

DATE: January 29, 2019**FILE:** 1700-02/2019/550**TO:** Chair and Directors
Committee of the WholeSupported by Russell Dyson
Chief Administrative Officer**FROM:** Russell Dyson
Chief Administrative Officer***R. Dyson*****RE: 2019 - 2023 Financial Plan – Comox Valley Economic Development Service –
Function 550****Purpose**

To provide the Committee of the Whole with the proposed 2019 - 2023 Financial Plan and work plan highlights for the Comox Valley Economic Development service, function 550.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2019 - 2023 financial plan for Comox Valley Economic Development service, function 550, be approved.

Executive Summary

- Comox Valley Economic Development service, function 550, is primarily delivered by the Comox Valley Economic Development Society (CVEDS) on behalf of participating members in the Comox Valley Regional District (CVRD), and based on terms included in a five year agreement between the CVRD and CVEDS. The agreement expires March 31, 2020.
- Revenues for this service are primarily through requisitions of \$1,195,567 with \$40,000 in the 2019 financial plan per terms of the withdrawal agreement between the Village of Cumberland and the CVRD.
- The primary cost for the service is the operational grant to CVEDS totaling \$1,185,658 for 2019, which consists of:
 - Destination Marketing \$391,267
 - Visitor Services \$355,697
 - Core Services \$438,694
- The 2019 financial plan provides for the contracted increase to CVEDS of \$23,348.
- Professional fees for 2019 includes the second \$40,000 contribution for CVEDS to complete their strategic plan according to contract requirements. In 2019, \$25,000 is also included to conduct an independent contract performance review.
- There is one direct grant to the Vancouver Island North Film Commission for \$15,000 under a separate agreement with the CVRD which expires July 31, 2019.
- Attached Appendix A includes a summary of the CVEDS financial plan, including forecasted leveraged funds in 2019 of \$992,500 and the CVEDS 2019 Strategic Plan.

Prepared by:

S. Smith

Scott Smith, MCIP, RPP
 General Manager of Planning and
 Development Services Branch

Stakeholder Distribution (Upon Agenda Publication)

Comox Valley Economic Development Society	✓
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Policy Analysis

The purpose of this service is to provide economic development services for the benefit of residents and participating local governments by “encouraging responsible expansion of the economic base of the Comox Valley with the intent of enhancing wealth and employment opportunities”. More details on the service is provided on its requisition summary page with the online budget binder which is available at www.comoxvalleyrd.ca/currentbudget.


There is a five year agreement between CVEDS and the CVRD that expires on March 31, 2020. One of the terms of the agreement is that the CVRD shall, by December 31, 2019, conduct an independent contract performance review assessment on the performance of the Society’s delivery of contracted services.

This service also funds a separate five year agreement with Vancouver Island North Film Commission for an annual grant of \$15,000 which expires on July 31, 2019.

Financial Plan Overview

Table 1 summarizes the 2019 proposed budget as compared to the 2018 adopted budget.

Table 1: Financial Plan Highlights

		#550 Comox Valley Economic Development		
Operating	2018 Budget	2019 Proposed Budget	Increase (Decrease)	
Revenue				
Grants In Lieu	31,000	31,000	-	
Requisition	1,167,898	1,195,567	27,669	
Sale Services Local Govt	40,000	40,000	-	
Transfer from Reserves		21,728	21,728	
Prior Years Surplus	33,030		(33,030)	
	\$ 1,271,928	\$ 1,288,295	\$ 16,367	
Expenditures				
Operating	1,263,898	1,288,295	24,397	
Contribution to Reserve	8,030	0	(8,030)	
	\$ 1,271,928	\$ 1,288,295	\$ 16,367	

The 2019 - 2023 proposed five-year financial plan for the Comox Valley Economic Development service, including the requisition summary and the operating budget, is available within the full proposed budget binder, provided in both searchable PDF and e-reader formats, located on the Comox Valley Regional District financial plan web page at www.comoxvalleyrd.ca/currentbudget.

