



Memorandum

To: Mark Heller, Executive Director
From: Lynn Acton and John Hageman, Interns
Date: June 2, 2010
RE: Buy Local Golden Research and Action Plan

Introduction

The purpose of this memo is to provide a suggested framework to be used by the Buy Local subcommittee to execute and manage a Buy Local campaign as part of the City of Golden's sustainability initiatives. Research from three national organizations (American Independent Business Association or AMIBA, Business Alliance for Local Living Economies or BALLE, and the Institute for Local Self-Reliance), other successful Buy Local programs, and several studies informs many of the recommendations and strategies included in the action plan.

Buy Local campaigns continue to develop in communities across the nation as studies show significantly more revenue (up to three times as much) retained in the local economy. While many campaigns focus on collectively marketing independent local businesses (with the City of Boulder establishing the first Independent Business Association, or IBA, now a national organization for other communities to emulate), Buy Local Golden will be inclusive of all businesses within Golden's city limits.

The Buy Local campaign process began with the City of Golden's Economic Development Commission (EDComm) appointed a stakeholder committee that formed a Buy Local subcommittee. Leadership from several organizations in Golden, including the Golden Cultural Alliance (GCA), Golden Urban Renewal Authority (GURA), and Golden's Chamber of Commerce, are coordinating as part of the Buy Local subcommittee to establish a Buy Local program in Golden.

I. Buy Local Research

A couple of sources outline steps in forming a Buy Local campaign. The first by BIG BOX TOOL KIT, a project of the Institute for Local Self-Reliance, produced the following basic list:

1. Form a steering committee.
2. Set a date for a kick-off event.
3. Devise a name, slogan, and logo.
4. Develop a campaign kit.
5. Define membership.
6. Hold kick-off event.
7. Begin recruiting members.

8. Subsequent steps include organizational development and spreading the campaign message once businesses to support the cause has been assembled.¹

A Buy Local committee has been formed for the Golden campaign, but items 2-8 are recommended additions to committee objectives.

An article from *Small Biz Survival* provides another strategy list:

1. Get some help [i.e. partner with a national organization and expand local campaign].
2. Pick a theme.
3. Promote most powerful benefits.
4. Create promotional materials.
5. Kick off with events and media coverage.
6. Measure success.²

Albeit brief (further description may be found in references provided in the footnotes), both lists contain critical tasks involved in establishing a Buy Local campaign, and emphasize marketing. The second list contains an important component, not included in the first list, with its program evaluation recommendation. An article by Arnold Chandler for *Policy Link* also suggests developing a system [through policy] to monitor performance of Buy Local strategies.³ (Chandler's article discusses several other recommendations to expand local purchasing, but it focuses on implementing policies, rather than other buy local campaign strategies.)

Several case studies provide precedent and guidance for establishing Buy Local Golden:

Mile High Business Alliance <http://www.milehighbiz.org/>

- Colorado Local First Campaign
- Online Local Business Directory
- Local Flavor Guides (online and print distribution)
- Local Energy First Campaign
- Business Development and Community Connection
- Inventing Business Series
- Marketing Workshops
- Local Biz Coffee Meetings
- Peer Advisory Groups
- <http://www.milehighbiz.org/programs>
- Eat Local First Dining Guide (new campaign!) <http://www.milehighbiz.org/newblog>

Northwest Washington <http://sustainableconnections.org/thinklocal/index.html>

- Bid Local First!—online auction featuring unique, one-of-a-kind local experiences (products?)
- Where the Locals Go!—guide and coupon book
- <http://sustainableconnections.org/thinklocal/blw2008>
- Buy Local mascot at events
- Buy Local week
- Eat Local week
- Buy Fresh campaign and marketing (with maps) for summer farmers' markets
- Business Marketing Kits for new business members
- <http://sustainableconnections.org/thinklocal/New>

Austin Independent Business Alliance (AIBA) <http://www.ibuyaustin.com/>

¹ [http://bigboxtoolkit.com/images/pdf/buylocal how to.pdf](http://bigboxtoolkit.com/images/pdf/buylocal%20how%20to.pdf)

