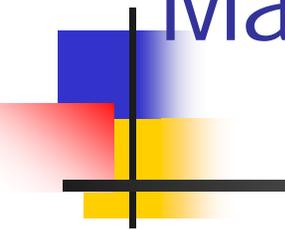
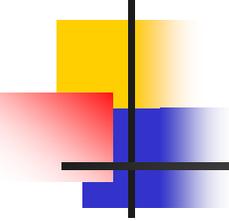


District Revitalization Tools: Business Development and Marketing

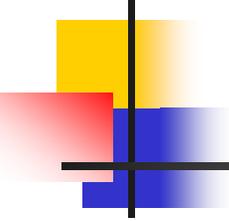


11.439 Revitalizing Urban
Business Districts

Why Business Development & Retention?



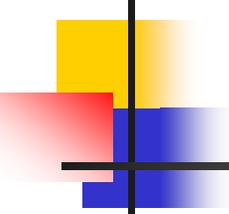
- Independent small firms are the core of most neighborhood districts.
- Their viability and quality is critical to attract customers, keep buildings occupied, and improve the physical environment.
- Merchants need skills, support and sophistication to address increasing competition



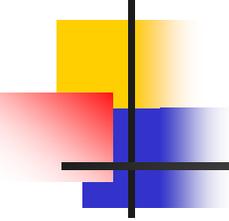
Theories of Business Success

- Class resources versus ethnic resources
- Opportunity structures and access to resources
- Entrepreneurship as talent vs. learned skills

Small Business Development Tools

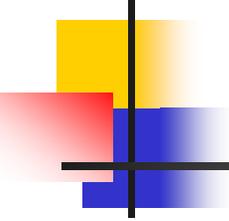


- Entrepreneurial Development Corporations
- Microenterprise Development
- Financing Programs
- Technical Assistance Programs
- Ombudsman Offices
- Small Business Incubators
- Mercados
- Business Networks and Associations
- Business Calling Programs
- Community business ownership
- Procurement/Set-aside Programs



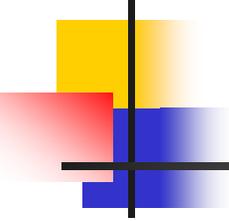
Core Business Development Activities for MS Programs

- On-going communication and outreach
- “Basic” technical assistance
 - City permitting and licensing
 - Design assistance
 - Business planning and problem-solving
- Partnerships for access to capital



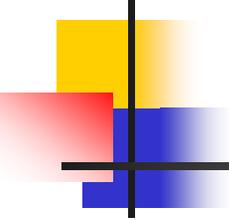
Business Development Challenges

- Collective capacity: understanding how firms' success is linked & potential for common action
- Expanding the markets served by businesses:
 - Key for immigrant businesses with low barriers to entry and co-ethnic markets
- Providing specialized services for industry-specific needs and to advance commercial district goals
- Addressing displacement threats from rising commercial rents and/or changing neighborhood demographics



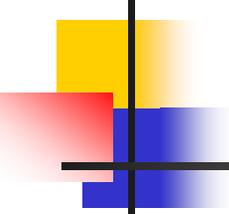
Building Collective Capacity

- Learn & organize around business owners' concerns
- Bring business owners together to build trust, share experiences, discover common concerns, see new possibilities
- Foster business interaction & trust-building in activities
- Organize cooperative cost-sharing and services to benefit firms:
 - Cooperative advertising
 - Joint purchasing of general business services, e.g., insurance
 - Cost-sharing for district wide cleaning or security
 - Shared technical assistance, e.g., accounting, shared buyers for clothing stores, etc.
- Separate business associations
 - Strengthen collaboration and voice
 - Needs dedicated leadership & volunteers to be sustainable



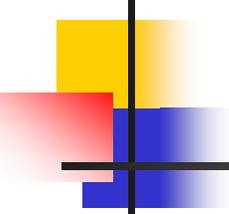
Expanding Market Access

- Merchants often have small markets and lack knowledge and resources to expand their markets
- Nexus between district-wide marketing and business development to grow markets
 - TA to help firms understand and capitalize on new markets
- Success factors from access to market initiatives:
 - A business with a growth-oriented outlook
 - Sustained engagement often for one to two years
 - Services customized to individual business needs
 - Industry-specific expertise and assistance
- Service delivery models:
 - Guided choice: work with entrepreneur to assess needs and get the right assistance
 - Industry-based services tailored to firms in one industry



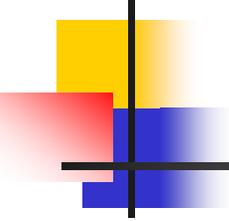
Specialized Business Development Services

- Specialized assistance is needed to address unique industry needs and district-specific agendas e.g., crime prevention, window displays, customer service, etc.
- Options to supply specialized services:
 - Formal service delivery network via agreements with private, non-profit and government entities (NYC Business Outreach Network)
 - Partner with TA providers to deliver a specialized training and services (Boston Community Business Network)
 - Fund for purchasing specialized TA (HJ Community Benefits Trust)
 - Training courses on specialized business needs (District del Sol, CBN)
 - Use business incubator, retailing venue or program to deliver and jointly fund specialized services, e.g., shared kitchens, mercados, food courts, and business kiosk program



