

Report to the Future Melbourne Committee

Agenda item 6.4

Marketing Support for Activation in the City

16 March 2021

Presenter: Ange Hann, Acting Director City Marketing**Purpose and background**

1. The purpose of this report is to provide Councillors with an overview of destination marketing to support city recovery and reactivation, reinforcing the critical role marketing will continue to play throughout 2021-22, and to seek endorsement for the waiving of daily hire fees for the City of Melbourne's Promotions (Banner) Program from 1 March to 30 June 2021 as a further demonstration of marketing support for impacted city events.
2. Prior to COVID-19 city visitation was close to one million visitors each weekday. The slow return of city workers and interstate visitors, coupled with borders remaining closed to international visitors and the recent circuit breaker lockdown, has decimated Melbourne's business, events and tourism industries. Despite recent improvement, average pedestrian activity remains approximately 60% down compared to the benchmark period, and it is anticipated that daily visitation will remain lower than forecast in 2021-22.
3. The COVID-safe reopening of Melbourne has involved delivery of carefully considered and targeted destination marketing campaigns to encourage a return of visitors to the city, create a positive profile for Melbourne and stimulate spend to support the city's retail, hospitality, tourism and accommodation sectors.
4. Visit Victoria research shows that as consumer confidence increases, 41.8% of Melburnians and 45.8% of regional Victorian residents are considering a trip to the Melbourne CBD.¹
5. Research conducted in February to support evaluation of City of Melbourne's reactivation marketing activity suggests a greater number of respondents planned to visit the city in the next two weeks (31%) than had visited in the past two weeks (24%), suggesting an increasing desire in visitors to return.²
6. Recovery and reactivation marketing campaign activity throughout 2020-21 has continued to support city businesses. It has achieved this through improving consumers' understanding of the city's unique offerings and new experiences in a COVID safe context and promoting the city of Melbourne as the leisure destination of choice.
7. The delivery of marketing activities with reach and impact, and continued support for third party events and activations to ensure broad awareness of the city's diverse offerings, is imperative to effectively rebuild confidence and motivation to visit Melbourne.

Key issues

8. The Melbourne City Recovery Fund, and partnership between the City of Melbourne and Victorian Government, has provided an additional \$5 million contribution to marketing in 2020-21, which has been key to enabling a significant increase in marketing activity and support for city reactivation and recovery.
9. Marketing campaigns between November and February have included Urban Blooms, Melbourne Fashion Week, Music in the City, New Year Street Feasts, and a partnership with the Queen Victoria Market to deliver the 'Your Christmas Shop on Us' shopping voucher competition, as well as regular Always On activities.
10. Marketing campaign impacts on visitation and spend include:
 - 10.1. Urban Blooms: drove primary visitation of 54,558 (made a specific trip) into the City and a secondary audience of 909,300 (those who were in the city primarily for other reasons but saw the Urban Blooms while there) and a 17% increase in the number of visitors to the city during the period of Urban Blooms. Visitors who came specifically to see the installations had a positive effect

¹ *Sentiment and Research Update, Melbourne Visit Victoria – February 2021

² *FOMO 2021 Campaign Evaluation, Zenith – February 2021 Baseline

- 10.2. on the local economy with an average spend per person of \$131.26, split 48% on shopping and 22% on food and drinks. The total economic impact to the City of Melbourne was over \$7.7 million.
- 10.3. Melbourne Fashion Week: A two week digital-led campaign to raise awareness, excitement, and support local. The goal was to drive audiences to watch online, shop, and visit in-person COVID-safe events throughout the city. This was supported by a PR campaign that included a strong cross-section of traditional, digital, and social media, and influencers. The PR campaign garnered excellent reach and return on investment - for every dollar spent, \$96 worth of value was achieved.
- 10.4. Christmas Festival: promoting a safe return to the city for events and retail offerings in a COVID safe way by driving traffic and conversion to city businesses impacted by the COVID-19 pandemic. The Christmas Gift Guide was the centrepiece of the campaign, utilising a messenger Chatbot to deliver tailored gift ideas and promoting online and in store gift ideas. The Christmas website delivered positive results, with 75% of consumers surveyed saying it made them feel more positively about the city. There is also overwhelming support amongst participating businesses for the Christmas Festival, with 33% of businesses taking part for the first time in 2020.
- 10.5. 'Your Christmas Shop on Us' competition: delivered in partnership with Queen Victoria Market (QVM) to raise awareness and drive visitation to the market in the lead up to Christmas and over the summer period. The campaign resulted in 64,079 competition entries, a What's On Melbourne social media audience reach of 229,425 and 49,080 new subscribers to the City of Melbourne's What's On eNewsletter, bringing total subscriber numbers to approximately 180,000. Previous channel research indicates the newsletter generates approximately \$45 million in economic impact for the city annually, based on 122,000 subscribers. An increase of 50,000 subscribers increases the estimated annual economic impact to \$66 million.
- 10.6. Music in the City: promotion of busker performances at key locations across the city and pop up performances featuring well-known artists, to encourage city visitation with money-can't-buy live music experiences in unique city locations. This extended campaign has contributed to substantial increases in activity across City of Melbourne social channels, including most liked and highest reach post on What's On Instagram (Tones and I). Combined What's On and City of Melbourne channel engagement delivered 2.26 million impressions and 110,000 engagements across Facebook, Instagram, Twitter and LinkedIn.
11. The launch of a vibrant new reactivation marketing campaign, FOMO, on 28 February 2021 repositions the city as a destination of choice amongst Victorians. The campaign builds on the momentum created by the city's reopening in late October and by extended outdoor dining, new event activations and events delivered and supported over summer.
12. Increased funding has enabled delivery of a significant advertising campaign and a television commercial to expand the FOMO campaign audience reach and subsequent impact to include visitors from regional areas. Within five days of launch there had been 163,000 social media video views, 11,000 FOMO website visits and an overwhelmingly positive response from consumers and industry. Refer Attachment 2 for examples of campaign creative.
13. The City's sense of welcome and vibrancy is further contributed to by approximately 450 individual Council-owned promotional assets, including a range of banner poles in key locations across the city. These assets provide a visually impactful marketing opportunity for owned and third party events and activations occurring within the municipality. Following a period of inactivity since April 2020 and in line with the easing of COVID-19 restrictions in late October 2020, customer interest in the program has again strengthened, particularly as events and festivals are once again able to be staged within COVID-safe guidelines. Refer Attachment 3 for an overview of assets.
14. Daily hire fees associated with this Promotion (Banner) Program are endorsed by Council as part of the annual budget process. Installation and removal is contracted to a third party, with these costs passed on to customers, in addition to daily hire fees.
15. In recognition of the critical role events and their visual marketing and promotion play in the city's reactivation, waiving daily hire fees for City of Melbourne's Promotions (Banner) Program for bookings commencing between 1 March and 30 June 2021 would provide an estimated \$118,000 in direct support to 14 events. Production, installation and removal fees would remain payable by customers.