² <http://www.smallbizsurvival.com/2009/05/shop-local-campaigns-for-small-towns.html>

³ <http://www.policylink.org/atf/cf/%7B97C6D565-BB43-406D-A6D5-ECA3BBF35AF0%7D/BuyNewark.pdf>

-Zoning and policy decisions informed by AIBA:

“...the city stipulated that a sizable amount of the leasable storefront space in a downtown redevelopment project be reserved for independent businesses...The city is also working AIBA to develop policies to support Independent Business Investment Zones throughout the city. With residents increasingly clamoring for local businesses, developers have been partnered with AIBA to develop strategies to include more local entrepreneurs in their projects.”

<http://www.newrules.org/retail/news/austin-initiative-connects-local-businesses-developers>

-Celebrate Your Independents—fly local business flags on July 4th.

-Austin Unchained—day to celebrate local shopping (now used across the nation as America Unchained)

-Access to logos and marketing materials for participating businesses

http://www.ibuyaustin.com/index.php?option=com_content&view=article&id=72&Itemid=48

-Calendar of events

http://www.ibuyaustin.com/index.php?option=com_jevents&view=month&task=month.calendar&Itemid=76

-Business directory with business description, address, phone number, and website link.

http://www.ibuyaustin.com/index.php?option=com_content&view=category&layout=blog&id=37&Itemid=47

Boulder Independent Business Alliance (BIBA) <http://boulder-iba.org/>

-Community Benefit Card program (launched in 2001)—discount card to use at member businesses. Cost is \$10 and advertised throughout the BIBA website.

-Member directory similar to AIBA.

<http://boulder-iba.org/search>

-Member social events such as Local Flavor and BIBA Gets Happy.

-Member newsletter.

-Member business spotlight each month.

-Links to relevant articles in website’s sidebar.

http://www.boulderindependentbusiness.org/wordpress/?page_id=166

Be Local Northern Colorado <http://www.belocalnc.org/>

-Coupon book.

<http://www.belocalnc.org/coupon-book-history/>

-Facebook and Twitter links on website.

-Friends of Eat Local—connecting local producers and buyers.

<http://www.belocalnc.org/projects-and-events/>

-Local 20/20 Challenge—spend \$20/wk for 20 weeks at local businesses.

<http://www.belocalnc.org/2020-challenge/>

Buy Local Berkeley <http://www.buylocalberkeley.com/>

-Website links to partner organizations.

<http://buylocalberkeley.com/node/65>

Think Local First County of Santa Cruz <http://www.thinklocalsantacruz.org/c/>

-Video on website to explain purpose, process, and exposes several local businesses.

<http://www.thinklocalsantacruz.org/c/contents/view/about-us>

-Different membership types (price depends on level of membership and exposure).

<http://www.thinklocalsantacruz.org/c/members/join>

Portland Independent Business & Community Alliance <http://www.portlandbuylocal.org/>

-Link to add email address so Buy Local news may be sent directly to email mailbox.

Albuquerque Independent Business Alliance <http://www.keepitquerque.org/aiba/>

-“I Love Albuquerque” contest—25 word description of Albuquerque for prize.

-The Loan Fund—New Mexico Community Development Loan Fund providing loans, training, and business consulting. <http://www.loanfund.org/>

-TV and radio interviews to broadcast Buy Local campaign and importance.

<http://www.keepitquerque.org/aiba/news/listen-nob-hill-news-sunday>

-Sponsorship. (Interesting they gained/are using sponsorship from a national company.)

<http://www.keepitquerque.org/aiba/page/sponsors>

-Great slogan: "Keep it Querque!"

Local First Chicago <http://www.localfirstchicago.org/>

-Holiday shopping guide

http://www.localfirstchicago.org/pages/about_us/10.php

Downtown First. Local First. [Pittsburgh area] <http://downtownfirst.net/>

-Excellent website to use as a precedent for Golden. Distinguishes where businesses are located, which ones are independent, sustainable businesses, and sponsors. Businesses are also categorized by downtown business district.