Highlights of the 2019 - 2023 proposed financial plan for the CV Economic Development service, function 550, include:

- Requisition increase of \$27,669 to cover the 2019 contracted increase for the CVEDS operating grant as well as a \$40,000 allowance in professional fees for CVEDS strategic plan.
- Contribution of \$40,000 from the Village of Cumberland in accordance with the service withdrawal agreement. 2019 is the last year of this contribution.
- In 2019, \$25,000 is included to conduct an independent contract performance review.
- No surplus carry forward from 2018 is estimated at this stage, however this will be updated in the recommended budget once the 2018 year end is finalized.

Revenue Sources

The primary revenue for this service is tax requisition which is proposed to increase by \$27,669 for 2019 to cover the increase in costs associated with the CVEDS contract.

At this proposed budget stage, a transfer from reserves is included to reduce the requisition increase. This will be further reviewed once the 2018 year end is finalized.

The 2019 requisition reflects the current participating jurisdictions including Baynes Sound – Denman/Hornby Islands (Electoral Area A), Lazo North (Electoral Area B), Puntledge – Black Creek (Electoral Area C), the City of Courtenay and the Town of Comox. The Village of Cumberland withdrew from this service effective October 25, 2016 and will contribute \$40,000 to the CVRD in 2019 in accordance with the withdrawal agreement. 2019 is the last year of the contribution from the Village of Cumberland.

Personnel

There are no CVRD personnel costs allocated to this service.

Operations

The primary operating cost for this service is the operating grant to CVEDS which is increased by \$23,348 over 2018, to a total of \$1,185,658, according to the five year agreement, as follows:

- Destination Marketing \$391,267
- Visitor Services \$355,697
- Core Services \$438,694

There is also a separate direct grant to Vancouver Island North Film Commission for \$15,000.

Professional fees for 2019 include the second allowance of \$40,000 for CVEDS to complete their strategic plan (Innovate 2030) according to contract requirements. In 2019, \$25,000 is included for the CVRD to conduct an independent contract performance review of the Society.

Capital

There are no capital assets in this service.

Reserves

A reserve has been established for this service to fund future expenditures. The 2019-2023 financial plan does not include a reserve contribution in 2019. The estimated balance of this reserve as at December 31, 2018 was \$56,517, with a proposed contribution to operating of \$21,728 pending finalization of the 2018 year-end. This reserve could be used to support future expenditures, as approved by the board.

Citizen/Public Relations

For 2019, the tax rate is proposed to be \$0.0706 per \$1,000 of assessed value. For a home assessed at \$400,000, this would result in a tax levy of \$28.24 for this service. The maximum levy is \$0.278 per \$1,000 of assessed value, resulting in a 2019 maximum levy of \$4,104,345.

Attachments: Appendix A – “Comox Valley Economic Development Society 2019 – 2022
Financial Plan and 2019 Strategic Plan”

