CPM PROJECT

Marketing Grant Program
(Re-Structure)

S. C. STATE LIBRARY
SEP 2, 2008
STATE DOCUMENTS

Alisa Gale Bivines

South Carolina Department of Parks, Recreation & Tourism

February 1, 2008
CPM PROJECT

Re-Structure of Marketing Grant Program

SCPRT manages a marketing grants program that provides reimbursable matching grants to 501-C non-profit entities. The goal of this marketing grant program is to work in tandem with PRT’s advertising objectives by managing a sustainable tourism industry that brands South Carolina as the preferred travel destination.

The groups that are eligible to participate in this program include:

DMO – Destination Marketing Organizations

- Convention & Visitors Bureaus
- Chambers of Commerce
- Regional Tourism Commissions

PSO–Public Sector Organizations

- Associations
- Attractions
- Festivals
- Events
- Recreational Groups
- Municipal and County Governments

The primary function of these organizations must be tourism promotion and the grant funds are for the purpose of advertising and promoting South Carolina’s tourism industry.

Due to ongoing issues and concerns expressed by these groups, there is a need to assess the program and its ability to provide an objective mechanism for grant evaluations and funding review. The issues center on:

- Establishing a goal to help drive sustainable tourism throughout the state
- Meeting the demand for funds, which outpaced supply by two to one
- Increasing the budget to keep pace with this demand
• Addressing a sense of entitlement among recipients
• Balancing the political challenges
• Removal of existing caps and baseline formulas

These concerns were expressed through verbal communications from our partners to program staff members and upper-level management. Consequently, directives were given by our agency's chief of staff to investigate these concerns and make changes accordingly, where warranted.

The agency's commitment to improving this process involved several major components which included preliminary fact-finding meetings with key constituents to obtain feedback, and input regarding proposed changes and educational workshops for qualified stakeholders.

SCPRT has both the opportunity and the responsibility to help public-sector tourism marketing organizations promote their areas and attractions. One of the tools SCPRT has for providing this leadership and support is its marketing grants program. Over time, however, partner needs and expectations have changed. SCPRT's objective is to re-structure the program so that it is a more flexible and responsive program that allows SCPRT to help qualified partners market South Carolina as a preferred travel destination.

Development of Competitive Criteria
The Sales and Marketing team conducted a weeklong series of preliminary sessions with constituents throughout the state to gain a fuller understanding of the program's strengths and weaknesses. This ultimately led to a re-design of the program to better meet their needs. These workshops were held in Greenville, Columbia, Sumter, Myrtle Beach and the Lowcountry. It should be noted these sessions were conducted by the office director and program manager.

<table>
<thead>
<tr>
<th>Location</th>
<th>Dates</th>
<th>Key Industry Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenville</td>
<td>October 4, 2007</td>
<td>Upcountry Regional Partners</td>
</tr>
<tr>
<td>Columbia</td>
<td>October 5, 2007</td>
<td>President of SCATR</td>
</tr>
<tr>
<td>Sumter</td>
<td>October 8, 2007</td>
<td>Sumter CVB President</td>
</tr>
<tr>
<td>Myrtle Beach</td>
<td>October 9, 2007</td>
<td>Myrtle Beach COC, MBGH</td>
</tr>
<tr>
<td>Charleston</td>
<td>October 9, 2007</td>
<td>Charleston CVB</td>
</tr>
<tr>
<td>Lowcountry</td>
<td>October 10, 2007</td>
<td>Beaufort COC</td>
</tr>
</tbody>
</table>
This pre-assessment of the program highlighted the following challenges:

- A cumbersome application process
- Restrictions on the types of marketing initiatives that could be funded
- Incongruence between the types of organizations applying for funding and the impact of their initiatives as compared to the level of funding for which they could qualify i.e. a weekend event receiving the same amount of funding as a destination marketing organization (DMO)
- Funding awards based on applicant’s previous funding history
- Dissatisfaction with the composition of the review panel
- An inadequate budget to meet the demand

Upon implementation of these changes, staff followed-up with a series of educational/instructional workshops which became part of the post-assessment for this process.