-Coordinates local events with similar nationally held events.

http://downtownfirst.net/page_contents/view/7

Dane County Buy Local [Madison, WI] <http://www.danebuylocal.com/>

-Buy Local merchandise available for purchase.

List of Studies Evaluating Buy Local programs:

A list of several studies supporting Buy Local campaigns may be found at

<http://www.livingeconomies.org/netview/resources-and-studies/LFstudies>.

1) Local Works! Examining the Impact of Local Business on the West Michigan Economy

<http://www.livingeconomies.org/sites/default/files/file/GR%20Local%20Works%20Complete.pdf>

Study published September 2008 by Civic Economics (organization has completed several similar studies).

"Key finding: A modest change in consumer behavior - a mere 10 percent shift in market share to independent businesses from chain stores - would result in 1,600 new jobs, \$53 million in wages, and a \$137 million economic impact to the area."

2) Survey Finds Support for "Buying Local" Boosted Holiday Spending at Independent Stores

<http://www.livingeconomies.org/netview/resources-and-studies/LFstudies/2008-retail-survey>

Survey findings published January 2008 by Independent Business forum.

"Key finding: Independent retailers in cities with active "Buy Local" campaigns reported much larger increases in 2007 holiday sales on average than those in cities without such campaigns."

3) Procurement Matters: The Economic Impact of Local Suppliers

<http://www.livingeconomies.org/sites/default/files/file/Local%20First%20studies/procurement-matters.pdf>

Report published November 2007 by Civic Economics.

Key finding: "A Civic Economics study commissioned by Local First Arizona reveals that public procurement from a local supplier generates "dramatically greater local economic activity" than procurement from a chain business. This study compared the local economic impact of Wist Office Products, a local supplier and LFA member, with Office Max Contract, a division of Office Max, after the state of Arizona dropped Wist from its stable of office suppliers."

4) The San Francisco Retail Diversity Study

http://www.livingeconomies.org/sites/default/files/file/SFRDS_May07.pdf

Published May 2007 by Civic Economics.

“Key findings: A slight shift in San Francisco consumer purchasing behavior - diverting just 10% of purchases from national chain stores to locally owned businesses - would, each year, create 1,300 new jobs and yield nearly \$200 million in incremental economic activity. The reverse is also true - a 10% shift away from local merchants would have a negative impact of equal but opposite magnitude.”

5) Study Shows 58% of Local Citizens Are “Thinking Local First” More Often

<http://www.livingeconomies.org/sites/default/files/file/Results%20of%20poll%20of%20TLF%20impact.pdf>

Published November 2006 by Applied Research Northwest.

“Key findings: 58% of Bellingham residents reported that as a result of the program they are more deliberate than they were three years ago (before the program began) about choosing local, independently owned businesses first. 92% of business participants would recommend the program to other businesses in their industry. 67% of participating businesses have, as a result of the program, adopted specific new practices that lessen their environmental impact and strengthen community.”

6) Anderson Study of Retail Economics

<http://www.civiceconomics.com/Andersonville/AndersonvilleStudy.pdf>

Published October 2004 by Civic Economics

“Key findings: Every \$100 spent with a local firm leaves \$68 in the Chicago economy; \$100 spent at a chain store leaves \$43 in Chicago. For every square foot occupied by a local firm, the local economic impact is \$179, versus \$105 for a chain store.”

Additional studies at <http://www.livingeconomies.org/sites/default/files/Big%20Box%20Studies.pdf>

II. Recommendations

Based on the previous programs and demonstrated success of buy local campaigns, the following is recommended to promote and expand Buy Local Golden:

