

## Independence Scratch-Its Promotion

### *Background*

COVID significantly impacted “main street” businesses, particularly restaurants and “mom and pop” retail shops. Like many communities, Independence worked to distribute grants and technical assistance to support struggling local businesses. As 2020 wound down, staff sought a way to funnel the small amount of remaining CARES funds to local businesses while also enticing people to spend more money in those same businesses. The solution was the Independence Holiday Scratch-It campaign.

### *Holiday Scratch-Its*

Using an online provider such as <https://scratchoff.com/> the City designed a holiday-themed scratch-it. Every scratch-it was a winner in \$1, \$5, \$10, and \$20 denominations, and the seven participating downtown businesses would hand one out to every person who made a purchase. The scratch-it could be redeemed at any of the participating businesses same as cash when applied to a subsequent purchase before the expiration date. The holiday scratch-its were literally conceived, designed, and ordered in 3 days, so the seven participating businesses were the ones who responded quickly to an email blast pitching the idea. The promotion lasted three weeks, ending four days after Christmas to promote a little post-holiday spending, and then City staff “bought back” the redeemed scratch-its from the participating businesses. Total budget for this first promotion was \$5,000 including printing and shipping the scratch-its. A total of 1,000 scratch-its were printed with more lower denominations than larger ones.

The goal of this promotion was to give patrons of downtown businesses a unique, positive experience as they were wrapping up their business – one that also set a hook encouraging them to return and shop again. The campaign significantly exceeded our expectations. Not only did it put money in the hands of local business owners, the customer response was tremendously positive. Everyone likes to win something, especially when it’s not expected, and the business owners reported extremely positive feedback from customers. Most importantly, business owners reported customers saying things like “I had to come so I could spend my scratch-it” or in some cases just turning around and making additional purchases to spend their scratch its immediately.

### *Love Local Campaign*

The Holiday Scratch-It campaign was so successful that the City decided to expand the program with a month-long Love Local campaign in February. The campaign focused on restaurants with 14 participating businesses and increased the budget to \$10,000, which included a postcard mailer to nearby zip codes which were likely to visit Independence. The campaign was also promoted through the City newsletter and regular facebook posts. The campaign was so successful that the initial run of 3500 scratch-its was gone by mid-month so we ran an emergency printing of 1500 more, increasing the total budget to about \$12,000. We attempted to quantify the impact this campaign had, asking business owners to write the total purchase amount on redeemed scratch-its and offering two scratch-its if people brought in the postcard mailer that was sent out. Unfortunately only two businesses tracked total purchases and none held on to postcards, but for the two businesses that did track expenditures the total purchase averaged about 4x the value of the scratch-it.

### *Spring Celebration*

With the third (or fourth?) wave surging the City decided to do one more campaign to get our businesses to the nice weather when foot traffic and outdoor seating would carry them forward. Since

it was the last one, the campaign was expanded again with a total budget of \$20,000 and 23 participating restaurants and retail stores (there were a couple business owners who were unhappy at being left out of the last one). This campaign was also promoted through the City newsletter and facebook, and we organized some local bands to play in the downtown plaza on Saturdays in March as a low-key way to add ambiance downtown. We also included four \$100 winners to make things more interesting. As with the others, this campaign was extremely popular. Businesses did a better job of tracking total purchases (8 did this) and the average expenditure was 5x the value of the scratch-it. While there were clearly some outliers (a \$50 tab using a \$5 scratch it at a restaurant), the 5x figure is pretty representative of reality. Very few people spent only the value of the scratch-it.

### *Learnings*

The biggest concern was that one or two businesses would dominate scratch-it collections, but the redemptions were surprisingly well distributed. Coffee shops and bars tended to do best with lower denominations and restaurants did better with larger denominations.

People only redeemed about half of the scratch-its, which we tried to factor into the amount that were distributed. We actually undershot our budget on the first one because we didn't want to put more scratch-its out there than we were willing to buy back. For the Love Local, we assumed a 65% redemption rate, which was still a little high, and the Spring Celebration was right at 50%. It's good to factor the redemption rate in because that means you can put out more scratch-its and let the promotion last longer.