<table>
<thead>
<tr>
<th>Location</th>
<th>Dates</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenville</td>
<td>November 29, 2007</td>
<td>28</td>
</tr>
<tr>
<td>Hilton Head Island</td>
<td>November 30, 2007</td>
<td>25</td>
</tr>
<tr>
<td>Myrtle Beach</td>
<td>December 3, 2007</td>
<td>37</td>
</tr>
<tr>
<td>Charleston</td>
<td>December 4, 2007</td>
<td>36</td>
</tr>
<tr>
<td>Columbia</td>
<td>December 5, 2007</td>
<td>20</td>
</tr>
<tr>
<td>Columbia (2)</td>
<td>February 13, 2008</td>
<td>30</td>
</tr>
</tbody>
</table>

Critical Outcomes:

- Funding will not be linked to applicant’s previous year’s award amount, which allows organizations to request additional funds
- These changes reduce and or eliminate negative feedback from key constituents.
Easier Application/Proposal Process
The application process has been simplified, and application specs are available only on-line. Previous funding caps associated with an applicant’s prior grant award are no longer a consideration in the funding process. The program’s assistant manager was responsible for type-setting the new guidelines and application specifications.

Electronic Guidelines and Forms
In an effort to stay current with the trends and demands of the travel and tourism industry and our consumers, we have developed a URL specifically for this grants program. All information pertinent to the development and or administration of this grant can now be obtained online at www.TPFgrant.com in a PDF format that is printable. This process was handled by the managing editor of PRT’s corporate website.

Expansion of Fundable Items
A broader range of marketing strategies is now eligible for consideration for funding. More specifically, organizations may continue to market their area using the traditional marketing tools listed below, but are no longer limited solely to this list.

- Interactive Marketing
- Web Development and Enhancement
- Broadcast Media
- Print Media Advertising
- Public Relations: Media marketplace, Press Kits
- Sales: Tradeshows, Meetings & Conventions, Group Tours
- Other (Miscellaneous category for creative marketing ideas)

By adding the miscellaneous category “Other,” a host of new opportunities is now available, depending on the creativity of our partners and their marketing needs. In support of this effort, the program’s budget is scheduled to increase by approximately 20 percent.

Increased Program flexibility
- Restrictions on the types of marketing initiatives that could be funded have been removed.
- Caps on grant awards based on an applicant’s prior funding history with the program are no longer applicable.
• “Other” category opens the field for new and creative marketing strategies.

**New Scoring Procedures**
The review panel has been re-configured to include three SCPRT Sales and Marketing staff members and two paid, out-of-state consultants with specific tourism destination marketing experience. The consultants will serve on the panel for consecutive years to help insure consistency in the rating process.

Scoring is based on a 100 point system:

- Strategies align to obtain goals (25)
- New Market initiatives and/or sustaining markets credible (10)
- Overall marketing campaign attainable (10)
- Tax revenue impact (25)
- Measurable Mechanics (20)
- Required documentation provided (5)
- Application clear and comprehensive (5)

The high and low scores are dropped, while the remaining scores are averaged for a more accurate ranking.

Score x Requested Amount = Funding Level

Award notifications will be mailed in late April or early May

As a result of these findings, a timeline was established to carry out an aggressive campaign, designed to implement these changes for the upcoming fiscal year.

