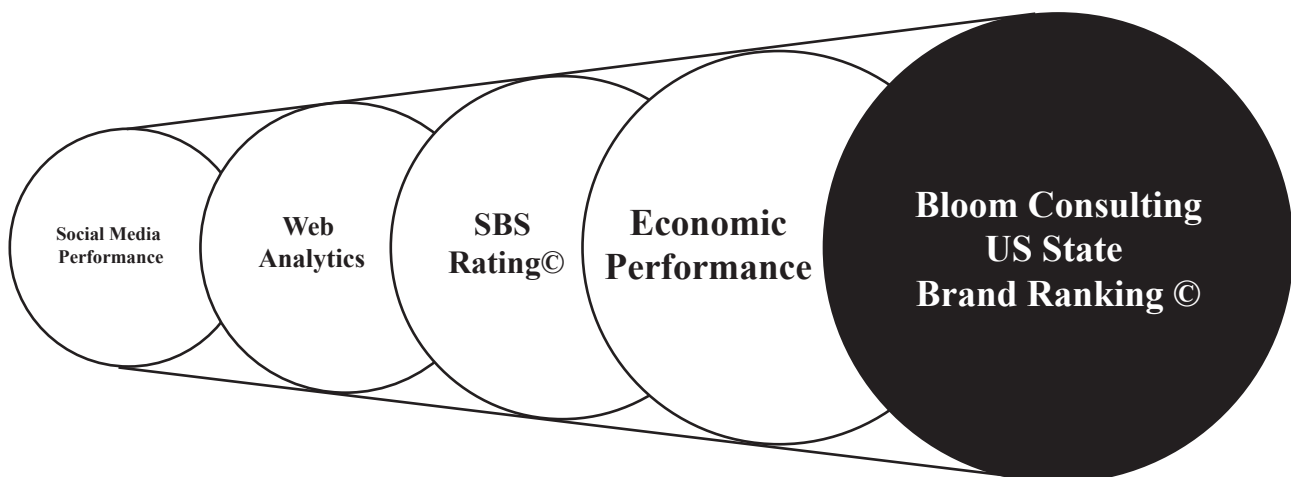
Understanding the Methodology

The Ranking Variables

The Bloom Consulting Algorithm, developed to create and calculate the ranking, takes into account both hard and soft data and includes groundbreaking processes to show the relationship between a state's economic performance and the projections of the state's brand strategy.

The ranking is derived from four variables that take into account both hard and soft data. The ranking does not use any survey or interview based data, meaning that it provides the most objective, accurate results possible.

Bloom Consulting Algorithm variables



Understanding the Methodology

The Ranking Variables more in detail

Economic Performance

Strategies and economic returns do not have an immediate cause and effect relationship, therefore Bloom Consulting uses a long term (five year) economic analysis. This way, the ranking reflects more consistent trends rather than the volatile changes that might occur in the recovering economic climate.

Bloom Consulting first looks at state economic performance related to investment inflows and job creation, benchmarked against its peers. Bloom Consulting also computes the compound annual growth rate (CAGR) of both indicators 2007 to 2011. This way, it is possible to show how much the industry grew or decreased and the impact it had on revenue. **

Bloom Consulting State Brand Strategy (SBS) Rating ©

Bloom Consulting also rates the impact of each state's branding strategy. The SBS Rating© takes into account the uniqueness of each state's current brand strategy (Brand Tags) and the accuracy of the Online Search Demand. A brand strategy that is more unique and more aligned with investor searches will receive a better Rating.

Web Analytics

Web analytics is an increasingly important component of every brand. In order to measure the online presence of each state's brand strategy, Bloom Consulting looks at the state investment or economic development agency's website as tracked by online web traffic reporters to establish how many people visit each website and continue further or simply exit the site.

Social Media Performance

All state agencies already have websites, and now, an increasing number of them are interacting with potential investors through social networks. Bloom Consulting believes social networking will be even more crucial for gaining market share in the future, so a state's social media performance was evaluated by information from Twitter and Facebook pages and the numbers of followers.