We debated making some portion of the scratch-its losers, which would have significantly stretched the number of cards we could put out, but in the end we felt it would better achieve our goals if every one was a winner and the results bear this out.

Printing and shipping the scratch-its did not cost much more if you were doing 3500 instead of 1500, so we tried to order as much as we needed from the start. Ordering a second batch during the Love Local campaign ate another ~\$700 out of our budget. Ordering 7500 for the Spring Celebration campaign only cost ~\$900.

### *Challenges*

The hardest part of this project is contacting businesses, getting them to participate, getting their information, making sure they tell their staff, etc. This was much easier after the first campaign but still time consuming. The other time-consuming part was buying back the redeemed scratch-its. If you assume 15 minutes per stop, 23 businesses will still take the better part of a day, and that doesn't consider the variety of open hours and other commitments that break up a day. That said, it's a great opportunity to chat with the business owners, see how things are going, get feedback on the campaign, etc. Independence was fortunate to have a staff person who designed the materials in house using Canva. Anyone with some graphic design skills can do this, but you could also pay someone to do it.

### *Conclusion*

Its hard to overstate how popular this campaign was. Even people who shop downtown regularly commented what a nice surprise it was each time they rubbed the scratch-it, and it was a fun point of conversation for groups at the pub. Winning \$10 or \$25 feels significant and perked up everyone around the winner. The scratch-its were prominently referenced in a recent article about Independence in The Oregon Way, and the inevitable reaction from someone who was unfamiliar with the campaign

was “That’s so cool!” Which was exactly the point. This project is easily replicable by other communities and can be scaled to fit any budget. The City was able to use CARES/CRF funds for the investment, but the clear return on investment makes it suitable for many funding sources. Ultimately, the project achieved its goal of getting money into the hands of struggling local businesses in a way that leveraged additional money from local consumers.



### **PARTICIPATING BUSINESSES**

**SILK THAI CUISINE**  
268 S MAIN ST, INDEPENDENCE

**PARALLEL 45 BREWING**  
240 MONMOUTH ST, INDEPENDENCE

**JUBILEE CHAMPAGNE AND DESSERTS**  
296 S MAIN ST, INDEPENDENCE

**INDEPENDENT ICE CREAM SHOP**  
226 S MAIN ST SUITE A, INDEPENDENCE

**THE TAP STATION**  
87 S MAIN ST, INDEPENDENCE

**STARDUSTER CAFE**  
4705 AIRPORT RD, INDEPENDENCE

**MENDI'S PIZZA**  
1695 MONMOUTH ST #9726, INDEPENDENCE

**MANGIARE ITALIAN RESTAURANT**  
114 S MAIN ST, INDEPENDENCE

**PINK HOUSE CAFE**  
242 D ST, INDEPENDENCE

**FRO-ZONE YOGURT CO.**  
1389 MONMOUTH ST, INDEPENDENCE

**SAN ANTONIO MEXICAN RESTAURANT**  
1311 MONMOUTH ST, INDEPENDENCE

**CHASE BAR & GRILL**  
1083 MONMOUTH ST, INDEPENDENCE

**OVENBIRD BAKERY**  
215 S MAIN ST, INDEPENDENCE

**BREW COFFEE AND TAP HOUSE**  
211 S MAIN ST, INDEPENDENCE

### **PROMOTION DETAILS**

WHILE SUPPLIES LAST,  
NOW THROUGH FEBRUARY 28TH,  
LOVE LOCAL BUSINESSES BY MAKING  
A PURCHASE AT ANY OF THESE 14  
PARTICIPATING BUSINESSES AND RECEIVE  
A SCRATCH-IT WITH EACH PURCHASE.

**EVERYONE IS A WINNER!**  
EACH SCRATCH-IT IS  
WORTH \$1, \$5, \$10, OR \$20 TOWARDS  
YOUR NEXT PURCHASE AT ANY PARTICIPATING  
BUSINESS UNTIL FEB. 28TH

FOLLOW OUR FACEBOOK PAGE  
TO SEE EVEN MORE WAYS TO WIN!  
[FACEBOOK.COM/INDEPENDENCEOREGON](https://www.facebook.com/independenceoregon)

**BROUGHT TO YOU BY  
THE CITY OF INDEPENDENCE**