- 1) Produce and distribute Golden tickets (similar to Boulder’s Community card) that provide discounts or other incentives at Buy Local Golden businesses
- 2) Construct a website with the following:
 - Business directory (with links to business website and contact info)
 - Calendar of events (maintain a current and comprehensive list of local events)
 - Monthly business spotlight
 - Business discounts and specials
 - Link to purchase community card “Golden Tickets”
 - Membership information and sign up
 - Sponsorship opportunities and links
 - Marketing campaign materials available for download
 - Recognizable slogan and logo
 - Free advertisement for member businesses
 - Organization’s history, purpose, accomplishments, campaign (video, images, and text)
 - Links to relevant and important organizations and articles
 - Links to Facebook, Twitter, RSS feeds, LinkedIn, and MySpace to establish user base
 - A code to link members’ websites to Golden’s Buy Local website (Albuquerque uses a license plate decal with code to place it on participating member web pages)
 - Podcast advertisements for local merchants, possibly in cooperation with other public service announcements
 - Local music playing on buy local website, promote the arts and events
 - Hire a local artist produce buy local marketing, webpage, logo (possibly as a donation)
- 3) Buy Local or Eat Local week (possibly similar to Denver’s \$52.80 Restaurant Week)

- 4) Cross-market downtown's other sustainable initiatives, GURA programs (i.e. Golden Gem Cinema, First Friday events/Street Fair, Downtown Golden Vitality Group, 2-hr vacation, local guide brochures, others?), Colorado School of Mines events, and other downtown events
- 5) Buy Local member businesses present at local functions
- 6) A reduced membership rate for businesses supplying services to organization (if no membership rate, other agreements to be considered in exchange for service)
- 7) Display and sell local artist's work at local merchants
- 8) Play local music at appropriate local venues (incorporate into Street Fair events?)
- 9) Member-to-member service sharing/discounts (form of sponsorship to organization)
- 10) Establish member mixers, meetings, and seminars (speakers with relevant Buy Local info)
- 11) Celebrate and promote local athletic, business, art, etc. events and accomplishments
- 12) Produce member tool kits, including storefront decals identifying local businesses
- 13) Incorporate other local initiatives: Shop Local, Drink Local, Bank Local, Eat Local, Play Local, Read Local, Heal Local, Move Local, Give Local (examples from Sonoma County Go Local campaign) <http://sonomacounty.golocal.coop/>
- 14) Competition, contests, challenges for Buy Local participants (engaging local consumers)
- 15) Press coverage: TV, radio, and newspaper promotion through interviews
- 16) Buy Local merchandise available to purchase on website
- 17) Incorporate with Colorado Local First and American Independent Business Alliance (AIBA) or Business Alliance for Local Living Economies (BALLE) to assist in founding local alliance and marketing regionally and nationally
Colorado Local First <http://www.coloradolocalfirst.com/>
AIBA <http://www.amiba.net/>
BALLE <http://www.livingeconomies.org/aboutus/mission-and-principles>

III Implementation Within Golden:

Kick off event – A strong start to the shop local campaign will be necessary to the vitality and longevity of the campaign. A kick off event that captivates and excites the community should be held to usher in the shop local campaign. This event can piggyback on other local events, but the committee should recognize that sharing the stage with another local effort might detract the focus of the shop local campaign. In order to make the kick off event a success, the marketing committee should have a number of free items such as bags, stickers, and food and beverage. Local restaurants can be approached to provide appetizers and snacks for those attending. A member of this committee should address the community and others present the importance of shopping local.

Example: Wakulla County, Fla

http://www.wakulla.com/Wakulla_News/Business_News/Wakulla_County_Chamber_of_Commerce_Shop_Local_Kick-Off_Event_Was_a_Success_200911108979/

Welcome Back Students Week – A number of small college towns across America throw parties for students in their downtown at the beginning of the fall semester. A part of the street can be shut down to allow for mingling and dancing with hopes that students feel included in the community. Golden has attempted this in the past with limited success therefore I propose an alternative route. Including the student and faculty into downtown Golden can be achieved with a "Welcome Back Week" for the School of Mines. In place of a party, students can have access to a number of exclusive deals from merchants across town. Some of potential deals that come to mind would be yoga packages for the semester, discounts on bike tune-ups and maintenance, student happy hours at local bars, and discounts to plays at the Miner's Alley.

Late Night Dance – While I recommend that Golden avoids throwing an exclusive party for students, a late night dance would be an excellent way to wrap up the kick-off events for the shop local campaign. A block of Washington Avenue would be shut down from 8:00 pm until 10:30 pm to serve as the location. Haystacks and temporary lighting would provide a welcoming atmosphere with easy set up and minimal

tear down. The dance could also be a potential revenue generator for the shop local campaign where proceeds are used for marketing and other overhead costs.

