

# Generation of Consumer Demand and Financial Support for Shops/Restaurants within the Prefecture Utilising the Purchase-type Crowd Funding System (Reference: Project Title “Project Supporting Shops/Restaurants That Are Working Hard”)



## Background and Reasons for Deciding to Undertake the Project

In Yamaguchi Prefecture, the first case of the COVID-19 virus was identified in March 2020, and ever since then business has dropped off significantly in a broad range of sectors, including the restaurant/retail/service industries and tourism-related industries, with regional economies falling into a dire situation.

Against this background, in May 2020 Yamaguchi Prefecture began providing restaurant operators with a fixed-amount payment of 100,000 yen per operator as emergency support, in addition to implementing urgently needed initiatives such as subsidising measures aimed at sustaining and expanding business (implementing take-out and internet sales, etc.). Later, the prefectural government considered measures that would be sure to lead to economic recovery within Yamaguchi Prefecture. Of these measures, a support initiative utilising crowd funding (“Project Supporting Shops that Are Working Hard”) was implemented in July 2020.

In 2021, the impact of the spread of the COVID-19 virus lengthened. Because of the further support required by medium/small businesses in Yamaguchi Prefecture, the prefectural government endeavoured to integrally implement business activity support measures and consumer demand generation measures, providing fixed-amount payments of up to 400,000 yen per business operator for operators whose sales had decreased, as well as subsidies for developing new business. In addition,

the scale of the popular “Project Supporting Shops/Restaurants that Are Working Hard” was expanded, and re-implemented.

## Project Aims

Provide “financial support” for shops/restaurants that are experiencing difficulties due to the impact of the COVID-19 pandemic and “generate consumer demand”.

## Project Outline

- Through the Secretariat (outsourced to crowd-funding operators), supporters (consumers) pay support funds to participating shops/restaurants, and in return for their support receive *Genki-ni Yamaguchi-ken* premium-added vouchers that can be used at the shops they supported (the premium portion is borne by Yamaguchi Prefecture).
- In addition to being able to participate with no cost to themselves, the shops/restaurants receive the support funds before the vouchers are issued, thereby enabling them to secure future sales in advance.
- In addition to conducting advertising to recruit participant shops/restaurants and supporters, the Secretariat also assists the shops/restaurants recruit supporters for themselves.

<Main Conditions for Shops/Restaurants to Participate>

Must be a medium/small business with offices in Yamaguchi Prefecture.

\*Targets business operators conducting activities providing products or services to general consumers.

<Project Outline>

- Name of voucher: *Genki-ni Yamaguchi-ken* (choose from electronic voucher or paper voucher)
- Support funding target amount: 700 million yen (total amount for issuing premium-added vouchers is 1.05 billion yen)
- Support funding recruitment amount: from 1,000 yen/unit up to 100,000 yen per person (per recruitment period. Supporters can support multiple shops/restaurants.)
- Maximum support funding per shop/restaurant: 500,000yen per period
- Premium rate 50%
- Participant shop/restaurant recruitment period: 13 July – 14 September, 2021
- Supporter recruitment period: 17 August – 24 November, 2021
- Voucher usage period: 13 September, 2021 – 31 March, 2022

Period	Period 1	Period 2	Period 3	Period 4
shop/restaurant Participant	13 – 30 July, 2021: Participate in Periods 1 – 4 31 July – 19 Aug., 2021: Participate in Periods 2 – 4 20 Aug. – 14 Sept., 2021: Participate in Periods 3 – 4			
Supporter recruitment	17 – 30 Aug., 2021	31 Aug. – 27 Sept., 2021	28 Sept – 25 Oct., 2021	26 Oct. – 24 Nov., 2021
Transfer of funds to shop/restaurant	Combined amount of support funding and premium is transferred to the shops/restaurants receiving support before the start of each voucher usage period.			
Voucher usage period	13 Sept, 2021 – 28 Feb., 2022	12 Oct., 2021 – 31 Mar., 2022	11 Nov., 2021 – 31 Mar., 2022	10 Dec., 2021 – 31 Mar., 2022



