

Restart Vermont Marketing Program

1

Published:
August 25, 2020

Prepared by:
Heather Pelham
Commissioner,
Department of Tourism and
Marketing
heather.pelham@vermont.gov
802-477-2727

Status Report on CRF Funding Allocations

This report is made to the House and Senate Committees on Appropriations; Senate Committee on Economic Development, Housing and General Affairs; and the House Commerce Committee and Economic Development on the status of the Restart Vermont Marketing Program as established in Act 137 of 2020.

Section 6 of Act 137 created the Restart Vermont Marketing Program and appropriated \$2,500,000 to this effort. As defined in state statute, the purpose of the Restart Vermont Marketing Program is to encourage visitation and consumer spending in Vermont to support businesses that have suffered economic harm due to the COVID-19 public health emergency.

(B) Eligible uses for the funds appropriated in subdivision (A) of this subdivision (1) include: (i) marketing activities to promote travel to and within Vermont to increase consumer spending at tourism, hospitality, retail, and related businesses; and (ii) statewide or regional consumer stimulus programs or consumer purchasing incentives that maximize the effect of local consumer spending, including at restaurants, lodging establishments, retail stores, and tourism attractions.

OVERVIEW OF PROGRAMS

Regional Marketing and Stimulus Grant Program

The Department has allocated \$500,000 to the Regional Marketing and Stimulus Grant Program which provide grants to local organizations and communities to support their efforts and activities related to economic recovery, consumer stimulus, marketing, or tourism related projects.

Buy Local Vermont Consumer Stimulus

The Department has allocated \$500,000 to the Buy Local Vermont Consumer Stimulus program to provide direct incentives to residents to increase foot traffic and local spending with Vermont business most heavily impacted by COVID-19.

Promotional Marketing and Tourism Efforts

The Department has allocated \$1,500,000 to statewide marketing activities to promote travel to and within Vermont to increase consumer spending at tourism, hospitality, retail, and related businesses.

REGIONAL MARKETING AND STIMULUS GRANT PROGRAM

The Regional Marketing and Stimulus Grant Program launched on August 18, 2020, following the development of program criteria and an application process designed to meet approval per CARES Act funding guidelines. The grants are intended to enable local, regional and/or statewide organizations to establish or expand partnerships, campaigns, and initiatives that will spur consumer spending, support local businesses, and advance community recovery efforts.

Local and community organizations are eligible to apply for grants of up to \$10,000. Applications are due on August 31, 2020 and all funds must be expended by November 15, 2020, to meet reporting deadlines. Grant monies must be used for immediate consumer stimulus to support a wide range of local Vermont businesses impacted by COVID-19. Eligible uses of funds include:

- Development of programs designed to increase consumer spending, through local stimulus programs, advertising, promotion, publicity, events, and other activities or initiatives specifically designed to support multiple local businesses.
- Projects that focus on serving businesses most impacted by COVID-19, such as retail, restaurants, lodging, and other businesses that have been negatively impacted by forced closures, reduced occupancy, and capacity constraints.
- Eligible expenses can include local “downtown bucks” or similar stimulus programs, mobile app stimulus programs, marketing and advertising, events and promotions, and local/regional initiatives that increase consumer spending and advance local business recovery efforts.

The program application and complete guidelines, including a recorded webinar to assist applicants as they prepare to apply can be found within the [COVID-19 Resource Recovery Center](#) on the accd.vermont.gov website.

NEXT STEPS

No CRF funds have been expended to date. The Department is conducting outreach through all communication channels and utilizing with the help of regional partners to inform communities of this funding opportunity. The Department will review applications, make funding decisions, and develop grant agreements with a goal of awarding applicants by September 15, 2020. On or before October 1, 2020 the Department will provide a second report sharing the distribution of grant funds to date, the amount of grant funds that remains available for distribution, and its plans for awarding the available funds by December 20, 2020.

BUY LOCAL VERMONT CONSUMER STIMULUS PROGRAM

The Department developed a Request for Proposal (RFP), issued on June 5, 2020, to seek “innovative strategies, programs and/or products from companies to stimulate and incentivize local spending and support to

Vermont businesses disrupted by the COVID-19 pandemic.” A total of 13 responses were received, with the top three proposals then being invited to respond to a supplemental questionnaire. Based on the criteria established in the RFP, a unanimous decision was made to select the highest scoring applicant, Nift Networks, Inc (Nift). The Nift proposal demonstrated the strongest approach to drive consumer spending directly to businesses in an effective and easy to use approach, with the highest percentage of funds going directly to consumer incentives, relative to administrative or outreach costs.

