City of Alexandria, Virginia
FY 2026 Proposed Operating Budget & CIP
Budget Questions & Answers

April 16, 2025

Question:
What would be the cost be for a "SHOP LOCAL" initiative?

Response:
In June 2024, AEDP launched a pilot Shop and Dine Local initiative provided through Bludot Open Rewards (Bludot), an app-based rewards program that enables AEDP to incentivize dining and shopping at Alexandria's small and local businesses. The annual membership cost for the Bludot is $7,080 per year (funded through AEDP's small business program budget), comprising $2,340 for creation and maintenance of an online local business directory and $4,740 for app maintenance.

Additionally, AEDP committed to an allocation of $1,000 per month to fund the 3% incentive rewards that is core to the program, resulting in an annual total program cost of $24,000 in year 1.

As the end of the year one pilot approaches:

- **Online directory:** https://alexandriaecon.org/local-business-directory/ and available in the app. There are **726 participating businesses** (all independently owned)
- Number of **users**: **1,427 users**, approximately 50% have an Alexandria zip code, 50% throughout the rest of the Washington, DC region
- Total amount of **purchases made** in FY25: **$428,493.15**
- Total amount of **rewards redeemed** in FY25: **$11,924.59**

AEDP, in coordination with and amplification by Visit Alexandria, are prepared to continue this program into FY2026 at current levels- collecting data and regularly evaluating the pilot.

<u>**Continuation costs and Scalability:**</u>

Option 1: Continue to run the program as is- approximately **$24,000/annual cost**, no significant growth in users or purchases expected

Option 2: Baseline cost ($24,000) plus investment in marketing and advertising to increase number of users/customers-

- Funding of a targeted marketing & advertising campaign to Alexandria and regional shoppers: $11,700 - $46,200
- Increased funding of monthly rewards, for more users: $12,000 - $18,000

Total Option 2 cost: **$47,700 - $88,200**