Comox Valley Economic Development Society Preliminary 2019-2022 Financial plan

	2018 Actual Value December 31	2018 Budget Value December 31	2019 Budget Value	2020 Financial Value	2021 Financial Value	2022 Financial Value	2023 Financial Value
Local Government Revenue							
Core Economic Development Services			\$438,694	\$441,853	\$451,087	\$460,109	\$469,311
Destination Marketing Activities			\$391,267	\$394,084	\$402,320	\$410,367	\$418,574
Visitor Information Services			\$355,697	\$358,212	\$365,663	\$372,976	\$380,435
Total Grant Operational Local Gov.	\$1,162,310	\$1,162,310	\$1,185,658	\$1,194,149	\$1,219,070	\$1,243,451	\$1,268,320
Local government funding - Other Professional Fees	40,000	40,000	40,000	25,000	25,000	-	-
Contribution from Capital (transfer from reserve)							
	<u>1,202,310</u>	<u>1,202,310</u>	<u>\$1,225,658</u>	<u>1,219,149</u>	<u>1,244,070</u>	<u>1,243,451</u>	<u>1,268,320</u>
External revenues							
Sale svcs (advertising and related online sales)	\$364,956	\$435,000	\$435,000	\$435,000	\$435,000	\$435,000	\$435,000
MRDT Revenue	327,205	290,000	290,000	295,000	290,000	290,000	290,000
Funding from Provincial Governments and Agencies	289,976	250,000	250,000	250,000	250,000	250,000	250,000
Funding from Federal government	500	10,000	10,000	10,000	10,000	10,000	10,000
Interest and Other	22,408	7,500	7,500	7,500	7,500	7,500	7,500
Sub-total external revenues	<u>1,005,045</u>	<u>992,500</u>	<u>992,500</u>	<u>997,500</u>	<u>992,500</u>	<u>992,500</u>	<u>992,500</u>
Amortization of deferred capital contributions	66,786	60,000					
Total Revenue	<u>2,274,141</u>	<u>2,254,810</u>	<u>2,218,158</u>	<u>2,216,649</u>	<u>2,236,570</u>	<u>2,235,951</u>	<u>2,260,820</u>
Expenses							
Amortization	85,020	70,000	70,000	70,000	70,000	70,000	70,000
Bad Debt	-	1,500	1,500	1,500	1,500	1,500	1,500
Communications	6,548	8,500	12,500	12,500	14,500	1,400	8,500
Directors and Meetings	135	5,000	5,000	5,000	5,000	5,000	5,000
Equipment lease	8,697	14,000	14,000	14,000	14,000	14,000	14,000
Events and delegations	33,480	30,000	30,000	30,000	30,000	30,000	30,000
Insurance	8,934	8,500	8,925	9,000	9,000	9,200	9,200
Interest and Bank charges	34,098	37,000	36,000	35,000	34,000	33,000	33,000
Local Government - Strategic planning / fees	40,000	40,000	40,000	25,000	25,000	-	-
Membership Dues and Subscriptions	11,522	12,500	12,500	12,500	12,500	12,500	12,500
Minor Capital	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Office and Supplies	26,710	10,200	10,200	10,200	10,200	10,200	10,200
Professional Fees (Accounting, Audit and Legal)	77,074	71,400	75,000	75,000	75,000	75,000	76,500
Property Mngt, Repairs and Maintenance	30,149	73,020	73,000	73,000	73,000	83,000	83,500
Property Tax (Cumberland)	18,990	27,000	19,500	20,000	20,000	20,000	20,000
Rent and Related Lease Requirements	16,244	20,000	20,000	21,000	21,000	21,000	21,000
Telephone and Utilities	24,878	35,406	36,000	36,000	36,000	36,000	36,000
Travel and Meeting	3,719	21,000	22,500	22,500	22,500	22,500	22,500
Salaries Wages & Benefits	705,131	703,285	717,351	731,698	746,332	761,258	776,483
Website and Network support	47,734	20,500	21,525	21,525	21,525	21,525	21,525
MRDT Marketing Activities	212,741	290,000	290,000	290,000	290,000	290,000	290,000
Initiatives and Contract Services	754,637	691,000	691,000	691,000	691,000	691,000	691,000
Reserve Contribution Other	5,000	5,000	5,657	4,226	8,513	21,868	22,412
Operating Expenses Total	<u>2,152,441</u>	<u>2,195,811</u>	<u>2,218,158</u>	<u>2,216,649</u>	<u>2,236,570</u>	<u>2,235,951</u>	<u>2,260,820</u>
Excess(deficiency) of revenue over expenses	<u>\$121,700</u>	<u>\$58,999</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$(0)</u>



Comox Valley Economic Development Society

2019 Strategic Priorities Plan - DRAFT

PRIORITY ECONOMIC OUTCOMES

- Increase in Class 6 (Business) property assessment
- Increase in population in core areas and target demographics
- Increase percentage of ALR land Seafood Tenures used for food production
- Increase in hotel room revenue
- Increase in earned media coverage of the Comox Valley
- Increase in exported goods and services

KEY FOCUS AREAS

Business Retention and Enhancement

Investment Attraction and Promotion

Economic Development Facilitation

Communications

PRIORITY PROJECTS

- Export Navigator Program (renewal)
- Small Business E-Commerce Pilot Project
- Google 360 Small Business Verification Project
- Startup DNA Workshop Series – Technology Entrepreneur Support
- Online Tech Database Tool development

- Biz Map Pilot Project – Small Business BC Downtown Incentive Zone Profiles
- Community Food Safety Lab Partnership Project Phase 2; Innovation Centre for Food / Seafood Processing
- Renew and Expand the BC Seafood Expo and Buyers Mission
- MRDT Increase (from 2-3%)

- Innovate 2030; Economic Development Strategic Planning Process*
- Contact Management System
- Indigenous Tourism Partnership - KEDC
- Regional Partnerships and Collaboration:
 - Regional Technology Strategy Implementation
 - Foreign Trade Zone Initiative
 - Shared Services and Product Dev. Master Plan

