



HOME GROWN TOOLS

for ECONOMIC DEVELOPMENT

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Homegrown Tools tells the story of small towns that have successfully stimulated private investment and job creation. The tool is meant to connect public officials, practitioners, and researchers to successful small town economic development strategies and inspire small towns to leverage their unique assets. Homegrown Tools is managed by NCGrowth, an EDA University Center at UNC Chapel Hill, in partnership with the UNC School of Government, the Federal Reserve Bank of Richmond, the NC Rural Center, and the UNC Department of City and Regional Planning.



New Bern, North Carolina



Keys to Economic Recovery from COVID-19

This case study was developed by NCGrowth and the ncIMPACT Initiative as part of the Testing the Keys for Economic Recovery project supported by the North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill with funding from the North Carolina Coronavirus Relief Fund established and appropriated by the North Carolina General Assembly. Learn more about project findings, upcoming webinars, case studies and resources at <https://go.unc.edu/KeystoRecovery>.

Synopsis

New Bern, NC took a collaborative approach to maintain tourism and support small businesses, leveraging statewide

resources and running several local programs to ensure that local businesses could reopen and position the town as a safe travel destination.

Points of Interest	County Data
Population (2018)	30,113
Municipal budget (2020)	\$37,994,779
Per capita income (2019)	\$29,459
Median household income (2019)	\$43,204
Poverty rate (2019)	18.7%
Minority population (2019)	41%
Proximity to urban center:	40 miles to Jacksonville, NC
Proximity to interstate/highway	64 miles to I-795

Introduction

Early into the pandemic the North Carolina Restaurant & Lodging Association (NCRLA) spearheaded a public-private partnership to provide training and guidance to the hospitality industry on safe operations during COVID, making NC one of the first states to take this action. The NC Department of Health and Human Services, NC State Cooperative Extension and Visit NC are all involved in the development and implementation of the program, Count on Me NC. The goal was to create trustworthy standards for reopening restaurants, hotels, and other businesses. While meeting state and local standards, it has allowed businesses to safely continue operations; because of the industry's proactive approach it has also limited the amount of regulation that the state has had to put in place to keep the public safe.

Count on Me NC was promoted to all the destination marketing organizations across North Carolina. Visit New Bern, New Bern's tourism development authority, was an early adopter and went further to partner with Visit NC through their cooperative marketing program to promote the town as a safe travel destination. Visit New Bern encouraged local restaurants, hotels, and other businesses to get the Count On Me NC certification so that they could position the town as a safe travel destination.

The Community and its History

New Bern, North Carolina is located in Craven County with a population of just over 30,000. It is situated along the Neuse River, and is less than one hour's drive from the beach. With a historic downtown waterfront and easy beach access, tourism has long been a foundation of the town's economy. The historic downtown, established in 1710, features unique local businesses including the birthplace of Pepsi, four different historic districts, and many historical buildings including Tryon Palace, the first capital of North Carolina.

The COVID-19 quarantine posed a major threat to the community as it limited travel and tourism, on which so many local businesses rely.

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The Strategy

New Bern joined in the statewide Count On Me NC initiative to ensure that tourism would remain stable during the pandemic while following all protocols for the safety of residents and visitors. The Count On Me NC campaign focuses on evidence-based training programs that provide businesses with necessary information for reopening. The program is voluntary and offered at no-cost for businesses. Once a business completes trainings, they receive a certificate of completion and access to a marketing toolkit to promote their demonstrated commitment to public safety. NCRLA partnered with the NC Cooperative Extension, the NC Department of Health and Human Services and Visit NC to develop the training modules and promote the program (visit <https://countonmenc.org/> to access the trainings and for more information).

CountOnMeNC.org includes a directory of all businesses who completed the trainings where many of New Bern's businesses can be found. The campaign has substantial media reach with 22.5 million total impressions as of Dec 31, 2020, and is included in all travel pitches, positioning North Carolina, and participating towns, as a safe destination for state residents and regional travelers. The campaign also leveraged social media influencers and high-profile endorsements from well-known race car drivers and basketball coaches.

Paired with the Count On Me NC program, Visit NC offered cooperative marketing dollars for destinations to promote safe travel. Visit New Bern took advantage of this offer to launch a campaign called "Try on a Safecation in New Bern" that presented the protocols New Bern businesses were following and highlighted Count On Me NC participation locally. Additionally, it highlighted New Bern as the perfect place to travel safely during the pandemic given the abundance of outdoor activities in the area. They received co-promotion from Count On Me NC and Visit NC with features on both websites that drew more attention. The campaign promoted accountability for businesses and consumers to participate in COVID-safe protocols through Count On Me NC, and boosted New Bern's media presence.