Event Calendar – Easy access to information has become ubiquitous and detrimental to successful shop local campaigns. In order for Golden’s campaign to succeed, Goldenites must have web access to a simple calendar of events that is available at work, home, and preferably on their phone. An easy initial solution to this issue is to use Google Calendar which can be exported to any website easily. Access to editing events on the calendar will be limited to those on the steering committee. Using Google Calendar will allow many editors on the committee to have one synced information database.

Example: City of Austin Shop Local

http://www.ibuyaustin.com/index.php?option=com_jevents&view=month&task=month.calendar&Itemid=76

Shop Local Pledge – Shop local campaigns frequently bring up the financial impact of shopping local and how it has a multiplier effect on local economies. An online petition that community residents can sign is a fun and informative way to make people accountable for their spending habits. Citizens can pledge a certain dollar amount that they pledge to spend locally each week. The website can be a part of any existing website and links to the pledge can be on multiple websites such as local shops, Foothills, GURA, AMC, and government web pages. The 350 Project encourages people to spend \$50 per month at three different local shops. Golden can follow suit with the 350 Project by encouraging people to shop at more than one store. A punch card can keep track of their shopping habits, gaining a punch for each store shopped at. This promotes Goldenites to shop at more than one store and hitting certain number of punches will enter the person into some sort of raffle.

Example: Northern Colorado

<http://www.belocalnc.org/2020-challenge/>

<http://www.the350project.net/home.html>

Local Marketing Kits – Many shop local campaigns have sold marketing kits to local businesses as a means of generating revenue. These kits include: window poster, a think local first window decal, a welcome letter, a “Top Ten Reasons to Think Local First” list, a FAQ sheet, a tip sheet for making the campaign a success, the logo to use in your own ads, a set of book mark-shaped and index card-shaped 'thank you cards' for customers - each with a different Golden or shop local fact, a sample newsletter article, and a CD-Rom with monthly marketing materials. If Golden is to go forward with selling shop local marketing kits, the kits must have content that business owners will value, otherwise the campaign will take on the stigma of a membership charity.

Example: Northwest Washington State

<http://sustainableconnections.org/thinklocal/New>

Local Business Happy Hour – A happy hour at a local bar will allow for a meeting of the minds for all shopping areas in Golden. An informal meeting of local merchants can provide an opportunity for business networking and camaraderie. Boulder currently has a happy hour exclusively for shop local members. I believe that Golden’s shop local campaign should avoid being exclusive and encourage all members of the community to gather and exchange ideas about what is working for them.

Example: Boulder, CO

http://www.boulderindependentbusiness.org/wordpress/?page_id=166

Farmer’s Market Tours – A local chef can provide a tour of our farmer’s market, educating people on how to pick fresh produce. The chef can arrange a tasting created by fruits, vegetables, and meats grown right here in Colorado from the farmers’ market. The goal of the tour would be to expose local chefs, farms, restaurants, and merchants. The tour has been very successful in the Hawaiian Islands but would be changed dramatically to work in Golden. This tour can occur once a month in hopes to build up demand for the event.

Example: Kohala, Hawaii

<http://www.merrimanshawaii.com/farmtours.php>

Local Ad Campaign – Downtown Pittsburgh has a successful advertising campaign that showcases what makes downtown living so appealing for all people. Their print campaign shows a diverse range of lifestyles including a young father, mother, and baby, a principal partner at a design firm, a young female lawyer who also plays football, and a male gay couple. Golden could undertake a similar campaign that shows why living in Downtown Golden is a cool, inviting, and inclusive neighborhood. These advertisements can be tied into the Downtown Golden Vitality Project.