- Innovate 2030; Stakeholder Engagement
- Memorandum of Understanding Agreements (expansion & renewals)
- Communications & Presentations Report

ONGOING ACTIVITIES

- Provision of business support services, resources and individualized small business planning
- Seminar Series with partners in key small business sectors
- Secure matching funding

- Destination Marketing
- Visitor Services and Fulfillment
- Inbound and Outbound Trade and Investment Delegation Support
- Secure matching funding

- Business and Community Economic Analysis and Surveys
- Data and Resource Updates and Maintenance
- Secure matching funding

- Earned Media Generation and Hosting
- Delivery of timely, relevant & engaging industry, tourism, business content via digital & traditional media
- Secure matching funding

*INNOVATE 2030; this project will take a significant amount of staff time and resources during 2019

BUSINESS RETENTION AND ENHANCEMENT – ACTIONS AND MEASUREMENTS

Priority Projects	2019 Actions	Output Measurements	Economic Outcomes
Export Navigator Program (renewal)	<ul style="list-style-type: none"> Provide Export related business assistance and referrals for small businesses 	<ul style="list-style-type: none"> Contract for 2019 is renewed with Small Business BC 5 new companies are approved for intake businesscomoxvalley.com is leading source of small business export information for local entrepreneurs 	<ul style="list-style-type: none"> 10 companies increase out of province and international sales
Small Business E-Commerce Pilot Project	<ul style="list-style-type: none"> Facilitating a connection for local companies to e-commerce tools through workshops or other resources 	<ul style="list-style-type: none"> Accept 5 companies into program Host 2 workshops on e-commerce with partners and stakeholders 	<ul style="list-style-type: none"> Increased e-commerce sales by local companies
Google 360 Small Business Verification Project	<ul style="list-style-type: none"> Assist local businesses in verifying “Google My Business” listing 	<ul style="list-style-type: none"> 25+ local businesses claim business listing and provided with 360 degree photos 	<ul style="list-style-type: none"> Improved online presence to Comox Valley businesses
Startup DNA Workshop Series – Technology Entrepreneur Support	<ul style="list-style-type: none"> Host workshops series that assist small business and entrepreneurs with business case development, funding, market expansion, and team capacity 	<ul style="list-style-type: none"> Workshops series are hosted in partnership with Innovation Island Technology Association 	<ul style="list-style-type: none"> Increased Technology employment and business growth
Online Tech Database Tool Development	<ul style="list-style-type: none"> Development of an online website and database to profile the communities technology assets, companies, and act as a gateway for lead generation 	<ul style="list-style-type: none"> Website and database are launched Addition of Video and other site enhancements are evaluated for addition 	<ul style="list-style-type: none"> 10 relocation / investment request referrals are received

Ongoing Activity Detail	2019 Actions	Output Measurements	Economic Outcomes
Provision of business support services, resources and individualized small business planning	<ul style="list-style-type: none"> Provide referrals and resources on common challenges, issues, and barriers to growth Use current market and business plan resources to guide companies through the business planning and startup process 	<ul style="list-style-type: none"> Unique pageviews on Business Comox Valley Website exceeds 6,000 Information/referrals provided directly to 50 entrepreneurs and businesses 	<ul style="list-style-type: none"> Increased new business creation and self-employment
Seminar Series with partners in key small business sectors	<ul style="list-style-type: none"> Business Counts Workshop Series that addresses common issues and challenges such as Online Marketing, Financing, Product Development, HR, and Business Succession 	<ul style="list-style-type: none"> 12 workshops host annually are hosted in partnership with key regional industry partners 	<ul style="list-style-type: none"> Improved business management skills, leading to employment and business growth