Market data indicates that of those Americans who are open to travel during the pandemic, the majority are interested in regional travel by car and less crowded, outdoor-oriented destinations are preferred. By joining into this effort, New Bern was able to align itself with traveler demand and benefit from amplified marketing while following state mandates and CDC guidelines for COVID safety.

In addition to participation in these state efforts, New Bern launched several local programs through Swiss Bear, New Bern's Main Street organization. These programs include: 1) a loan fund for local businesses, 2) on-street dining, 3) a redesigned Mum Fest, New Bern's annual fall festival and 4) a new e-commerce site for downtown businesses. Visit New Bern was then able to leverage the state partnership to amplify marketing showcasing these efforts.

Loan Program: Swiss Bear worked with a third-party, Best Corps, to administer a loan program for businesses within New Bern city limits. Organizers raised \$210,000, including a \$45,000 contribution from the city. The loans were structured with two-year terms at 0% interest, with no payment due for the first six months. Two-thirds of the funds have been allocated and applications are still being accepted. There are no underwriting requirements and Swiss Bear expects that not all of the funds will be paid back.

On-Street Dining: Swiss Bear worked with the city to permit on street dining early in the pandemic. Restaurants are anchors of the downtown and some of the biggest employers in the area. Swiss Bear saw on-street dining as key to downtown health, with restaurants drawing customers to other downtown businesses. To get the permitting secured they worked with every city department and the city attorney. Due to everyone's cooperation and quick action they were able to open on-street dining at 5pm on May 22, the day that North Carolina moved into Phase 2 allowing restaurants to reopen. On-street dining is allowed on Friday and Saturday evenings starting at 5pm. Most downtown retailers are closed at this point which helped to manage parking conflicts.

Mum Fest: New Bern's Mum Fest is an annual fall festival usually held on the second weekend of October. The event typically attracts 100,000 people and hundreds of vendors. Early in the pandemic, Swiss Bear began scenario planning for Mum Fest and ultimately decided to go with their simplest event plan, leveraging the success of on-street dining to reimagine Mum Fest as "Mum Feast." Instead of one weekend, they extended the event to highlight on-street dining every weekend through the month of October. Streets were shutdown each weekend on Friday at 5pm and reopened at 11pm on Saturday.

In addition, Swiss Bear brought in a small number of street vendors and placed them strategically to help move people around town and draw them into businesses. Four food trucks were positioned in a large open lot, which was outfitted with a tent and café tables but no seating. The café tables were spaced ten feet apart, and public works was engaged to wipe down tables between use.

In the end this re-envisioning was very successful. Swiss Bear asked downtown businesses to compare their retail sales in October 2020 to October 2019 and found that about 20% of respondents were down, while 80% reported their sales were up between five and forty percent.

They also surveyed businesses to understand the impacts of street closures during Mum Fest. They met with five businesses, two restaurants and three retailers, to develop the questions and together determined they needed at least 39 responses for the results to be actionable. The survey was sent to 75 businesses and 41 responses were received. Based on the responses they decided to continue the street closures as they had in October through the end of the year. While they had some pushback from a small number of businesses, they found the survey data very helpful to

navigate any conflicts. The weekend street closures will continue in 2021 starting at the end of March.

E-Commerce Site: Swiss Bear received a grant from Main Street America designed to encourage innovative COVID-19 solutions. They chose to use the funds to create an e-commerce site to showcase downtown businesses. Many downtown businesses don't have their own online platform, and they recognized that while downtown has many of the goods that big box retailers sell, residents weren't shopping downtown because it was inconvenient to go into multiple stores or because they weren't aware of the array of product offerings. The e-commerce site is designed to hold inventory from all of the downtown businesses, allowing customers to shop from multiple stores with only one checkout transaction. Swiss Bear collects the sales tax and pays it monthly without further involvement from the stores.

The site soft launched on December 22, 2020 with 25 stores involved and over 300 items listed. To get businesses on board they held small breakout group meetings, bringing similar merchants together, to hear specific concerns and demonstrate the site. After these group meetings they followed up with businesses individually to talk through concerns, encourage them to participate, and offer support where needed. For businesses that were overwhelmed they encouraged them to start small and just list five things. About half of the initial set of businesses participated quickly, but the other half needed more support. Organizers helped businesses create their administrative accounts, think about what to make available on the site, and take pictures of merchandise. In the first quarter of 2021, Swiss Bear aims to get an additional 20 retailers on the platform.