**Program Timeline:**
- Sep - Internal Review
- Oct – Preliminary Meeting w/Key Stakeholders
- Nov - Create Six Modules/Develop Website
- Nov - Final Review
- Nov - Post Guidelines and Forms Online
- Nov – Conduct Educational Workshops
- Dec – Conduct Instructional Workshops
- Feb – Conduct Final Workshop during Governor’s Conference
Program Developments:
- New Program Name: Tourism Partnership Fund
- New URL: TPFgrant.com
- Postcards: Mailed mid-November
- Workshops: Greenville, Columbia, Myrtle Beach and Lowcountry
- Article: Agency E-Newsletter
- E-mail Blast: Past grant recipients
- Format: Electronic Only - Downloadable
- Program Structure: Core Regulations plus Six Modules

Data Collection:

All 50 states were contacted and asked to provide information pertaining to their grants program. We received information from the following 17 states, which provided us with a 34-percent return rate:

- Alabama
- Arizona
- California
- Florida
- Georgia
- Kansas
- Kentucky
- Louisiana
- Minnesota
- Mississippi
- Missouri
- Nevada
- North Dakota
- Texas
- Tennessee
- West Virginia
- Wisconsin

South Carolina has historically been the fore-runner in establishing guidelines and regulations pertaining to the administration of marketing grants. Few states have any new info to contribute, since their programs have used SCPRT as a benchmark.

The following offices and agencies were utilized in gathering the data used during this process:
Pertinent data was also gathered after each preliminary workshop. Key industry partners throughout the state provided direct feedback and input in the form of written correspondence that was condensed and used as the basis for implementing the new changes.

- Bennish Brown, York CVB
- Jayne Scarborough, OED
- Collette Davis, Sumter CVB
- Barbara Ware, Old 96
- Tim Todd, DUCA
- Chris Stone, Greenville CVB
- Mary Ann Kiesler, Thoroughbred Country
- Dave Zunker, Columbia CVB
- Brad Dean, Myrtle Beach Chamber of Commerce
- Marilyn Rinehart, North Myrtle Beach Chamber
- Mickey McAmish, Myrtle Beach Golf Holiday
- Grace Brock, Georgetown CVB
- Helen Hill, Charleston CVB
- Susan Thomas, Hilton Head CVB
- Larry Holman, Beaufort Black Chamber
- Jim Wescott, SCATR
- Mary Shriner, SCATR

Direct input and feedback was received from SCPRT leadership in the form of e-mails, meetings and standard work processes.

- Chad Prosser, Director
- Amy Duffy, Chief of Staff
- Beverly Shelley, Director, Sales & Marketing
- Dudley Jackson, Research Director
- Dottie Fisher, Assistant Manager
- Gale Bivines, Manager
Methodology:
- Reviewed data from other State-supported grant programs
- Conducted preliminary meetings w/industry partners hosted throughout the state
- Spearheaded direct mail campaign (E-mail Blasts)
- E-mails sent to current year and most recent past-year grant recipients
- Conducted statewide educational workshops to advise and instruct constituents of program changes and requirements
- Will conduct online surveys to evaluate the effectiveness of program changes

Summary and Recommendations:
- Roll-out new, more efficient, re-structured grants program
- New announcement process: e-mail, agency e-newsletter with links to web page, program information and application forms online at www.tpfgrant.com
- New timeline: Announce open application; conduct five workshops, set deadline, early announcements of grant awards
- Application Limit: One per organization
- New Review Process: Three PRT staff members and two non-resident panelists
- “Other” Fundable Item – Opportunity for new, creative marketing strategies
- Proof of performance requirements
- Close-out deadline moved up to May 30th

The previously mentioned issues and concerns were addressed by re-structuring the program to include a set of core stipulations and six modules that provides a level playing field for all candidates, with each group having separate funding parameters and qualifiers.
### Re-Structured Grant Program