INVESTMENT ATTRACTION AND PROMOTION - ACTIONS AND MEASUREMENTS

Project	2019 Actions	Output Measurements	Economic Outcomes
Biz Map Pilot Project – Small Business BC Downtown Incentive Zone Profiles	<ul style="list-style-type: none"> Downtown demographics and related investment information is listed in online Downtown Comox and Courtenay Biz Map Profiles for small business 	<ul style="list-style-type: none"> 2 downtown area Biz Map profiles are created in partnership with Small Business BC 	<ul style="list-style-type: none"> Increased business activity and investment in the downtown incentive areas
Community Food Safety Lab Partnership Project Phase 2; Innovation Centre for Food / Seafood Processing	<ul style="list-style-type: none"> Expand the partnership with the BC Small Scale Food Processors and applicable agri-food businesses in development of Innovation Centre 	<ul style="list-style-type: none"> MOU with SSFPA is expanded to include Innovation Centre for Food Business Case for Centre completed 	<ul style="list-style-type: none"> Increased capacity for small business growth in local food processing
Renew and Expand the BC Seafood Expo and Buyers Mission	<ul style="list-style-type: none"> Renewal and Expansion of the 2019 BC Seafood Expo and BC Buyers Mission 	<ul style="list-style-type: none"> International Buyers program is confirmed 40 International Delegates participate in the buyers/media program 	<ul style="list-style-type: none"> Increased production & exports Increased exhibitors and attendance at the Expo
MRDT Increase (from 2-3%)	<ul style="list-style-type: none"> Explore increasing the MRDT from 2%-3% from a broader groups of accommodation providers 	<ul style="list-style-type: none"> MRDT is increased from 2 – 3% 	<ul style="list-style-type: none"> Increase in MRDT revenue and visitation

Ongoing Activity Detail	2019 Actions	Output Measurements	Economic Outcomes
Destination Marketing	<ul style="list-style-type: none"> Market and collaborate as outlined in annual Work Plan Increase stakeholder support and buy-in via leveraging funds Grow existing signature events & expand one additional shoulder season 	<ul style="list-style-type: none"> Accommodation tax (MRDT) annual revenue increase by 5% Leveraged funds increase by 5% Website sessions increase by 10% 5% increase in new events & ticket sales 10% increase in website sessions for site(s) 	<ul style="list-style-type: none"> Increased visits & expenditures Wider recognition of the Comox Valley as a premier, year round event, culinary and outdoor destination
Visitor Services and Fulfillment	<ul style="list-style-type: none"> Engage operators to participate in Online Booking Agreement Program Promote Visitor Centre marketing opps Integrate ongoing social media posting to drive usage of the VIVC services and product sales 	<ul style="list-style-type: none"> Visitors increase by 5% 200 businesses participating 9% increase in gross revenue 	<ul style="list-style-type: none"> Increased per-day spending by visitors Increased tourism revenue local businesses
Inbound and Outbound Trade and Investment Delegation Support	<ul style="list-style-type: none"> Identify, support and host key international inbound and outbound delegations relating to agri-food trade and investment opportunities 	<ul style="list-style-type: none"> 6 trade and investment delegations are supported 	<ul style="list-style-type: none"> Increased international investment in the Comox Valley Increased international business contracts by local companies

ECONOMIC DEVELOPMENT FACILITATION - ACTIONS AND MEASUREMENTS

Project	2019 Actions	Output Measurements	Economic Outcomes
Innovate 2030	<ul style="list-style-type: none"> • Launch of Innovate 2030 strategic plan process in 2018 with completion in 2019 • Tech and ag sector planning is developed as targeted sectoral strategies to attract and increase investment and productivity 	<ul style="list-style-type: none"> • Strategic planning completed with an innovation based approach • Community Economic Development, Agrifood / Seafood Innovation, and Technology and Innovation Development Strategies are completed • Innovate 2030 is approved by Local Government 	<ul style="list-style-type: none"> • Priority outcomes are reviewed, updated and approved by local governments
Contact Management System	<ul style="list-style-type: none"> • Review and analyze best practice software options for contact and lead management 	<ul style="list-style-type: none"> • System is selected and implemented 	<ul style="list-style-type: none"> • System is utilized by CVEDS staff for all industry and business engagement
Indigenous Tourism Partnership - KEDC	<ul style="list-style-type: none"> • Secure a partnership to contract an Indigenous Tourism position to support the expansion of indigenous tourism experiences in the region 	<ul style="list-style-type: none"> • Partnership is secured with K'omoks Economic Development Corporation and Indigenous Tourism position is filled and implemented 	<ul style="list-style-type: none"> • Increased visitation for First Nations culture, history, and related experiences
Regional Partnerships and Collaboration	<ul style="list-style-type: none"> • Regional Technology Strategy Implementation • Foreign Trade Zone Initiative • Shared Services Product Development Master Plan 	<ul style="list-style-type: none"> • Online tech-attraction oriented website is established and other actions are evaluated and implemented in partnership with the VI Coast Economic Developers Association • Workshop / online resources are provided to local business in partnership with VI Economic Alliance concerning FTZ initiative • Master Plan is developed in partnership with Tourism VI and Destination BC 	<ul style="list-style-type: none"> • Increased technology investment and entrepreneur/skilled worker attraction and retention • Increased international sales as a result of FTZ advantage • Increased value of tourism product and related visitation

