

**REPORT OF THE
SECRETARY OF ECONOMIC DEVELOPMENT**

**To Study the Feasibility
of Issuing a Publication
on a Regular Basis
Promoting Virginia**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 20

**COMMONWEALTH OF VIRGINIA
RICHMOND
1989**



COMMONWEALTH of VIRGINIA

Office of the Governor

Richmond 23219

Curry A. Roberts
Secretary of Economic Development

November 29, 1988

The Governor of the Commonwealth of Virginia
The President of the Virginia Senate
The Speaker of the House of Delegates

Gentlemen:

I am pleased to submit my response to House Joint Resolution Number 122 concerning the desirability and feasibility of issuing a publication on a regular basis that would promote the unique attributes of the Commonwealth.

In order to prepare the response to this study, a small work group was established. This group attempted to assess the public and private publications already in existence, as well as, the potential that a new publication might have. Attached is the report of this group.

Sincerely,

A handwritten signature in cursive script that reads "Curry A. Roberts".

Curry A. Roberts

CAR/lfr

THE FEASIBILITY AND DESIRABILITY OF ISSUING A PERIODICAL ON PROMOTING VIRGINIA

INTRODUCTION

During the 1988 session of the General Assembly a joint resolution (HJR 122) was passed which requested the study to consider the feasibility and desirability of publishing and issuing a periodical on promoting economic development and quality of life of the Commonwealth of Virginia.

STUDY RATIONALE AND APPROACH

In requesting the study, the sponsor of HJR 122 wished to communicate with the public the many attributes that make Virginia a desired place to do business, live and/or visit.

The study was carried out under the auspices of the office of the Secretary of Economic Development with the involvement of staff from the Department of Economic Development and its Division of Tourism. The editor of VIRGINIA BUSINESS, Mr. James Bacon also participated to provide information on the publishing environment.

The Resolution's sponsor, Delegate Jane H. Woods also participated in many of the meetings related to the study.

In order to address this study the following steps were taken:

1. To gather and review materials now being published and distributed by different agencies of State Government,
2. To gather and review materials now being published by private sector publishing firms that pertain to the State's economic development and quality of life,
3. To gather and assess information as to the makeup and distribution by the State of a periodical that promotes the economic development and quality of life,
4. To investigate other options that would fulfill the intent of the resolution.

RESULTS OF STUDY

There is little question that any form of periodical that will promote the State is desirable and will enhance the State's role in expanding economic viability. The

study group was formed to determine what was now being seen by the public and sought to determine the feasibility of developing additional publications to be issued by the State.

It was found that a number of agencies, especially the Department of Economic Development and its Division of Tourism publish and issue a series of periodicals and brochures which promote the economic and quality of life attributes of the Commonwealth.

Further, it was found that both the Divisions of Industrial Development and Tourism carry out major public relations and advertising programs, on both a domestic and international basis, that are designed specifically to promote the economic and quality of life attributes of the Commonwealth. In 1987, the Division of Tourism's Public Relations Department stimulated over 600 million impressions in newspaper, magazine and electronic media which told different stories of Virginia.

In reviewing other publications available through the private sector, the study group found that there are a number of magazines published which address the economic, business and quality of life on both the state level and regional/city levels. These publications are distributed primarily on an in-state basis but are also distributed in surrounding states and on a subscription basis to certain interested publics nationwide.

Several states have in-house publications that are distributed on a subscription basis that promote the quality of life and tourism attributes such as ARIZONA HIGHWAYS and TEXAS HIGHWAYS. Both of these publications have been in operation over several decades and during that time have developed a subscription base of dedicated readers who subsidize the cost of publication. The subscription base has not grown appreciably in the last ten years, and it is doubtful that either state would initiate such a venture in today's environment.

In studying the feasibility of developing a new periodical which would be published by the State and distributed both on a complimentary/promotional basis and as a for-purchase magazine at book stores and through subscriptions, it was estimated that cost for a six issues per year publication would be in the area of \$2.4 million a year with the possibility of a breakeven point being reached in 4 to 6 years from start-up dependent on subscription and advertising sales. Several methods of staffing from a full editorial/advertising sales staff to editorial board with an outside publishing firm actually creating and publishing the periodical was explored. One question to be dealt with would be whether the State should compete directly against other like publications

being produced by the private sector, especially in the area of advertising sales.

Other options that were explored dealt with closer cooperation and/or use of existing periodicals being published in the private sector. One avenue was for the public relations departments of related state agencies to increase their efforts to place and guide editorial placement that promoted the State. Second, to explore the placement of advertorial sections within both in-state publications such as VIRGINIA BUSINESS, THE VIRGINIA, etc. and other national publications such as FORTUNE, NATION'S BUSINESS, TIME, etc.

It was noted that several magazines, such as mentioned above, have presented proposals for Virginia advertorial sections that would have featured economic development, agricultural, ports and tourism content, and would have met the criteria of promoting the attributes of the State as suggested by HJR 122. Due to timing of the proposals in view of resources already having been committed and the lack of a contingency fund for such projects, these opportunities could be utilized.

CONCLUSION AND RECOMMENDATION

It was the conclusion of the study group that it was not feasible for the State to publish a periodical of the type outlined in the resolution. Three reasons are given:

1. The cost would not justify the return on the investment by the State,
2. There are cost effective publications now being used by different state agencies which are distributed to businesses and potential visitors, both in-state and out-of-state that promote the economic attributes and quality of life of the Commonwealth.
3. There are private sector publications that the State would be competing against that as they grow and prosper serve the purpose as laid out by HJR 122.

In studying other options it is recommended by the study group that economic development agencies are encouraged to produce advertorial sections when the opportunities present themselves.