Recommendation from management

16. That the Future Melbourne Committee:
 - 16.1. Notes the continued uplift in destination marketing activities required to support city reactivation efforts in 2021-22, and ongoing work with the State Government to secure additional financial support for the marketing of the city of Melbourne.
 - 16.2. Approves the waiving of daily hire fees for the Promotions (Banner) Program for all current bookings commencing between 1 March and 30 June 2021, and any new bookings made prior to 30 June 2021.
 - 16.3. Notes, that to support the reactivation of the city and in light of the continued financial and operational challenges faced by event and festival organisers, daily hire fees will be considered as part of 2021-22 Annual Budget process.

Attachments:

1. Supporting Attachment (Page 4 of 6)
2. FOMO Campaign Execution Examples (Page 5 of 6)
3. City of Melbourne's Promotions (Banner) (Page 6 of 6)

Supporting Attachment

Legal

1. No direct legal implications arise from the recommendation in this report.

Finance

2. Council's 2020-21 budget includes net operating funding of \$134,349 for the Promotions (Banner) program, which is comprised of \$314,349 income, less \$180,000 expenditure.
3. The recommendation contained within this report would have a direct financial implication of approximately \$118,000 in foregone income for 2020-21.

Conflict of interest

4. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

Health and Safety

5. In developing this proposal, no Occupational Health and Safety issues or opportunities have been identified.

Stakeholder consultation

6. Feedback from stakeholders supports the critical need for destination marketing and appreciation for fee waivers.

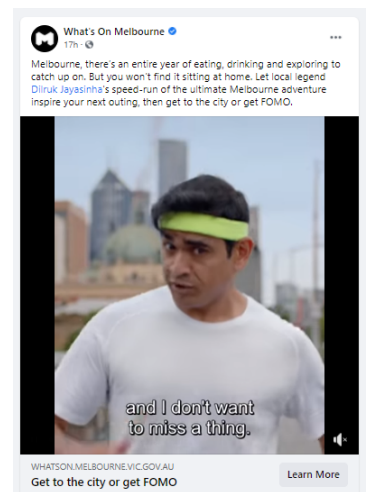
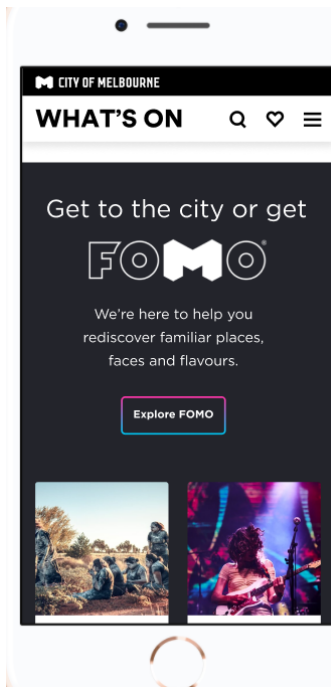
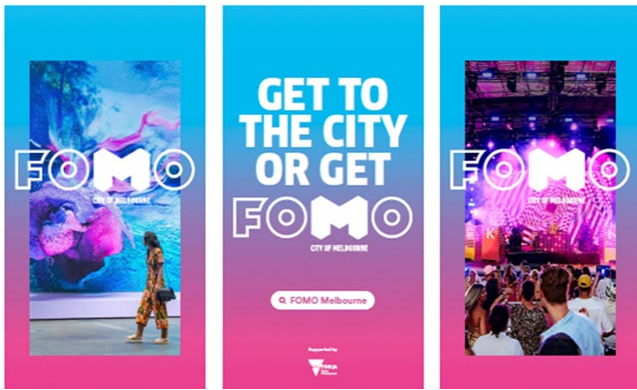
Relation to Council policy

7. Marketing and the Banner Program is aligned to Council Plan 2017-21, specifically Goal 4 – A Prosperous City.

Environmental sustainability

8. No direct environmental sustainability issues or opportunities have been identified in the development of this report.

FOMO Campaign Execution Examples:



City of Melbourne’s Promotions (Banner) Program Assets

Asset	Super Banner	Standard Banner	Docklands Banner
Quantity	325	86	43
Image	