Gentrification & Displacement

- Business development helps firms avoid displacement:
 - Improve owner's capacity to manage business profitably and respond to changing markets
- Other approaches address real estate issues:
 - Assist businesses to secure long-term leases for their location
 - TA and financing to help merchants acquire their buildings
 - Develop commercial condominiums with ownership opportunities for small businesses
 - Develop properties with dedicated space & affordable rents for small business
 - Advocate to include space dedicated to small businesses in new projects with independent stores next to chains to benefit from added customer traffic
 - Flexible and subsidized lease structures
 - Community land trust and land conveyances with long term leasing obligations for independent businesses



Marketing Supports Several Goals

- Building a positive image for the district
- Expanding the customer base and increasing patronage
- Strengthening the district's role as a community/social center
- Recruiting new businesses
- Public relations for the revitalization program
- Set priorities based on local vision, conditions and strategy:
 - Image-building and customer marketing may be deferred until crime is reduced and the business base grows
 - Business recruitment is a lesser priority for developed and occupied districts, but consumer marketing is more important
- Distinct initiatives are needed to advance each marketing goal

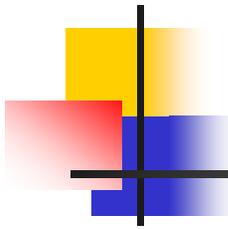
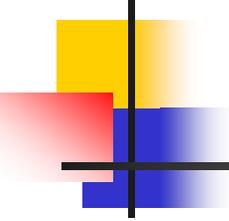


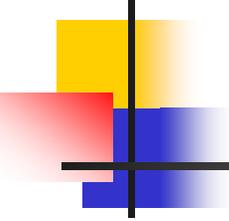
Image Building

- District image is shaped by physical, economic and cultural characteristics
- Requires a comprehensive approach:
 - Identify/define district assets to promote positive image
 - Articulate an image based on reinforcing assets that are consistent with vision. Combine physical/visual components and activity/use components in the image.
 - Considering renaming a district to help promote new image
 - Create consensus and buy-in for image and plan to promote it
 - Promote image in an integrated way with physical improvements, signs, public art, individual and collective ads, public relations, and special events
 - Emphasize businesses that contribute to the image in advertising and recruitment



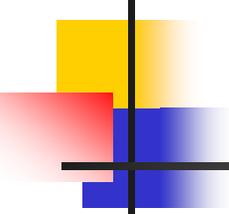
Marketing for Customer Attraction

- Target marketing by customer segment
 - Identify the customer groups to attract
 - Define the attractions or reasons for each segment to visit the district---the **value proposition** for that group
 - Customize marketing information and appeal by each segment and its corresponding value proposition
 - Create specific tools (ads, brochures, news articles, etc.) for major segments
 - Find good marketing media or distribution channels to reach target market segments
- Need an on-going and sustained marketing effort to generate results



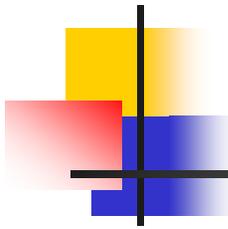
District del Sol

- Targeted St. Paul tourists as market
- Cooperate ads in convention & visitor's guide
- District logo used in business ads
- Included in city cultural guide



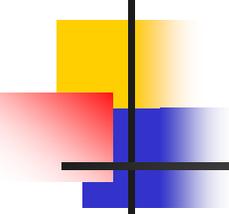
Events & Promotions

- Type of event needs to reflect goals and audience
 - Large events shape and strengthen district image
 - Stockyard Stampede, Cinco de Mayo festival
 - Local events enhance district's role as a community center
 - National Night Out, Hands Across Egleston Square
- Successful regional events can have a large impact on re-imaging and market expansion
- Promotions are typically sales and shopping-oriented
 - Holiday shopping promotions ("Boston Unwrapped")
 - Back to school sales
 - Store openings
- Long-term promotions promote shopper loyalty
 - CISA "Be A Local Hero" Campaign
 - Frequent shopper programs



Marketing for Business Recruitment

- “Control” of real estate that recruits will occupy is critical
 - Cooperative recruitment by landlords
 - Understandings with individual landlords on target uses and businesses
 - Formal right of refusal for assisted projects
 - Payne Ave Main Streets in return for façade grants
 - Develop your own property
- Management of district vision



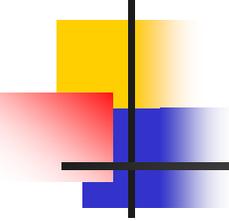
Use Formal and Informal Recruitment Methods

- Formal Recruitment

- Define targets for business types and individual stores
- Approach target firms to encourage them to locate in the district
- Prepare recruitment package with information on market, vacant spaces, revitalization vision and program, incentives
- Build relationships with commercial brokers

- Informal Recruitment

- Fostering word of mouth interest
- Use individual contacts
- Organizational/community wide “recruitment culture”
- Attracting tenants via attracting developers
- Press coverage



Evaluate Marketing Results to Assess Effectiveness

- Promotions tied to specific ads/media to test their impact
- Merchant can track their shoppers & how they learned about the store/district
 - Conversations, credit card receipts, zip codes
- Frequent shopper programs
- Surveys