In the Nift model, businesses can enroll to provide ‘neighborhood gifts’ as incentives to bring customers in the door to stimulate direct spending at local businesses. The ‘gift’ value will range by sector, with each customer receiving a minimum \$30 value. The distribution of ‘gifts’ across sectors and regions is designed to drive business to the most impacted sectors, namely: restaurants, retail, lodging and accommodations, health and wellness, and entertainment and attractions. Businesses in other sectors are able to participate, but the distribution of funds will be weighted to the most impacted sectors.

Once businesses are enrolled, customers can sign-up to participate on a first come, first served basis until all of the incentives have been distributed. Customers will indicate the types of business they would like support and can then pick between several gift choices at local businesses depending on their interests. As soon as a consumer selects a gift, the funds are deposited into merchant’s account, providing immediate direct financial support to the business. When customers visit the business to actually redeem the gift, past performance has shown they will typically spend double the gift amount and hopefully return to the same business as new or loyal customers. Reporting will be able to provide the added value of purchases above the gift amount.

The goal of the program is to encourage at least 1,000 Vermont businesses to participate, with at least 20,000 ‘gifts’ available to Vermont residents.

NEXT STEPS

No CRF funds have been expended to date. Outreach to enroll businesses in the program will begin on August 25, 2020. The Department is working with regional, community, and economic development organizations to make sure

businesses are aware of the opportunity to participate, in addition to direct outreach to businesses in the most impacted sectors.

The launch of the program to consumers is planned for September 8, 2020. The Department is working with the Local Support and Community Action Team from the Economic Mitigation and Recovery Task Force on a community outreach strategy to make sure the under-served Vermonters and more vulnerable residents are made aware of the program and have to best opportunity to participate.

On or before October 1, 2020 the Department will provide a second report sharing the distribution of grant funds to date, the amount of grant funds that remains available for distribution, and its plans for awarding the available funds by December 20, 2020.

POSSIBLE EXPANSION FOR HAZARD PAY

In Section 6 (C)(1) of Act 137, the Department was asked to “... *investigate the feasibility of establishing a consumer incentive program to provide to front-line workers who receive hazard pay through the Front-Line Employees Hazard Pay Grant Program with meaningful discounts or other incentives by and at participating Vermont restaurants and to promote restaurants participating in the program through distinctive signage and other means. ...*” The Nift program could easily be expanded to accomplish this goal. Instead of a first come, first served enrollment for consumers, ‘gifts’ could be directly distributed to employees identified as qualifying for hazard pay at whatever incentive level was funded. The ‘gifts’ could be targeted to any given sector, including restaurants, and the branding already developed for the Buy Local Vermont program could be used as signage to identify those participating businesses.

PROMOTIONAL MARKETING AND TOURISM EFFORTS

Since the beginning of the COVID-19 pandemic, the Department has had to stay nimble to changing communication needs and market conditions, shifting to include a priority on inwards facing activities to serve Vermont and Vermonters more than even before. In March and April, during the Stay Home, Stay Safe order the Department curated virtual experiences on our

promotional website, vermontvacation.com, to provide inspiration to residents and would-be guests alike of ways they could support Vermont and Vermont businesses when active visitation was not possible.

Starting in late May, as conditions allowed for movement throughout the state, the Department launched several micro campaigns around Memorial Day, Father's Day and the Fourth of July holidays to encourage Vermonters to get outdoors and support local businesses, safely and with respect for those around them. Local media outlets, including radio, community newspapers and public television were used to encourage consumer spending while also supporting the media outlets themselves with needed advertising revenue. An underwriting partnership with Seven Days helped launch their Staytripper publication and weekly "Vermonting" online content series, which offers ideas for staycations and road trip itineraries throughout Vermont.

In preparation for when out-of-state marketing efforts could resume, the Department issued an RFP for creative services for a specific "Restart Vermont" marketing campaign to reflect messaging appropriate for current public health conditions and to position the state for future visitation.

In advance of this larger out-of-state campaign, the Department is targeting non-quarantine counties in northern New York and New England with digital advertising, public radio underwriting, search and social media to encourage visitation by those who can do so most easily to bring much needed economic activity to the tourism industry, from lodging and restaurants, to independent retailers and cultural attractions who rely on summer and fall visitors for on average, over 60% of their annual revenue.

NEXT STEPS

Approximately \$150,000 in CRF funds have been expended to date, although media commitments not yet paid bring the total closer to \$500,000. The remaining approximately \$1,000,000 allocated for promotional efforts will be expended for the "Restart Vermont" campaign targeted to Vermont's traditional drive market to launch on September 18, 2020. On or before October 1, 2020 the Department will provide a second report sharing the details of this campaign and plans for expending any remaining available funds by December 20, 2020.