**At A Glance**

*One application per organization*

<table>
<thead>
<tr>
<th>Category</th>
<th>Eligibility</th>
<th>Funding Parameters</th>
<th>Qualifiers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established Markets</td>
<td>Collecting &gt;$900K Accommodations tax</td>
<td>$500,000 – 33% Reimbursement - Private sector match OR $400,000 – 33% Reimbursement - Any source match</td>
<td>Score 90+</td>
</tr>
<tr>
<td>Developing Markets</td>
<td>Collecting &lt;$900K accommodations tax</td>
<td>$200,000 – 50% Reimbursement</td>
<td>Score 85+</td>
</tr>
<tr>
<td>Sports Marketing</td>
<td>Conduct on-going sports marketing efforts</td>
<td>$50,000 – 50% Reimbursement</td>
<td>Score 85+</td>
</tr>
<tr>
<td>Attractions</td>
<td>Attractions that charge admission</td>
<td>$40,000 - 50% Reimbursement</td>
<td>Score 85+</td>
</tr>
<tr>
<td>Festivals &amp; Events</td>
<td>Attract out of market visitors and generate room nights</td>
<td>$20,000 – 50% Reimbursement</td>
<td>Score 80+</td>
</tr>
<tr>
<td>$500 Matching Grant</td>
<td>Qualified entity engaged in a tourism marketing initiative</td>
<td>$500 – 50% Reimbursement</td>
<td>Score 75+</td>
</tr>
</tbody>
</table>

### FORMER PROGRAM (TMPP)

*Two applications per organization*

<table>
<thead>
<tr>
<th>Category</th>
<th>Eligibility</th>
<th>Funding Parameters</th>
<th>Qualifiers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Out-Right Grants</td>
<td>Collecting &lt;$50K in A-Tax</td>
<td>$500 100% Reimbursement</td>
<td>Score 70+</td>
</tr>
<tr>
<td>Category I</td>
<td>Collecting &lt;$400K in A-Tax</td>
<td>#1 – $50K #2 – $25K 60% Reimbursement</td>
<td>Score 75+</td>
</tr>
<tr>
<td>Category II</td>
<td>Collecting &lt;$900K in A-Tax</td>
<td>General Marketing #1 - $75K #2 - $37.5K Festival/Event/Sports #1 - $50K #2 - $25K 50% Reimbursement</td>
<td>Score 80+</td>
</tr>
<tr>
<td>Category III</td>
<td>Collecting &gt; $900K in A-Tax</td>
<td>General Marketing #1 - $300K #2 - $150K Festival/Event/Sports #1 - $50K #2 - $25K 50% Reimbursement</td>
<td>Score 85+</td>
</tr>
</tbody>
</table>
EVALUATION PLAN:

Cost: There is no additional cost to the agency to implement this plan.

Methodology: Plans are in place to conduct two online surveys. One (to be conducted in May) will allow PRT to poll each applicant regarding new program changes. The other (to be conducted in June) will help determine the economic impact of our grant recipients.

Number of Participants: There are 120 participants requesting $7 Million for the 2008-09 fiscal year.

Total Dollars Funded: Last year’s budget was $4.5 million. It is anticipated that this year’s budget will increase by 2.5 percent. The budget for this program is determined by upper management and reflects an increase or decrease, depending on the agency’s financial strength. The budget for fiscal year 2008-09 has not been determined. Directorate usually makes this decision based on numerous budgetary projections and considerations from internal and external sources.

Tourism Increases: These increases are measured in varying ways depending on our partners’ abilities to track their returns. Their methodology also varies, depending on the complexity or simplicity of the organization. However, for each dollar awarded, the state doubles its investment and in some instances, triples it.

Due to the delicate nature of any information released pertaining to our tourism numbers, staff works closely with the agency’s Research Office to determine accurate measurement of these increases.

The gauge for determining the effectiveness and efficiency of these program changes will be measured based on:

• Survey Results (Stakeholders’ Feedback)
• Economic Impact of grant expenditures
• Staff Assessment (Mid Management)
• Directorate Assessment (Upper Management)

The logistical and administrative processes can be measured immediately, while the statistical and economic data won’t be available until next fiscal year. Nevertheless, this newly implemented process provides a strong system of accountability and measurability for the marketing dollars spent through this program.
Sources:

- Tourism Industry Partners
- Tourism Industry Trends
- Tourism Industry of America
- Governor’s Conference on Tourism and Travel
- South Carolina Department of Revenue
- South Carolina Department of Parks, Recreation and Tourism