** All data is taken from fDi Markets Database from fDi Intelligence

Measuring State Brand Strategy Accuracy

The SBS Rating ©

The SBS Rating © is calculated using brand strategy economic performance analysis and analysis of online search demand. The state brand strategy is measured through brand tags, the key words that reflect the brand strategy of each state. For the first time in any state or nation brand ranking, Bloom's **online search demand (OSD)** is able to show if a state supplies what investors are seeking, and how well the state is matching this demand.

Brand tags function as the 'supply' side of the investor-destination equation. Thousands of brand tags were collected from each state's official economic development or investment promotion agency and then classified into 42 different clusters that relate to workforce, sectorial expertise, economic characteristics or general state characteristics. Each cluster is assigned an economic value in order to rate the relative returns gained from each brand tag.

Domestic and international investor searches for the brand tags and related words were then analyzed, state by state, in the most used search engines, to show the state's accuracy match and quantify Online Search Demand. By considering the OSD, Bloom Consulting is able to show if a state offers what investors are seeking, and how well the state is matching this demand. This identifies the gap between supply and demand. The more accurate a state is, the better the SBS Rating ©.

Just as international rating systems rank countries' credit risk, Bloom Consulting uses the SBS Rating © Classification System

Score	Description
AAA	Very Strong
AA	Strong
A	Slightly Strong
BBB	Very Good
BB	Good
B	Slightly Good
CCC	Slightly Weak
CC	Weak
C	Very Weak
D	Poor

Bloom Consulting US State Brand Ranking®

FAQs

1) Who is this Ranking meant for?

Bloom Consulting US State Brand Ranking © is for anyone interested in place branding from every perspective, whether you're in government, academia, industry, finance, or just find it interesting.

2) Why did Bloom Consulting create a Ranking?

Bloom Consulting created the Ranking to evaluate the impact of a state's brand strategy in economic terms and, above all, to answer the ever relevant question of how states can become more attractive.

3) How does Bloom Consulting's Ranking differ from other rankings?

Bloom Consulting's Ranking uses variables and methodology to generate a ranking far ahead of the field in terms of objectivity and innovation. Not only does Bloom Consulting base its research on objective hard and soft facts, rather than using survey based data like other rankings, it is also the first ranking to take investor demand into account.

4) What is new in the 2012 edition of the Ranking?

First of all, it is the first "US Edition" of Bloom's Country Brand Rankings. Second, Bloom has improved its methodology over past rankings in order to deliver a more accurate, more objective results. Investor Online Search Demand (OSD) is now included in the Bloom Algorithm. By analyzing consumer behavior and the effectiveness of state brand strategies, the newest ranking raises the bar by giving a pioneering view of the investment industry from a supply and demand angle.

5) How can a state have a poor SBS Rating ©, but do well in the Ranking ©?

If a state has a negative SBS Rating ©, its brand strategy is not actively reflecting what the state has to offer (in the eyes of investor-demand). So even though its economic performance might still be strong, the trade strategy is not taking advantage of the state's unique selling propositions.

Bloom Consulting

About

Bloom Consulting creates brand strategies for countries, regions, cities and companies all over the world. What we create is unique, derived from solid experience, cutting edge research and delivered with entrepreneurial flair. Our strategies make an impact where it really counts: financially.

Bloom is the world leader in our field, as noted in the Economist and Forbes. After successfully working with governments and companies around the world, our track record speaks for itself. For example, Bulgaria rose from thirteenth to first in terms of investment in Central and Eastern Europe after working with Bloom, Latvia's GDP improved 5% with Bloom's strategy, and even McDonald's sought Bloom Consulting's expertise when expanding into Latin America.

Bloom USA is located in Southern California, the creative hub for industries from Aerospace to Biotech to Media and Entertainment. Bloom Consulting has successfully helped scores of governments and companies around the globe come to terms with rapidly changing competitive environments. We have greater experience facing these challenges than anyone else in the business, using newer, more accurate methods. And as entrepreneurs, we look at results and see opportunities.

For further information or enquiries

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