Electronic voucher screen for inputting amount to be used

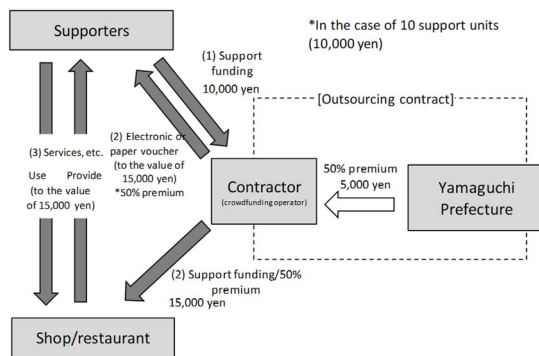


Paper voucher



Flier recruiting supporters

## <Project Scheme>



## Project Features and Innovation

Selling shopping premium-added vouchers is the most broadly used method for generating consumer demand. Shopping voucher projects generally have the advantage of enabling consumers to use the vouchers at any of the participating shops/restaurants, but are structured so that the shop/restaurant only receives the funds after cashing in the shopping vouchers they receive from consumers. In contrast, this project was designed to first deliver funding to shops/restaurants as a means of supporting the large number of shops/restaurants who are experiencing daily financial difficulties because of the COVID-19 pandemic, as well as also enabling and promoting the invigoration of consumption.

Furthermore, Yamaguchi Prefecture focused on making it as easy as possible for shops/restaurants to participate in this project by not only bearing the participation fees and credit card handling fees of the participating shops/restaurants, but also enabling the participation of a diverse range of business types.

In addition, two types of premium-added vouchers were provided, electronic vouchers and paper vouchers, enabling consumers to choose. Although paper vouchers are familiar to many people, electronic vouchers were also included because the use of cashless payment is now being promoted as

a means of preventing the spread of the COVID-19 virus.

## Results of the Project

### ◆ Supporter recruitment period

17 August – 2 September, 2021 (initially scheduled to end on 24 November, but ended immediately after the Second Period began as the target support funding amount had been reached)

### ◆ Number of participating shops/restaurants

2,516

• Not only restaurants but a wide range of business types participated in the project, including barber shops, hair salons, and retailers.

### ◆ Number of supporters

19,932 people in total

### ◆ Support funding amount

702,742,000 yen (Total sales amount for premium-added vouchers issued: 1,054,113,000 yen)

• Support was provided to 85% of the participating shops/restaurants

## Issues and Responses

With regard to setting achievable support funding amounts, although an even greater amount of support was required compared to 2020, careful discussions were held with crowdfunding operators based on the performance in the previous year.

Furthermore, to enable support to be provided to as many business operators as possible, methods for recruiting participant stores and supporters (advertising through TV adverts, social media, etc.) were also considered together with crowdfunding operators.

## Future Developments (Anticipated Results, Outlook for the Project, Issues, etc.)

If crowdfunding methods becomes widely known throughout the prefecture, we believe we have built a foundation for business operators to undertake

crowdfunding for themselves to obtain funding in the future.

It is anticipated that by continuing to approach supporters rather than regarding participation in this project as a temporary measure, shops/restaurants will be able to acquire and establish customers in the future.

#### **Reference URLs**

<https://www.pref.yamaguchi.lg.jp/press/202107/049526.html>

(Press release: About recruitment of participant shops/restaurants)

<https://www.pref.yamaguchi.lg.jp/press/202108/049888.html>

(Press release: About recruitment of supporters)

#### **Contact**

Division in Charge: Commerce and Industry Policy

Division, Commerce, Industry and Labor

Department

Phone: +81-083-933-3110

E-mail: a16100@pref.yamaguchi.lg.jp

#### **Key Terms**