When an order is placed, each business has 48 hours to get items to a central location where customers can either opt to pick up the items or they will be prepared for shipping. The Galley Stores and Marina, a business on the edge of town, agreed to be this central location and provide shipping support for free. The Galley is a large store with extended hours that has dedicated parking and existing shipping capacity. They had an existing relationship with Swiss Bear and saw this as an opportunity to gain exposure.

The Outcomes

- New Bern restaurants, hotels, and businesses were able to stay open throughout the pandemic and have been able to stay afloat and even thrive despite stay-at-home orders throughout the state.
- New Bern gained media attention within NC and nationally through its partnership with Visit NC and Count On Me NC, showcasing the town as a safe travel destination.
- Sales tax receipts in Craven County remained stable through the pandemic, and even above pre-pandemic levels.
- Tourism remained stable and even grew during some periods of the pandemic.

Leaders found that many visitors plan their trips last minute and visitor numbers are hard to predict.

- E-commerce website launched representing 25 downtown businesses, with a goal of adding 20 more in the next quarter.
- 3,898 businesses across North Carolina completed the Count On Me NC training.

How and Why the Strategy is Working

Industry leadership and key partnerships ensured relevance, business participation, and effectiveness. The Count On Me NC effort was led by an established industry association familiar with the challenges faced by individual businesses. Key regulators were engaged to ensure that the program met public health needs, but the program was ultimately framed as a benefit to businesses, rather than a limiting regulation. Further the program made local connections with all of the destination marketing organizations across the state, like Visit New Bern, who were able to drive participation locally.

The quality and efficacy of the campaign ensured that businesses would want to participate. Visit NC and the NCRLA ensured that the Count On Me NC campaign received extensive media attention through television, radio, social media, print, sponsorships, and various brand partnerships. The marketing kit provided to businesses made it easy for the business to align its brand and promote its commitment to public health. Additionally the campaign created an opportunity for local organizations to align their efforts and gain a wider audience.

Multiple marketing tactics allowed a variety of audiences to learn about the campaign. By adding multiple ways of reaching out to audiences, many individuals were targeted by the campaign. For example, prominent basketball coaches Mike Krzyzewski (Duke University) and Roy Williams (UNC Chapel Hill) put their names on the branded name badges for the initiative, many influencers shared information, and even high-profile race car drivers endorsed Count On Me NC. In addition to the primary marketing tactics, these new ones added new audiences through unique targeting.

Look at your community stakeholders and have internal conversations, be transparent and collaborative. Within New Bern, Visit New Bern has long held monthly meetings with sales and tourism partners, creating a culture of transparency and collaboration over the long term. Similarly, Swiss Bear holds monthly meetings of its Downtown Business Council. During the pandemic they moved these meetings outside to a park and used this platform to communicate about resources and get direct feedback. These touch points and collaborations enabled the transmission of a consistent public message that downtown New Bern was still open and safe.

Lessons Learned from the Story

Partnerships enable fast action, increased reach, and buy-in. The partnerships that NCRLA employed to develop and implement the Count On Me NC campaign enabled launch at a record speed. They leveraged the NC Cooperative Extension's established training capability to develop learning modules, Visit NC's data and relationships with local destination marketing organizations, NC Department of Health and Human Services for public health guidance, and the association's own relationships with and knowledge of hospitality businesses. Count On Me NC engaged all of the destination marketing organizations across the state to distribute information about the trainings, which is key as widespread adoption of public health measures is necessary for effectiveness.

Research and data are critical to driving decisions about marketing in normal circumstances, and even more critical during a pandemic. The Count On Me NC campaign and Visit NC promotion efforts were rooted in market data from regular traveler sentiment surveys, which enabled them to target their message effectively. Locally in New Bern, Swiss Bear was able to use surveys of downtown business owners to develop successful programs and mitigate conflicts when they arose.

Disasters can build resilience. New Bern is no stranger to disaster recovery. In the past five years the town has been impacted by multiple hurricanes and forced to respond and adjust. These previous experiences with hurricanes strengthened community resiliency - the ability to adapt and collaborate. They learned to think ahead about recovery plans, but also be prepared for highs and lows. As a specific example, the town's annual fall Mum Fest has been a downtown tradition for 40 years. The festival had to shift dramatically in the last five years - rescheduling, scaling back, and balancing hurricane debris cleanup to ensure space for the festival without sacrificing other areas of the city. But through all these changes the festival continued, and the community saw that changes can be positive. This understanding then enables flexibility, openness, and creativity in finding solutions, and reduces the fear of acting in uncertain times.

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