<http://www.downtownpittsburgh.com/living/downtown-living-exposed>

Shop Local Merchant Card - An exclusive shopping card that can be used at participating downtown shops and restaurants is also an option for Golden to consider. Many downtowns use Store Financial as their credit provider, who will tailor the program to specific needs of Golden and its businesses. I spoke with Amanda Miller at the Downtown Business Association in Fort Collins who has a working relationship with Store Financial. The Ft. Collins shopping card program has seen continued success in their 16 months of activity. While the average time for a program to get underway takes 8 – 12 weeks, Fort Collins' program took approximately 6 months. The majority of that time was spent on drafting a contract to be approved by city council. Store Financial has an implementation team that will assist in any necessary training and point-of-sale set up. Businesses have access to live technical support at no fee to the merchants. Fort Collins has a DBA that collects membership fees that helps pay for the costs associated with the program. Activation fees are assessed at the discretion of the town. Automatic maintenance fees (AMF) occur after the first year of use with the card, which is how Store Financial earns their profit. Fort Collins negotiated that the revenue from AMFs was to be divided with Sales Financial 40/60. Sale Financial however entered a clause into the contract that states that any AMF proceeds must be spent on the program such as marketing, new point of sale equipment, or other associated costs. Ft Collins grossed \$350,000 in card sales in 2009, which was up 20% from the previous year.

The gift card program will require significant upfront capital. Ft. Collins used proceeds from their existing downtown business association to pay for many of the upfront costs associated with the program. With Golden lacking its own DBA, the financial obligation will be even greater than that of our neighbors. The fee structuring associated with the cards is something that Golden should be mindful of. While fees may seem probative, they are the means of profit for the city or downtown. Ms. Miller felt that Sales Financial was very upfront with how the program is structured and was not misleading in any terms or financial conditions. While initial expenses are burdensome, Ft. Collins and Boulder are examples of the success that Golden can be a part of as well.

IV. Action Plan

The action plan for Buy Local Golden defines the campaign's goals and objectives and the resources needed to achieve them.

Goal 1: Establish a Buy Local campaign in Golden, Colorado.

- Objective 1.1: Increase the percentage of tax revenue re-circulating in the local economy.
- Objective 1.2: Further promote the City of Golden's identity in the community and region.
- Objective 1.3: Encourage local businesses to collaborate toward common goals.
- Objective 1.4: Strengthen public-private relationships in Golden and city identity.
- Objective 1.5: Further develop the City of Golden's sustainability initiative.

Suggested resources: Cooperative effort from GCA, GURA, and Golden's Chamber of Commerce led by EDComm's Buy Local subcommittee. Partially funded by GURA.

Goal 2: Create and maintain a Buy Local Golden website.

Objective 2.1: Design Buy Local Golden logo and branding identity.

Objective 2.2: Collectively market local businesses and amenities / services in Golden by producing a member directory (both print and website formats).

Objective 2.3: Allow local businesses to cheaply advertise through a widely accessible portal.

Objective 2.4: Cross-market local events by maintaining a citywide activity calendar.

Objective 2.5: Map participating Buy Local businesses.

Suggested resources: Website administrator and designer to be selected by EDComm's Buy Local subcommittee. Consider donated time and talent or funding through membership dues.

Goal 3: Distribute the Buy Local Golden message.

Objective 3.1: Educate the community on Buy Local Golden movement. Buy Local Ambassadors present campaign information and marketing materials to Golden residents.

Objective 3.2: Collectively market local businesses and amenities / services in Golden by producing marketing materials, including window decals, shopping bags, print media, and merchandise with logo. Advertise in media, social websites, grocery carts, and billboards.

Objective 3.3: Buy Local Ambassadors and leadership campaign at community events.

Objective 3.4: Coin a marketing slogan that catches attention and informs the public.

Suggested resources: Graphic designer to be selected by EDComm's Buy Local subcommittee. Consider donated time and talent or funding through membership dues. Ambassadors volunteer knowledge and time to campaign.

Goal 4: Expand stakeholders involved with Buy Local Golden.

Objective 4.1: Buy Local Ambassadors present campaign to business community.

Objective 4.2: Develop contacts and build Buy Local campaign / organization at socials.

Objective 4.3: Link civic and cultural leaders with business owners in Golden to achieve common goals and hold collaborative events.

Suggested resources: Leadership from GCA, GURA, Golden's Chamber of Commerce and EDComm's Buy Local subcommittee in cooperation with Golden business owners and community members.