Ongoing Activity Detail	2019 Actions	Output Measurements	Economic Outcomes
Business and Community Economic Analysis and Surveys	<ul style="list-style-type: none"> • General economic impact analysis information for local major commercial/industrial developments and investments 	<ul style="list-style-type: none"> • 4 economic impact analysis reports are completed 	<ul style="list-style-type: none"> • Increased number and value of development projects
Data and Resource Updates and Maintenance	<ul style="list-style-type: none"> • Profile current and timely economic and demographic information to local business and investors 	<ul style="list-style-type: none"> • Online information is updated quarterly 	<ul style="list-style-type: none"> • Data and resources are utilized daily by local businesses, local governments, investors and others interested in the Comox Valley

COMMUNICATIONS - ACTIONS AND MEASUREMENTS

Priority Projects	2019-2020 Actions	Output Measurements	Economic Outcomes
Innovate 2030; Stakeholder Engagement	<ul style="list-style-type: none"> Implement Stakeholder Engagement Plan including supporting Advisory Committee meetings, development and activation of a range of focus group sessions and business/sector surveys 	<ul style="list-style-type: none"> A robust range of key industry, business groups, community leaders and the wider business community have the opportunity to engage in and provide input into Innovate 2030 	<ul style="list-style-type: none"> The Innovate 2030 Strategy captures a range of insightful practical business and sector-led strategies for long term economic development enhancement
Memorandum of Understanding Agreements (expansion & renewals)	<ul style="list-style-type: none"> Secure, renew or expand key MOUs with partner organizations to support focus of work plans and enhanced collaboration 	<ul style="list-style-type: none"> 6-10 MOUs completed, signed and implemented 	<ul style="list-style-type: none"> Improved program alignment, reduced overlap and stronger outputs result from increased clarity in roles through areas of shared focus of effort
Communications & Presentations Report	<ul style="list-style-type: none"> A summary of all communications and presentations undertaken by CVEDS compiled and shared annually Host the annual 2018 AGM event in May of 2019 	<ul style="list-style-type: none"> Improved understanding of the depth and range of ongoing CVEDS communications including presentations amongst local gov't, business and partner groups 60+ attend CVEDS AGM in May 	<ul style="list-style-type: none"> Businesses, investors, entrepreneurs and partners are more informed about areas of success & opportunities to participate across all economic development initiatives and programs

Ongoing Activity Detail	2019 Actions	Output Measurements	Economic Outcomes
Earned Media Generation and Hosting	<ul style="list-style-type: none"> Expand media content and resources in Press Centre Proactive pitching of story ideas to key media Support media trips in partnership with industry Expand content & resources in News Centre 	<ul style="list-style-type: none"> \$1.5 million earned media value 5% increase in FAM tours hosted 	<ul style="list-style-type: none"> Earned media values support increases in accommodation tax (MRDT), and awareness of Valley businesses, relocation, tourism and investment opportunities
Delivery of timely, relevant & engaging industry, tourism, business content via digital & traditional media	<ul style="list-style-type: none"> Maintain & increase contact database via surveys, contesting, and event registration Disseminate information via regular e-News, e-Blasts, social media posting and press releases Provision of key business and industry stats, resources and content to regional stakeholders 	<ul style="list-style-type: none"> 12 Business e-News 10 Tourism e-News 24 Consumer e-Blasts 10 Seafood e-News 6 Ag e-News 5% increase in social media followers 	<ul style="list-style-type: none"> Businesses and investors are more informed on relevant topics, events that support business retention, enhancement and relocation decisions Increase engagement in tourism and BRE events and services Increase visitor expenditures Increased usage of social media platforms